

CALB

中創新航科技集團股份有限公司 CALB Group Co., Ltd.

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

Stock Code: 3931

We have committed to the development, innovation and technological leadership in the new energy field, continued to build the healthy ecosystem of the new energy industry, and effectively fulfilled our responsibilities of energy security and sustainable development for human beings.

2025 ANNUAL REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Liu Jingyu (*Chairwoman of the Board and General Manager*)

Dai Ying

Non-executive Directors

Hu Jing

Li Jiancun

Xie Jieping

Independent Non-executive Directors

Dr. Wang Susheng

Dr. Chen Zetong

Dr. Xiao Wen (*appointed on 10 October 2025*)

Wu Guangquan (*resigned on 10 October 2025*)

STRATEGY AND SUSTAINABILITY COMMITTEE

Liu Jingyu (*Chairwoman*)

Dr. Xiao Wen

Dai Ying

AUDIT COMMITTEE

Dr. Wang Susheng (*Chairman*)

Wu Guangquan (*resigned on 10 October 2025*)

Dr. Chen Zetong

Dr. Xiao Wen (*appointed on 10 October 2025*)

REMUNERATION COMMITTEE

Dr. Chen Zetong (*Chairman*)

Wu Guangquan (*Chairman*) (*resigned on 10 October 2025*)

Liu Jingyu

Dr. Xiao Wen (*appointed on 10 October 2025*)

NOMINATION COMMITTEE

Liu Jingyu (*Chairwoman*)

Dr. Wang Susheng (*appointed on 10 October 2025*)

Wu Guangquan (*resigned on 10 October 2025*)

Dr. Chen Zetong

JOINT COMPANY SECRETARIES

Dai Ying

Wan Wing Yi Carol (*appointed on 12 November 2025*)

Cheung Kai Cheong Willie (*FCCA, CPA*) (*resigned on 12 November 2025*)

AUTHORISED REPRESENTATIVES

Dai Ying

Wan Wing Yi Carol (*appointed on 12 November 2025*)

Cheung Kai Cheong Willie (*FCCA, CPA*) (*resigned on 12 November 2025*)

AUDITOR

RSM Hong Kong

29/F, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

REGISTERED OFFICE

No. 1

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Jintan District

Changzhou City

Jiangsu Province

PRC

HEAD OFFICE AND PRINCIPAL PLACE IN THE PRC

No. 1

Jiangdong Avenue

Jintan District

Changzhou City

Jiangsu Province

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East, Wanchai

Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

China Construction Bank Corporation
Agricultural Bank of China Limited
Postal Savings Bank of China Co., Ltd.
Bank of Communications Co., Ltd.
China Merchants Bank Co., Ltd.
Industrial Bank Co., Ltd.

STOCK CODE

3931

COMPANY WEBSITE

www.calb-tech.com

Chairwoman's Statement



Dear shareholders:

On behalf of the board of directors of CALB Group Co., Ltd., I hereby present to the shareholders the annual report of the Group for the year ended 31 December 2025.

In 2025, benefiting from a forward-looking strategic layout, leading technologies, safe and reliable products, as well as a green and sustainable philosophy, the respective businesses of the Group maintained sustained growth. The Group has steadily entered a new stage of high-quality development jointly driven by diversified scenarios, diversified markets and diversified technologies.

As a battery specialist, the Group remains committed to leveraging its leading technology and product capabilities to support the high-quality development of its business. Guided by needs of customers and social sustainable development, the Group drives industrial innovation through technological advancement and is dedicated to providing users with products featuring high safety, high reliability and high performance. In 2025, the Group successively launched the "UP super-charged" 5C/10C super-charged battery and the "UP high-power" 20C/25C high-power battery. Targeting the mid-to-high-end vehicle market, the Group has made early strategic arrangements and introduced the "UP high-energy" battery. The Group has achieved a new breakthrough in the field of "Boundless" solid-state batteries by successfully developing an original 450Wh/kg all-solid-state battery system and completing the prototyping and validation of the industry's first batch of products. In 2025, the Company won the Jiangsu Provincial Governor's Quality Award and was approved as an excellent smart factory and 5G factory. Meanwhile, the Group has advanced its global layout in an orderly manner. At present, it has formed global industrial clusters covering East China, South China, West China, North China and Central China domestically, as well as Europe and ASEAN, providing solid support for its long-term high-quality development.

As a creator of energy value and an innovator and practitioner of AI technology, the Group possesses profound insights into the development trends of the energy industry landscape and the core imperatives of human beings for global sustainable development. The Group has put forward the "AI + Energy" strategy, focusing on a zero-carbon, digitalised and intelligent full-scenario industrial ecosystem. By fully leveraging the synergies of technology-driven capabilities and energy operations, the Group actively builds an energy ecosystem featuring co-creation and win-win outcomes. Driven by innovation to reduce carbon emissions and enhance efficiency, underpinned by responsible governance to safeguard compliance, and strengthened through open collaboration to foster a green ecosystem, the Group drives the healthy development of the value chain and ecosystem, and works hand in hand with global partners to advance towards a green and sustainable future.

As a contributor to the new energy industry, the Group will remain anchored in technological innovation as our engine in 2026. Guided by our "AI + Energy" strategy, we will pursue the deep integration of technological and industrial innovation while advancing our R&D initiatives with a future-oriented layout. We uphold the philosophy of "shared origins in market, technology, and resources". We will continuously refine and upgrade our products and services. Simultaneously, we will empower the entire value chain from R&D and manufacturing to platform services through AI innovation. By delivering safe and efficient energy and green, low-carbon technologies, we aim to propel new quality productive forces in areas such as the low-altitude economy and humanoid robots, and contribute our "green power" to fostering a Beautiful China, where humanity and nature coexist in harmony.

Appreciation

I would like to express my sincere gratitude to all shareholders and investors, customers, partners and friends from all walks of life for their trust, help, support and companionship to CALB, which gives us confidence, courage and responsibility to go faster, steadier and further! I am full of expectation and have absolute confidence in the future of CALB!

Liu Jingyu

Chairwoman of the Board

Changzhou, the PRC, 28 April 2026

Management Discussion And Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Landscape

In 2025, the global low-carbon energy transition accelerated across the board, with the installed capacity of renewable energy expanding steadily. The EV batteries and energy storage sectors grew rapidly in tandem, with multiple technological roadmaps advancing in parallel and working in synergy, providing solid support for the global green and low-carbon development and energy transformation. Meanwhile, emerging markets such as maritime, low-altitude, and robot developed rapidly.

1. EV battery sector

The continued increase in demand of the global new energy vehicle market served as the core engine driving the growth of the EV battery industry. According to SNE Research, global sales of new energy vehicles reached 21.47 million units in 2025, representing a year-on-year increase of 21.5%; global EV battery installations amounted to 1,187GWh in 2025, representing a year-on-year increase of 31.7%.

As the world's leading new energy vehicle market in terms of scale, China's industry scale continued to expand, effectively promoting the rapid development of the EV battery industry. According to data from the China Association of Automobile Manufacturers, sales of China's new energy vehicles reached 16.49 million units in 2025, representing a year-on-year increase of 28.2%. Sales of new energy vehicles accounted for 47.9% of total sales of new vehicles, of which sales of new energy commercial vehicles reached 954 thousand units, representing a year-on-year increase of 65.5%. According to data from the China Automotive Battery Innovation Alliance, cumulative EV battery installations in China reached 769.7GWh in 2025, representing a year-on-year increase of 40.4%. According to SNE Research, electric vehicle sales in Europe reached 4.257 million units, representing a year-on-year increase of 34.9%, accounting for 19.8% of the global market.

2. Energy storage sector

Driven by the low-carbon transformation of global energy and the rapid growth in power demand of high energy-consuming sectors such as AI and data centers, the demand of global energy storage market has grown rapidly. According to InfoLink, cumulative global shipments of energy storage cells reached 612.39GWh in 2025, representing a year-on-year increase of 94.59%, of which cell shipments in overseas market reached 299.79GWh, accounting for approximately 49.0% of the total market.

In the Chinese market, energy storage transitioned from policy-driven to value-driven growth, with application scenarios expanding. According to statistics from the China Energy Storage Alliance, by the end of 2025, the cumulative installed capacity of new-type energy storage projects in China reached 144.7GW, representing a year-on-year increase of 85%, surpassing the 100GW mark for the first time. The installed capacity of new-type energy storage projects newly put into operation in 2025 reached 66.43GW/189.48GWh, with year-on-year increases of 52% and 73% in power scale and energy scale, respectively. In 2025, the overseas energy storage market experienced overall high-speed growth. The U.S. market continued to be driven by supportive policies, with numerous large-scale energy storage projects being implemented. The European market saw simultaneous expansion in residential storage and grid-scale storage, with an increased share for long-duration energy storage. Emerging markets such as the Middle East and Southeast Asia experienced rapid growth, becoming core drivers of new increments.

3. Emerging Markets

Driven by the dual imperatives of emissions reduction in global shipping industry and China's "dual carbon" goals, ship electrification is entering a strategic window period of rapid development, regarded by the industry as the "third growth pole" for EV batteries. In the Chinese market, national and local governments have intensively introduced policies providing comprehensive support for electric vessels, spanning technical specifications, policy support, and operational incentives. In the international market, the EU Fuel Maritime Regulation and the ES-TRIN technical standards for electric vessels officially took effect in 2026, opening up space for large-scale application in the European electric vessel market, while demand for port equipment in North America and offshore shipping in Asia has surged, leading to a continuous increase in the number of electric vessels in operation globally.

In 2025, the low-altitude industry in China has made positive progress, with accelerated breakthroughs in technological equipment and expansion of diversified application scenarios, officially marking the inaugural year for the low-altitude economy to reach trillion-yuan scale. As a core component of the low-altitude industry, EV batteries address the key technical challenges of payload capacity, flight duration, and safety for low-altitude flight. Battery companies and original equipment manufacturers are jointly promoting the implementation of aviation-grade standards, with multiple technologies advancing in coordination to drive the rapid development of the low-altitude industry. Furthermore, the robot industry is at a critical turning point, transitioning from "technological validation" to "mass production," with the market showing a trend of explosive growth.

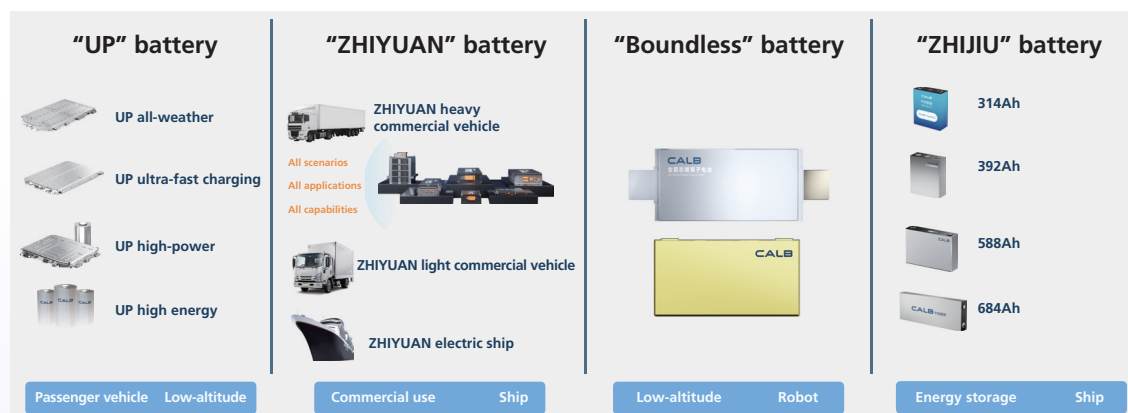
II. Business Review

As a leading global new energy technology company, the Group is committed to becoming a creator of energy value. Adhering to the mission of “transcend commerce to benefit humanity” and the vision of “co-create, win together, achieve excellence”, the Group will continue to shape a healthy ecosystem for the new energy sector by pioneering innovation and technology leadership, and strive to take on the greatest responsibility in achieving the goals of “carbon peaking and carbon neutrality” and the strategic advancement of new energy vehicle as well as fulfill its responsibilities for energy security and sustainable development.

1. Main business and its applications

The Group is a leading global new energy technology company specializing in the research, production, sales and market application development of lithium batteries, battery management systems and related integrated products as well as materials for lithium batteries. As a battery expert, the Group is committed to building a comprehensive energy operation system, providing comprehensive product solutions and full life-cycle management for the all-scenario application market of new energy represented by EV batteries and ESS products.

2. Major products



Passenger vehicle market: Centering on users’ needs across all scenarios, we have integrated key core technologies, such as ultra-high-energy chemistry system, ultra-safe electrolytes, minimalist top-flow structure, and highly reliable TPP3.0 thermal safety technology, to develop the “UP” battery, which achieves comprehensive leadership in safety performance, driving range, charging efficiency, acceleration performance and cycle life, whilst providing extensive coverage for all-scenario applications of passenger vehicles, thereby establishing industry-leading product competitiveness.

Commercial vehicle market: We have established a comprehensive product matrix architecture, covering all scenarios, all applications, and all capabilities. With ultra-high safety, ultra-long lifespan and wide temperature range as the core product competitiveness, through modular and platform-based technologies and products, we have achieved full-scenario coverage of batteries from 30KWh to 900KWh for vans vehicles, mini and small trucks, light trucks, buses, heavy trucks, and construction machinery, addressing customers' core needs in a targeted manner and building robust product capabilities.

Energy storage market: We provide comprehensive product solutions and full life-cycle management for all application scenarios, including power, industrial and commercial, and household applications. Our products have four major advantages: high safety, ultra-long life, ultra-high energy efficiency, and high reliability. Among them, the "ZHIJIU" 588Ah/684Ah cells adopt thermoelectric separation and double insulation technology to ensure safety. The full life-cycle lithium replenishment achieves zero degradation during 3 years and 15,000+ cycles, with an energy density of 450Wh/L.

Ship market: We continue to delve into the application scenarios of ship electrification. We adopt a Lego-type design concept to successfully achieve full coverage of product types for all scenarios, including pure electric, hybrid, energy storage and backup power so as to adapt to the needs of various ship structures. The products have obtained DNV, CCS, ABS, RINA and other international authoritative certificates.

Low-altitude market: We have employed high-performance "high-energy cylindrical cells". The products have advantages such as high energy density, high power performance, high discharge capacity, high safety design, and low heat generation. The cell energy density can reach 310Wh/kg, effectively improving the flight duration of aircraft. They can be matched with a variety of aircraft models in the industry, covering a range of eVTOL aircraft from small 2-seater to multiple medium and large 5-seater or 6-seater.

Robot market: We have employed high-performance solid-state battery technology. The products have advantages such as high energy density, stable power output, excellent safety performance, flexible adaptability, and production compatibility, effectively meeting the high energy consumption requirements of robots, while also satisfying the high energy demands of confined spaces such as chest cavity and backpack of humanoid robots.

Management Discussion And Analysis

3. Business achievements

During the Reporting Period, the Group achieved the revenue of RMB44.400 billion, representing an increase of 60.0% compared to the same period last year, and realized a profit of RMB2.095 billion during the Reporting Period, representing an increase of 148.4% compared to the same period last year.

(1) Continuous innovations in product and technology

The Group leverages its leading technology and product capabilities to support the development of the new energy business, and insists on taking the needs of end users and customers and social sustainable development as the pursuit of technological development. Adhering to the technology innovation as the driving force of industrial innovation, we are committed to providing users with products featuring high safety, high reliability and high performance, and developing top-notch technologies and products through continuous innovation, so as to achieve the breakthrough in technological development, continuously boosting the core competitiveness of the Group.

“UP super-charged” 5C/10C super-charged battery: It is suitable for pure electric and hybrid electric vehicles. 5C products exclusively support popular models such as XPeng’s new P7 with ultra-long range, helping XPeng’s new P7 create a new record of driving 3,961km in 24 hours. The extended-range battery to support the mass production of Xpeng’s X9 is the world’s first 5C super-charged LFP extended-range battery. The 10C super-charged battery completed its battery design and development in 2025 and we are currently in cooperation with OEMs for its development at the vehicle level.

“UP high-power”: The 25C high-power battery, developed for the luxury vehicles segment of supercars/racing cars, boasts a continuous discharge power of up to megawatts and has completed the testing and development of battery prototypes. The 20C high-power battery developed for HEV/PHEV has been supplied to automakers such as Geely and Dongfeng for large-scale delivery.

“UP high-energy”: Targeting the mid-to-high-end vehicle market, the Group has made early strategic arrangements and completed the development of a 220Wh/kg battery pack, achieving a battery system capacity of over 120kWh. With developed solid-liquid hybrid technology, the battery pack energy density can reach 280Wh/kg, achieving a battery system capacity of 150kWh and leading product innovation and upgrades. The Group has successfully launched the “UP high-energy” R46 cylindrical cell with an energy density of 310Wh/kg, which has been mass-produced for leading eVTOL customers in the industry, achieving the number one market share in the industry.

“Boundless”: The Group has achieved a new breakthrough in the field of solid-state batteries by successfully developing an original 450Wh/kg all-solid-state battery system and completing the prototyping and validation of the industry’s first batch of product.

“ZHIYUAN”: A commercial series of solutions has been launched, comprehensively empowering efficiency innovation and sustainable future for commercial applications. It supports heavy trucks with 2C ultra-fast charging and an ultra-long lifespan of 2 million kilometers over 10 years. It provides the light commercial vehicle market with top-tier products featuring an energy density of 160Wh/kg and a range exceeding 350 kilometers. The Group has pioneered the integration of 400Wh/kg solid-liquid hybrid batteries into new energy commercial vehicles, achieving an ultimate balance between high energy and high safety. A full-scenario product matrix adapted for hybrid power, emergency energy storage and backup power supplies has been launched, fully covering the diverse power demands of vessels across different routes and operating conditions.

“ZHIJIU”: Following the pioneering definition and mass production of 314A and 314B cells, the Group has successfully launched the next-generation benchmark products – the “ZHIJIU” 588Ah and 684Ah large cells, redefining industry standards and better serving application scenarios.

The Group followed the high-quality intellectual property rights development strategy which was deeply integrated with the strategy of “consolidating its leadership in product and technology”. Focused on the high-quality patent portfolio to constantly forge a continually innovative brand power, it has established a patent portfolio covering the entire battery industry chain, including battery materials, battery structure, system integration, electrical circuits, BMS, manufacturing process equipment and battery recycling. As of 31 December 2025, the Group had a total of 6,138 patent applications globally. In 2025, the Group passed the ISO 56005 evaluation of “Innovation and Intellectual Property Management Capabilities”, reaching the international leading level in the integration of innovation management system and intellectual property strategy. The Group’s patent-intensive product cultivation case was successfully selected as one of the twenty typical cases of the “Hundred Chains and Thousand Enterprises” patent industrialization promotion project in China. In addition, in 2025, the Group won the Jiangsu Provincial Governor’s Quality Award and was approved as an excellent smart factory and 5G factory.

With continuously advanced technologies and products, the Group will reconstruct the industrial ecology, jointly build a zero-carbon future, and steadily enter a new stage of high-quality development jointly driven by multiple scenarios, multiple markets and multiple technologies, injecting strong impetus into the global green transformation.

(2) Accelerating the implementation of all-scenario business layout

In 2025, the Group continued to record high growth in each of its business segments. The installed capacity of EV batteries ranked fourth globally and third domestically. The shipments of energy storage cells also achieved a significant growth, ranking fourth globally. Meanwhile, the Group advanced its global layout in an orderly manner, continuously developing outstanding green and low-carbon products and solutions, and establishing an efficient and well-functioning carbon management system.

Passenger vehicle market: the Group's market share hit new highs, and the global business expansion has entered a new stage. In terms of customer development, we tapped into Toyota, Volkswagen and Hyundai, and have secured nominations of multiple next-generation platform projects from international OEMs, accelerating our global market deployment.

- In the field of pure electric vehicle: for mid and high end market, the 800V high-voltage platform 5C ultra-fast charging battery has achieved monthly sales of more than 20,000 units. The development of new platform for Xpeng MONA, Luxeed/SAIC, Leapmotor and other customers has progressed smoothly, with mass delivery beginning in 2026;
- In the hybrid field: our installed capacity continued to grow rapidly, and we advanced the development of high-capacity extended-range platforms for Xiaomi, Xpeng, Leapmotor and other companies, with mass delivery beginning in 2026; and
- In the international market: the Group tapped into Toyota, Volkswagen and Hyundai automotive groups, with the delivery volume steadily increasing and the types of delivered products becoming increasingly diversified.

Commercial vehicle market: the shipments in 2025 increased multifold. We sped up our integration into new automotive models, declaring more than 468 new models, representing a year-on-year increase of 96%, and achieving comprehensive coverage of models in all areas.

- In the light commercial vehicle field: the Group has established in-depth collaborations with customers such as Chery, Geely, Dongfeng and King Long, continuously increasing user penetration;
- In the heavy truck field: the Group has partnered with customers such as Sinotruk, XCMG, SANY, Shaanxi Automobile, GAC and Lingong in multiple vehicle models such as heavy trucks and construction machinery, achieving full-spectrum collaboration. We launched our benchmark products of HL and GL series to address the pain points in operational scenarios such as closed-loop and trunk transport, which have been highly recognized by the market and customers, greatly enhancing our brand power; and

- In the international market: with superior product performance and full-cycle service guarantee, the Group has completed mass production and delivery for rail transit projects in Europe, with the installed capacity of buses in Europe increasing steadily, and successfully deepened our presence in the high-end commercial vehicle market in Europe by achieving nominations of multiple projects, and consecutively securing “Best Performance Award” from overseas customers.

Energy storage market: the shipments throughout the year achieved a significant growth. Our overseas installed capacity has further increased, with the Group being included in the supplier lists of several leading developers and power grid companies, marking a new breakthrough in our overseas power plant business deployment.

- The Group deepened cooperation with SPIC, CNNP Rich Energy, China Three Gorges Renewables, China Energy Conservation and Environmental Protection Group, China Energy Group, China Resources Group and China Energy Construction, participated in a number of energy storage power station projects which have realized the operation and grid connection; entered into strategic cooperation with system integrators and leading customers in various fields such as wind power and photovoltaic power, achieving further improvement in market share and ranking; explored various cooperative development models to support the growth of our power station business; and completed its market layout in the industrial and commercial energy storage, household energy storage market segment through the launch of full-scenario standardized energy storage products and solutions, which laid a solid foundation for the follow-up rapid growth in the energy storage market; and
- The Group has made significant breakthroughs in the international energy storage market by successfully entering the supplier whitelist of leading energy storage developers and independent power producers (IPPs) in South Africa, Latin America, United States, Israel, and other regions. As a supplier of second-generation long-cycle energy storage cells, we have successfully secured orders for long-cycle energy storage cells from overseas customers. The next-generation “ZHIJU” 600Ah+ large energy storage cells have secured large-scale nominations. The product matrix for household storage, commercial and industrial storage has successfully entered multiple overseas markets. With high energy efficiency and safety performance, the Company has established partnership with customers from more than ten countries and regions.

Management Discussion And Analysis

Meanwhile, for the ship market, we focused on the zero-carbon port business, and have achieved successful delivery of, and large-scale application in several ship projects that are “the largest in China” and “the first in the world”, including the “electrification of the Yangtze River”, the electrification of the offshore 10,000-ton bulk carrier, the electrification of cruise ship in Lijiang River and the electrification of cruise ship in West Lake. At the same time, we vigorously expanded into overseas markets and enhanced our international brand influence. We have delivered a number of high-profile projects for different subdivided vessel types. Our “zero-carbon shipping” product solutions have received wide attention and recognition from the international ship market. **For the low-altitude market**, we continued to deepen the strategic cooperation with domestic mainstream eVTOL companies such as XPeng Huitian, GOVY, Volant, and Lanyi Aviation, and obtained the exclusive qualification for EV battery products of customers’ main models, and through the innovation of several development and business models, we have effectively advanced the sustained expansion of the low-altitude business. **For the robot market**, we will also commence the mass delivery for our robot products.

(3) Deepen Industrial Layout

In view of the broad market prospects in the new energy industry and the Group’s fast-growing business needs in various segments, the Group has kept pace with market trends, continuously advancing its global production capacity deployment to build a leading global enterprise with scaled intelligent manufacturing capabilities. At present, the Group has established a global industrial cluster covering Eastern China, Southern China, Western China, Northern China and Central China, as well as Europe and ASEAN, providing a solid foundation for the Group’s long-term high-quality development.

(4) Carbon Management and Sustainable Development

Focusing on the strategic objective of “Carbon neutrality in core operations by 2030, carbon neutrality in value chain by 2040”, the Group was fully committed to seven core directions, including low-carbon product development, full life-cycle carbon footprint management, energy efficiency improvement, clean energy consumption, low-carbon logistics, recycling, and collaborative decarbonization across the supply chain, so as to establish an efficient and well-functioning carbon management system.

In 2025, the Group officially joined the United Nations Global Compact (UNGC), and pledged to implement the ten basic principles of sustainable development in all aspects of its corporate operations and business development; in terms of green manufacturing, we achieved a significant reduction in carbon emissions per unit of product through the scale deployment of photovoltaic and industrial energy storage systems, scale application of biomass energy, and the introduction of energy-saving technical renovation projects in the production process; in terms of green products, adhering to the design concept of achieving an optimal balance between energy and resources, we developed low-carbon standards in advance and implemented them throughout the entire life cycle of product design and R&D, and our EV battery cell products were successfully awarded the first batch of Product Carbon Footprint Certification in Jiangsu Province.

III. Future Prospects

With its strategic goal of global leadership, the Group is driven by technological innovation and guided by the “AI + Energy” strategy, adhering to the deep integration of technological innovation and industrial innovation. Propelled by a future-oriented R&D layout, we have established a positive feedback loop mechanism of “new technology and product development – multi-market application – scaled delivery – refined operations – technological iteration and upgrade”. Focusing on platform-based products, we are building a cross-domain, cross-scenario dynamic power and energy storage product matrix to achieve deep synergy in power and energy storage business, creating cutting-edge product capabilities across all scenarios. At the same time, the Group will continuously explore emerging markets such as ship, low-altitude economy and robot, offer high-safety, high-reliability, and high-performance product solutions, and through safe and efficient batteries, green and low-carbon technologies, the Group will inject strong momentum into new-quality productivity scenarios represented by low-altitude and robot.

Continuous innovations in technology and product

The Group remains committed to technological innovation, continuously leading the industrial development by advanced technologies.

In terms of high-performance battery technology, the Group will continue to pursue breakthroughs in battery technologies, focusing on enhanced safety, high energy density, ultra-fast charging, long-term quality assurance, wide temperature range, and ultra-long service life. It will solidify its comprehensive leadership by developing products with cutting-edge performance and cost competitiveness. The Group will persistently make breakthroughs in critical technologies for improving efficiency and longevity in energy storage cells, enable the cells with ultra-large capacity to upgrade and iterate and make efforts to achieve “photovoltaic-storage co-lifespan” (光儲同壽) of energy storage cells, so as to develop the cutting-edge performance and cost competitiveness; the Group will commercialize high-specific-energy 360Wh/kg high-nickel medium-silicon cylinder batteries, and 200Wh/kg+ phosphate-based products, accelerating the application and promotion of high-manganese iron lithium; the Group will continuously advance key technological breakthroughs and commercial application of high-performance all-solid-state batteries, achieving the application and promotion of 10Ah-class all-solid-state batteries in the field of robots as well as the batch verification of 400Wh/kg large-capacity all-solid-state automotive products.

In terms of advanced manufacturing, the Group will focus on three directions towards advanced manufacturing, namely, minimalism, extremity and intelligence. Specifically, the Group will develop highly flexible standardized production lines, innovate CTB minimalist process, and pursue breakthroughs in core technologies such as high-speed ultra-wide-width coating as well as dry electrode to reinforce the process solutions for all-solid-state batteries.

Meanwhile, the Group will continue to advance AI intelligence, accelerating the exploration and simulation of new materials on R&D side by utilizing AI large models; and on manufacturing side, the Group will achieve intelligent quality inspection, predictive maintenance and process optimization, promote the integration of AI capacity forecast and manufacturing big data platform, and develop AI+ visual defect detection technology, so as to comprehensively set a new benchmark for intelligent manufacturing.

Management Discussion And Analysis

Market and customers

In terms of the passenger vehicle market, the Group will continue to iterate and upgrade, optimize resource allocation, and deepen its global layout of leading technologies based on customer experience. It has completed product deployment and model matching in the economy, mid-to-high-end and luxury markets of all categories of pure electric and hybrid vehicles. Development of new platform projects for domestic and overseas automakers including Xiaomi, Xpeng, Luxeed, SAIC, NIO, Leapmotor, Geely, Changan, Dongfeng, BAIC, SAIC, GAC, Toyota, Volkswagen, and Hyundai are progressing efficiently.

In terms of the commercial vehicle market, the Group will leverage one-stop electrification solutions to advance the implementation of an all-scenario ecosystem. (1) In light commercial vehicle segment: the Group has established stable capability for large-scale delivery. Moving forward, through an enhanced platform-based cost reduction approach, it will achieve a qualitative shift from “scale expansion” to “unit profit enhancement”, thereby generating substantial operating cash flow. (2) In heavy commercial vehicle segment: by empowering logistics enterprises to reduce their TCO (Total Cost of Ownership), the Group will transform one-off transactions into continuous value-added services spanning the entire vehicle lifecycle. It will pioneer business models such as battery swapping for heavy trucks and battery leasing, providing the industry with one-stop, all-scenario ecological solutions. In the construction machinery field, the Group has established a first-mover advantage in specific application scenarios such as loaders. Going forward, the Group will leverage its technological expertise and product capabilities to continuously increase the penetration rate of electrification in these segmented markets. (3) In international markets: the Group will seize growth opportunities in the new energy commercial vehicle sector to achieve transition from “exporting the products” to “exporting the brand” through the comprehensive implementation of terminal and regional strategies.

In terms of the energy storage market, the Group will upgrade from equipment supplier to energy solution supplier, build key software and technology base covering full-chain data perception and access, energy and carbon monitoring and visualization, AI prediction and scheduling optimization, and carbon assets management, as well as establish solution capability for scenarios including zero-carbon cities, zero-carbon industrial parks, zero-carbon factories, virtual power plants and zero-carbon ports. For the domestic business, the Group will continue to deepen strategic cooperation with power groups, system integrators, and leading enterprises in wind power, photovoltaic and other segments to steadily expand the incremental business of new energy power stations, and will explore diversified business models of industrial and commercial energy storage to drive continuous growth in shipments. In terms of the international market, leveraging the established overseas channels, the Group will achieve comprehensive connections and multi-dimensional cooperation with the international leading integrators, developers and owners, complete the supporting facilities of overseas projects for the next-generation “UltraLife” (至久) 600Ah+ large energy storage cells, and fully achieve the implementation and delivery of liquid-cooled container system in high value markets such as Europe, Japan and United States. At the same time, the Group will accelerate the market penetration of the household energy storage and industrial and commercial energy storage products, and promote the energy storage business to realize “scale expansion”, achieving a leapfrog growth in energy storage sector.

In terms of the ship market, the Group will continue to advance globalization strategy and full-scenario layout, expand its presence in domestic and overseas markets, and deepen the scale effect of “Electrified Yangtze River”, “Zero-Carbon Ports” and offshore shipping in China. Meanwhile, the Group will accelerate its overseas operation, and its strategic synergy with global leading customers and industry chain partners. At the same time, the Group will continue to lead the iteration of core technologies, such as security protection and intelligent management system of high-capacity and high-magnification cells and marine batteries, upgrade from single product supply to a full-stack plan of “battery system + battery swapping and charging network + operational services” in terms of ecosystem. By building a zero-carbon power ecosystem covering inland waters, nearshore zone and ocean, the Group will become an innovation driver of global shipping decarbonization.

In terms of low-altitude, robots and other emerging markets, the solid batteries, solid-liquid hybrid batteries and other products of the Group are also expected to enter the phase of batch deliveries. **In terms of the low-altitude market,** the Group will continue to focus on the development needs of low-altitude economy, address the pain points within the industry with leading battery products, guide the industry specifications by standard formulation, empower OEMs with a full-stack energy plan, and promote the implementation of low-altitude battery swapping and charging network and full life-cycle system by ecosystem co-construction, fully supporting the large-scale and commercialization development of China’s eVTOL industry and contributing core energy strength to the China’s low-altitude economy as it advances toward global leadership. **In terms of the robot market,** the Group will capture the industry development opportunities, rely on its advanced electrochemistry and system integration technology, focus on the robot-specific energy plan with high power density, enhanced safety, long life and light weight, deepen its synergy with the leading OEMs, and continuously improve its product competitiveness and expand its market coverage, so as to proactively build the energy capacity targeting the next generation of intelligent equipment.

Zero-Carbon Technology and Sustainable Development

Guided by its goal of “achieving carbon neutrality in core operation by 2030, achieving carbon neutrality in value chain by 2040”, the Group is deeply advancing improvement in energy efficiency and transition of energy structures, and gradually increase the percentage of clean energy consumption. The Group will also target “zero-carbon technology”, “ecological synergy” and “systematic innovation”, continuously develop excellent green low-carbon products and solutions, as well as deploy new energy systems such as zero-carbon industrial parks and zero-carbon cities.

The Group will boost industry innovation by virtue of technological innovation, work with partners along the upstream and downstream of the value chain in a concerted effort to build a clean, low-carbon, safe and efficient energy system, making contributions to the development of global climate governance and energy civilization.

IV. Financial Review

Overview

During the Reporting Period, the revenue of the Group increased from RMB27,751.53 million for the year ended 31 December 2024 to RMB44,400.07 million for the year ended 31 December 2025, representing an increase of 60.0%; the Group's profit for the year increased from RMB843.63 million for the year ended 31 December 2024 to RMB2,095.22 million for the year ended 31 December 2025, representing an increase of 148.4%. The basic earnings per share of the Group increased from RMB0.3336 for the year ended 31 December 2024 to RMB0.8326 for the year ended 31 December 2025, representing an increase of 149.6%.

Financial indicators

The key financial indicators of the Group are set out as follows:

Financial indicators	2025	2024
Net sales margin (%)	<u>4.7%</u>	<u>3.0%</u>

The net sales margin of the Group increased by 1.7 percentage points from 3.0% for the year ended 31 December 2024 to 4.7% for the year ended 31 December 2025, primarily due to the sustained high growth of the Group's leading-edge technology products across sectors, including passenger vehicles, commercial vehicles and energy storage applications, and the Group's continued efforts to promote cost reduction through technology and management, resulting in a lower proportion of operating expenses to revenue and improved operational efficiency.

Revenue structure

During the Reporting Period, the Group generated revenue from the sales of EV batteries, ESS products and others. The revenue of the Group increased from RMB27,751.53 million for the year ended 31 December 2024 to RMB44,400.07 million for the year ended 31 December 2025, representing an increase of 60.0%. The increase was mainly due to the sustained high growth of the Group's leading-edge technology products across sectors, including passenger vehicles, commercial vehicles and energy storage applications.

1) Revenue by product

Items	2025		2024	
	Revenue (RMB'000)	Percentage of revenue (%)	Revenue (RMB'000)	Percentage of revenue (%)
EV batteries	30,299,670	68.2	19,550,893	70.4
ESS products and others	14,100,397	31.8	8,200,633	29.6
Total	44,400,067	100.0	27,751,526	100.0

During the Reporting Period, the revenue generated from the sales of EV batteries of the Group increased by 55.0% from RMB19,550.89 million for the year ended 31 December 2024 to RMB30,299.67 million for the year ended 31 December 2025. The year-on-year increase in the revenue generated from the sales of EV batteries was mainly attributable to the rapid growth in sales volume in passenger vehicles and commercial vehicles.

During the Reporting Period, the revenue generated from the ESS products and others of the Group increased by 71.9% from RMB8,200.63 million for the year ended 31 December 2024 to RMB14,100.40 million for the year ended 31 December 2025. The strong increase was mainly because the substantial growth in annual shipment volume attributable to the Group's continuous efforts to explore the ESS segment.

2) Revenue by geographical location of product delivery

Items	2025		2024	
	Revenue (RMB'000)	Percentage of revenue (%)	Revenue (RMB'000)	Percentage of revenue (%)
Chinese Mainland	43,480,833	97.9	27,111,618	97.7
Overseas regions	919,234	2.1	639,908	2.3
Total	44,400,067	100.0	27,751,526	100.0

During the Reporting Period, the Group's revenue from Chinese Mainland increased by 60.4% from RMB27,111.62 million for the year ended 31 December 2024 to RMB43,480.83 million for the year ended 31 December 2025. During the Reporting Period, the Group's revenue from overseas regions increased by 43.7% from RMB639.91 million for the year ended 31 December 2024 to RMB919.23 million for the year ended 31 December 2025. The overall increase of revenue from Chinese Mainland and overseas regions was mainly due to the continuous high growth of the Group's leading-edge technology products across business sectors, including passenger vehicles, commercial vehicles and energy storage applications.

Management Discussion And Analysis

Financial position

1) Assets

The total assets of the Group increased from RMB122,473.38 million as at 31 December 2024 to RMB148,555.13 million as at 31 December 2025, representing an increase of 21.3%, among which, non-current assets increased from RMB86,868.00 million as at 31 December 2024 to RMB101,037.64 million as at 31 December 2025, representing an increase of 16.3%. Such increase was mainly due to the addition of property, plant and equipment as the Group continued to invest in the projects under construction. Current assets increased from RMB35,605.39 million as at 31 December 2024 to RMB47,517.49 million as at 31 December 2025, representing an increase of 33.5%. Such growth was mainly due to an increase in trade receivables and inventories as the Company continued to expand its business scale.

2) Liabilities

The total liabilities of the Group increased from RMB74,419.46 million as at 31 December 2024 to RMB95,098.52 million as at 31 December 2025, representing an increase of 27.8%, among which, current liabilities increased from RMB45,584.30 million as at 31 December 2024 to RMB60,290.30 million as at 31 December 2025, representing an increase of 32.3%. Such increase was mainly due to the increase in trade and bills payables, trade financing, etc., as the Company continued to expand its business scale. Non-current liabilities increased from RMB28,835.16 million as at 31 December 2024 to RMB34,808.22 million as at 31 December 2025, representing an increase of 20.7%. Such increase was mainly due to the increase in syndicated borrowings for projects and bond payables to meet capital requirements for significant projects.

Liquidity and financial resources

The operating cash inflow of the Group for the year ended 31 December 2025 amounted to RMB10,160.09 million, representing an increase of 226.4% as compared to RMB3,113.10 million for the year ended 31 December 2024, which was mainly attributable to the sustained business growth, enhanced operating efficiency and increase in profit of the Group.

The bank and cash balances (including pledged and restricted bank deposits) of the Group as at 31 December 2025 were approximately RMB12,190.89 million (31 December 2024: RMB12,435.96 million).

The total borrowings of the Group as at 31 December 2025, including all bank loans and bond payables, amounted to approximately RMB57,266.59 million (31 December 2024: RMB46,116.38 million). The repayment terms of the bank loans and bond payables are as follows: approximately RMB25,119.56 million are due within one year and approximately RMB32,147.03 million are due after one year.

The Group had sufficient liquidity to meet the requirements of its daily liquidity management, repayment of debts due and capital expenditure.

Capital structure

The financial management department under the Group is responsible for its financial risk management, aiming to ensure that the liquidity structure of the assets, liabilities and other commitments of the Group could meet its funding needs on an ongoing basis.

The borrowings of the Group were mainly settled in Renminbi, while its cash and cash equivalents were mainly held in Renminbi, U.S. dollars, Euro, Hong Kong dollars and Thailand baht. The Group planned to maintain an appropriate portfolio of equity and debt during the period to ensure an effective capital structure. As at 31 December 2025, the outstanding loans of the Group were RMB-denominated loans with approximately 15.9% of these outstanding loans bearing interest at fixed rates and the remainder at floating rates.

The Group monitored the capital structure by using the liability-to-asset ratio (i.e. total liabilities divided by total assets) and the gearing ratio (i.e. net debt divided by equity), with its policies to maintain financial stability and support the sustainable, healthy and rapid development of the Group's business. Net debt includes bond payables, lease liabilities, interest-bearing bank and other borrowings and financial guarantee and is net of cash and cash equivalents, with equity being total equity. The liability-to-asset ratio of the Group as at 31 December 2025 was 64.0% (31 December 2024: 60.8%), and the gearing ratio was 91.3% (31 December 2024: 77.5%). The increase in the liability-to-asset ratio and the gearing ratio was mainly due to the increased bank borrowings to address the funding needs for the Company's sustainable business growth and investment in significant projects. The Group has maintained its financial stability amidst rapid business development.

Foreign exchange risk

The business operations of our Group are principally located in Chinese Mainland and most of its transactions are conducted in Renminbi. Except for certain bank balances which are denominated in U.S. dollars, Euro, Hong Kong dollars, Thailand baht and other foreign currencies, most of the assets and liabilities are denominated in Renminbi, therefore the Group has minimal exposure to foreign currency risk. During the Reporting Period, the Group did not experience any material difficulties or impact on its operations or liquidity as a result of fluctuations in currency exchange rates. The Group believes that the Group will have sufficient foreign currencies to meet its foreign exchange needs, and will take effective measures such as natural hedging to manage foreign exchange risks.

Capital expenditure

During the Reporting Period, the capital expenditures of the Group for the year ended 31 December 2025 amounted to RMB15,336.16 million (2024: RMB16,606.58 million), which were mainly used for the construction of production facilities and the upgrade of existing machinery and equipment. The capital expenditures of the Group were mainly funded by the Group's own funds, bank borrowings, issuance of bonds as well as cash inflow from the operating activities of the Group.

Management Discussion And Analysis

Capital commitments

During the Reporting Period, the capital commitments of the Group were mainly related to the acquisition of property, plant and equipment. The total of capital expenditures contracted but not incurred as at 31 December 2025 was RMB11,296.96 million (31 December 2024: RMB14,620.08 million).

Restricted assets

As at 31 December 2025, the Group had restricted assets with a total carrying amount of RMB22,167.70 million for obtaining bank loans and other bank facilities. These assets include pledged and restricted bank deposits of RMB2,553.19 million, other financial assets of RMB2,595.70 million, property, plant and equipment of RMB16,155.20 million and right-of-use assets of RMB863.61 million.

Significant investments held

As at 31 December 2025, the Group did not hold any significant investments.

Future plans for significant investments and capital assets

As at 31 December 2025, the Group did not have any plans for significant external investments and capital assets.

Material acquisitions and disposals of subsidiaries and associates

On 6 May 2025, the Company entered into the share transfer agreement and the voting rights waiver agreement with Li Hongqing (the “**Vendor**”), the de facto controller of Jiangsu Olive Sensors High-tech Corporation Limited* (江蘇奧力威傳感高科股份有限公司) (“**Olive Sensors**” or the “**Target Company**”, listed on the ChiNext Board of the Shenzhen Stock Exchange (the “**SZSE**”) (stock code: 300507)). Olive Sensors operates in the automotive parts and accessories manufacturing industry, specifically in the automotive core electronics sub-sector. Pursuant thereto, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, 87,620,380 A shares of the Target Company (the “**Acquisition**”). The price of the target shares for the Acquisition was RMB5.83 per target share. The consideration for the Acquisition shall be RMB510,826,815.40 in total. Concurrently, the Vendor has agreed to give up its voting rights attached to a portion of shares held by him in the Target Company, totaling 155,725,311 A shares, during the waiver period.

On 6 May 2025, the Company entered into the placement subscription agreement with the Target Company, pursuant to which the Company has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue to the Company, up to 119,482,337 placement A shares (the “**Subscription**”) at the subscription price of RMB5.63 per placement A share. The total amount of the Subscription shall not exceed RMB672,685,557.31.

The Acquisition and the voting rights waiver constitute an indivisible whole and are not conditional upon the Subscription, while the Subscription is subject to and conditional upon the implementation of the Acquisition and the voting rights waiver.

On 10 October 2025, the transfer registration of the target shares for the Acquisition was completed, and the Company holds 10.94%¹ equity interest in the Target Company. On 21 November 2025 (the “**Acquisition Date**”), the Target Company held the general meeting to consider and approve the adjustment to the composition of the board of directors. Immediately after the completion of the transfer registration of the target shares, the voting rights waiver, and the adjustment to the composition of the board of directors of the Target Company as stipulated in the share transfer agreement, all the conditions precedent to the Acquisition have been fulfilled, the Target Company is deemed as a non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group. Details of the Acquisition are set out in note 5 and note 45 to the consolidated financial statements.

Investment performance of material acquisitions during the Reporting Period

As at 31 December 2025, the fair value of the Group’s equity investment in the Target Company, amounted to approximately RMB805,231,292.20, measured using the quoted share prices in respective stock markets for its shares accounting for approximately 0.54% of the Group’s total assets at the end of the Reporting Period. During the Reporting Period, the Group did not receive any dividends from the Target Company.

Discussion on the investment strategy for material acquisitions

The Board is of the view that the Acquisition and the Subscription are conducive to the implementation of the Group’s development strategy. The Group will fully leverage its resources and advantages in the new energy and automotive industry chains to empower the business development of the Target Company, further enhancing the value of the Group and the Target Company.

Performance guarantee of the Acquisition

Pursuant to the share transfer agreement, the Vendor undertakes that if the Target Company’s consolidated net profits attributable to the owners of the Target Company (as recorded in the annual audit report) fall below RMB178 million for 2025 and RMB195 million for 2026, respectively, the Vendor shall compensate the Company. The specific compensation amount is calculated according to the following formula: Compensation Amount for the Year = Acquisition Consideration × (Committed Net Profits Attributable to the Parent Company for the Year – Actual Net Profits Attributable to the Parent Company for the Year)/Committed Net Profits Attributable to the Parent Company for the Year. The compensation paid shall not be refunded, and no additional reward will be granted if actual profits exceed the amounts committed. The aforementioned compensation is capped at RMB80 million. The aforesaid compensation shall be completed within 30 days following the issuance of the annual audit reports of the Target Company for the years 2025 and 2026, respectively (the “**Performance Commitment**”).

In accordance with the standard and unqualified audit report of the Target Company (Rong Cheng Shen Zi [2026] No.200Z0021) issued by RSM China (special general partnership) on 16 April 2026, the audited net profit attributable to owners of the parent company of the Target Company for 2025 amounted to RMB120 million, failing to fulfil the Performance Commitment for 2025.

¹ In accordance with the relevant announcements disclosed by the Target Company on the CNINFO website (cninfo.com.cn) of the Shenzhen Stock Exchange on 13 October 2025, as of 13 October 2025, the total number of shares of Olive Sensors was changed to 800,646,907 shares due to the equity incentive of Olive Sensors, and the number of shares for which Li Hongqing has unconditionally and irrevocably given up his voting rights pursuant to the voting rights waiver agreement was adjusted from 155,725,311 shares to 155,912,289 shares (representing 19.47% of the total number of shares of the Target Company). By way of the Acquisition and the voting rights waiver arrangement, the total number of shares with voting rights held by Li Hongqing in the Target Company was changed to 47,588,035 shares (representing 5.94% of the total number of shares of the Target Company); and the total number of shares with voting rights held by CALB in the Target Company was 87,620,380 shares (representing 10.94% of the total number of shares of the Target Company).

Management Discussion And Analysis

Actions taken and to be taken by the Company

Pursuant to the share transfer agreement, the Vendor shall deposit RMB80 million as performance guarantee into the account designated by the Company (the “**Performance Guarantee**”) within five (5) business days upon the Vendor having received the first instalment of the consideration for the Acquisition. The Performance Guarantee is to guarantee the due performance by the Vendor of his obligations relating to contingent events, representations and warranties, voting rights waiver, and default events (collectively referred to as “**Compensation Events**”) under the share transfer agreement and the voting rights waiver agreement with a performance guarantee period of sixty (60) months from the effective date of the share transfer agreement. In the event that any Compensation Events arise during the performance guarantee period, the Performance Guarantee shall be directly applied to offset such matters.

Given that the Target Company failed to fulfill the Performance Commitment for 2025, as of the date of this report, the Company has applied the Performance Guarantee to offset such compensation. Accordingly, the Vendor has performed the compensation obligation in respect of the Performance Commitment in accordance with the share transfer agreement. The Board is of the view that the Company’s exercise of rights under the performance guarantee undertaking clauses of the share transfer agreement against the Vendor is fair and reasonable, and in interests of the Company and its Shareholders as a whole.

As at the date of this report, the Subscription has not yet been completed. Further announcement(s) in relation to the update on progress relating to, among other matters, the Subscription will be made in accordance with the Listing Rules in due course, if necessary. For further details of the Acquisition and the Subscription, please refer to the announcements of the Company dated 6 May 2025, 9 July 2025 and 21 November 2025 and its circular dated 18 June 2025.

Save as disclosed above, during the Reporting Period, the Group had no other material acquisitions and disposals of subsidiaries and associates.

Contingent liabilities

As at 31 December 2025, the Group had no significant contingent liabilities.

Profile of Directors, Supervisors and Senior Management

DIRECTORS

Executive Directors

Liu Jingyu (劉靜瑜), born in April 1970, is the chairwoman of our Board, as well as an executive Director and general manager of our Company. Liu Jingyu has been a Director of our Company since 20 July 2018, by election at the Shareholders' meetings of our Company, was appointed as the chairwoman of the Board of our Company on 27 July 2018 and has been the general manager of our Company since 6 August 2018. She was designated as our executive Director on 10 December 2021. Liu Jingyu is also the chairwoman of the board or a Director of CALB Technology Co., Ltd.* (中創新航技術研究院(江蘇)有限公司), CALB (Xiamen) Co., Ltd.* (中創新航新能源(廈門)有限公司), CALB (Jiangsu) Co., Ltd.* (中創新航科技(江蘇)有限公司), CALB Technology (Shenzhen) Co., Ltd.* (中創新航技術研究中心(深圳)有限公司), CALB (Wuhan) Co., Ltd.* (中創新航科技(武漢)有限公司), CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), CALB (Chengdu) Co., Ltd.* (中創新航科技(成都)有限公司), Li Ding Materials (Sichuan) Co., Ltd.* (立鼎材料科技(四川)有限公司), CALB (Fujian) Co., Ltd.* (中創新航科技(福建)有限公司), CALB (Jiangmen) Co., Ltd.* (中創新航科技(江門)有限公司), CALB (Sichuan) Co., Ltd.* (中創新航科技(四川)有限公司), CALB Smart Energy Technology Co., Ltd.* (中創新航智慧能源科技有限公司), CALB (Handan) Co., Ltd.* (中創新航科技(邯鄲)有限公司), CALB (Shandong) Co., Ltd.* (中創新航科技(山東)有限公司), Jiangsu Olive Sensors High-tech Corporation Limited* (江蘇奧力威傳感高科股份有限公司), CALB (Xinyang) Co., Ltd.* (中創新航科技(信陽)有限公司), CALB (Zigong) Co., Ltd.* (中創新航科技(自貢)有限公司), CALB (HK) Co., Limited and CALB (EUROPE), S.A. She also serves as the chairwoman of the board of Jiangsu Power and Energy Storage Battery Innovation Center Co., Ltd. (江蘇動力及儲能電池創新中心有限公司), an associate of our Company. Liu Jingyu is mainly responsible for overall strategic planning and operational decision of our Company. She also serves as the chairwoman of Strategy and Sustainable Development Committee and Nomination Committee, and as a member of Remuneration Committee of our Company.

Liu Jingyu has received many honors including:

- in February 2025, she was awarded the honorary title of "2024 Outstanding Entrepreneur" (2024年度優秀企業家) by the People's Government of Jintan District, Changzhou City;
- in March 2024, she was awarded the honorary title of "Enterprise Expert" (企業專家) by the Jiangsu Economic Think Tank (江蘇經濟智庫);
- in March 2024, she was awarded the honorary title of "Jiangsu Top Ten Economic News Figures 2023" (2023年度江蘇十大經濟新聞人物稱號) by Xinhua Daily Media Group;

Profile of Directors, Supervisors and Senior Management

- in February 2024, she was awarded the honorary title of “Star Entrepreneur” (明星企業家) by the Changzhou Municipal People’s Government, and the honorary titles of “Ziwei Medal” (紫薇獎章), “Outstanding Contribution Award 2023” (2023年度傑出貢獻獎) and “Outstanding Entrepreneur 2023” (2023年度優秀企業家) by the People’s Government of Jintan District, Changzhou City;
- in March 2023, she was awarded the honorary title of “Jiangsu Outstanding Entrepreneur of Social Responsibility 2022” (2022年度江蘇社會責任杰出企業家) by Xinhua Daily Media Group;
- in January 2023, she was elected as a “representative of the 14th National People’s Congress of China”;
- in January 2023, she was awarded the honorary title of “Industrial Star Entrepreneur” (工業明星企業家) by Changzhou Municipal People’s Government;
- in July 2022, she was awarded the honorary titles of “the Top Ten Women in Science and Technology Innovation in Jiangsu Province” (江蘇省科技創新十大女傑) and “the Outstanding Female Talent of Jiangsu Province” (江蘇省巾幗智造之星) by three major departments including the Women’s Federation of Jiangsu Province;
- in July 2022, she was awarded the honorary title of “2020-2021 Integrity Model and Integrity Star” (常州市2020-2021年度“誠信標兵”“誠信之星”) by 7 major departments including the Propaganda Department of the CPC Changzhou Municipal Committee, and was awarded as “Changzhou Advanced Individual in Promoting High-quality Development 2022” (2022常州市推動高質量發展先進個人);
- in February 2022, she was awarded the honorary title of “Outstanding Entrepreneur of Jintan District of Changzhou City” (常州市金壇區優秀企業家) by the CPC Changzhou Jintan District Committee and Changzhou Jintan District People’s Government;
- in April 2021, she was awarded the honorary title of “Model Worker in Jintan District of Changzhou City” (常州市金壇區勞動模範) by Changzhou Jintan District People’s Government;
- in February 2021, she was awarded the honorary title of “Advanced Person Contributing to Jintan District” (貢獻金壇先進人物) by Changzhou Jintan District People’s Government.

Profile of Directors, Supervisors and Senior Management

Liu Jingyu has been a recognized senior accountant since December 2005 and a certified public accountant recognized by the Shenzhen Institute of Certified Public Accountants since March 2007. Liu Jingyu was recognized as a registered valuer by the Shenzhen Association of Registered Asset Appraisers in 2001 and was recognized as a certified tax agent by the Shenzhen Registered Tax Agent Management Center in 2001.

Liu Jingyu obtained a master's degree in management majoring in accounting from Dongbei University of Finance and Economics (東北財經大學) in April 2005.

Dai Ying (戴穎), born in June 1978, is the executive Director, deputy general manager and joint company secretary of our Company. Dai Ying has been the deputy general manager of our Company since 3 April 2019 and was appointed as our Director on 2 December 2020. He was designated as an executive Director of our Company on 10 December 2021 and appointed as the company secretary of the Company on 6 January 2022 (effective upon Listing). Dai Ying also acts as a director of CALB (Fujian) Co., Ltd.* (中創新航科技(福建)有限公司), CALB (Chengdu) Co., Ltd.* (中創新航科技(成都)有限公司), CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), CALB (Jiangmen) Co., Ltd.* (中創新航科技(江門)有限公司), CALB (Zigong) Co., Ltd.* (中創新航科技(自貢)有限公司), and Jiangsu Olive Sensors High-tech Corporation Limited* (江蘇奧力威傳感高科股份有限公司). Dai Ying is primarily responsible for the compliant operations and corporate governance of the listed company, as well as capital operations, investment and financing, and brand management. Dai Ying is also a member of the Strategy and Sustainable Development Committee of the Company.

Dai Ying has over 20 years of experience in business management, capital operations, investment and financing. Prior to joining our Company, he served as the deputy general manager and secretary of the board of directors of Shenzhen Tongyi Industrial Co., Ltd.* (深圳市同益實業股份有限公司) from August 2018 to April 2019. Dai Ying worked as the secretary of the board of directors in Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司) from November 2016 to January 2018. From April 2014 to January 2018, he served as an assistant president of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司). From May 2011 to April 2014, he worked at Ping An Fund Management Co., Ltd.* (平安基金管理有限公司). He worked in Da Cheng Fund Management Co., Ltd.* (大成基金管理有限公司) from October 2009 to May 2011 and worked at Ping An Life Insurance Company of China, Ltd.* (平安人壽保險股份有限公司) from April 2004 to October 2009. From May 2000 to August 2002, he worked at Yingda Securities Co., Ltd.* (英大證券有限責任公司).

Dai Ying obtained a bachelor's degree in economics majoring in International Finance from Zhongnan University of Economics and Law (中南財經政法大學) in June 1999.

Profile of Directors, Supervisors and Senior Management

Non-Executive Directors

Hu Jing (胡婧), born in November 1989, is a non-executive Director of our Company. Hu Jing has served at Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司) since January 2021 where she has successively served as assistant to general manager, a member of the Party Committee, director and deputy general manager. In September 2024, she was appointed as a member of the Party Committee and deputy general manager of Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司).

Prior to joining Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司), Hu Jing served as a financial management specialist at the Local Financial Supervision and Administration Bureau in Jintan District, Changzhou City* (常州市金壇區地方金融監督管理局) from September 2019 to December 2020, responsible for the shareholding system reform and listing of enterprises in Jintan District; from May 2017 to September 2019, she served as the general manager of the Fund Management Department at Jiangsu Yida Huijing Asset Management Co., Ltd.* (江蘇毅達匯景資產管理有限公司), responsible for the company's fund operation and management; from May 2015 to April 2017, Hu Jing worked at Nanjing Branch, The Bank of East Asia (China) Limited, responsible for financial market business; and from July 2014 to February 2015, she worked at Xiamen Branch, Agricultural Bank of China.

Hu Jing also holds various positions in Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) and its subsidiaries and associates, including:

- the legal representative and chairwoman of Changzhou Jianghuan Energy Technology Co., Ltd.* (常州江環能源科技有限公司) since November 2024;
- the appointed representative of the executive affairs partner of Changzhou Jintan Hualuogeng Technological Innovation Angel Investment Partnership (Limited Partnership)* (常州金壇華羅庚科創天使投資合夥企業(有限合夥)) since May 2024;
- a director of Beidian New Energy Technology (Jiangsu) Co., Ltd.* (北電新能源科技(江蘇)有限公司) since May 2024;
- a director of EGING PV Technology Co., LTD., a company whose shares are listed on the Main Board of the Shanghai Stock Exchange (stock code: 600537), since April 2024;
- a supervisor of Jiangsu Zhongdian Cable Research Institute Co., Ltd.* (江蘇中電線纜研究院有限公司) since March 2022;
- the general manager of Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司) since January 2022;
- the legal representative and an executive director of Changzhou Jintan District Industrial Innovation and Development Private Equity Fund Co., Ltd.* (常州市金壇區產業創新發展私募基金有限公司) since January 2022.

Hu Jing obtained a dual bachelor's degree in engineering and economics from Xiamen University (廈門大學) in June 2011, and a master's degree in finance from Xiamen University (廈門大學) in June 2014.

Profile of Directors, Supervisors and Senior Management

Li Jiancun (李建存), born in September 1989, is a non-executive Director of our Company. Li Jiancun has served as the deputy general manager of Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) since October 2024. Prior to that, Li Jiancun served as the deputy general manager of Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司) from December 2022 to October 2024; from January 2020 to December 2022, he worked at Jiangsu Jintan Construction Development Co., Ltd.* (江蘇金壇建設發展有限公司) as the assistant to the general manager and served as the general manager of Changzhou Jiangdong Resource Management Co., Ltd.* (常州江東資源經營有限公司); from September 2019 to December 2020, he served as a legal specialist of financial investment affairs at Jiangsu Jintan Investment Holding Co., Ltd.* (江蘇金壇投資控股有限公司); from September 2017 to September 2019, he served as an internal control and compliance manager at Changzhou Branch, China Bohai Bank and during the same time he also served as a legal specialist at Nanjing Branch, China Bohai Bank; and from July 2014 to September 2017, he worked at Changzhou Branch, Bank of China and his last position was office secretary.

Li Jiancun also holds various positions in Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) and its subsidiaries, including:

- a director of EGING PV Technology Co., LTD., a company whose shares are listed on the Main Board of the Shanghai Stock Exchange (stock code: 600537), since 19 April 2024;
- an executive director and the legal representative of Jiangsu Jintan Jinsha Construction Investment Development Co., Ltd.* (江蘇金壇金沙建設投資發展有限公司) since 30 January 2024;
- an executive director and the legal representative of Jiangsu Jintan Financing Guarantee Co., Ltd.* (江蘇金壇融資擔保有限公司) since 17 February 2023;
- the chairman of Changzhou Changdanghu Smart Energy Co., Ltd.* (常州長蕩湖智慧能源有限公司) since 2 March 2023;
- the chairman and legal representative of Changzhou Jiangdong Wojia Information Technology Co., Ltd.* (常州江東我家信息技術有限公司) since 25 July 2022;
- the chairman and legal representative of Changzhou Jiangdong Urban Service Co., Ltd.* (常州江東城市服務有限公司) since 31 October 2022.

Li Jiancun obtained a master's degree majoring in law from Fudan University (復旦大學) in June 2014. He obtained a bachelor's degree majoring in international economics and trade from Jiangsu Teachers University of Technology* (江蘇技術師範學院) in June 2011.

Profile of Directors, Supervisors and Senior Management

Xie Jieping (謝潔平), born in November 1972, is a non-executive Director of our Company. Xie Jieping has served as the general manager of Xiamen Industrial Investment Co., Ltd.* (廈門市產業投資有限公司) from 27 May 2024 until now. Xie Jieping successively served as the general manager of the fund management department and deputy general manager from April 2013 to February 2015 and general manager from February 2015 to May 2024, and has served as the chairwoman (responsible for daily operations) since December 2024 in Xiamen Venture Capital Co., Ltd.* (廈門市創業投資有限公司). Xie Jieping served as the deputy general manager of Xiamen Taikun Investment Co., Ltd.* (廈門泰坤投資有限公司) from January 2005 to July 2012; from July 2002 to December 2004, Xie Jieping served as the financial director and assistant to chairman of Xiamen Weidiya Technology Co. Ltd.* (廈門威迪亞科技有限公司); and from July 1993 to June 2002, she successively served as clerk and head of the international settlement department and the fund operation department in Xiamen International Bank.

Xie Jieping also holds multiple positions in various companies currently, mainly including:

- a non-executive director of Epiworld International Co., Ltd. (瀚天天成電子科技(廈門)股份有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2726), from March 2025 until now;
- a director of Xiamen Sky Semiconductor Technology Co. Ltd.* (廈門雲天半導體科技有限公司) from December 2024 until now;
- a director of Xiamen Tianma Display Technology Co., Ltd.* (廈門天馬顯示科技有限公司) from November 2024 until now;
- a director of Xiamen Silan Jihong Semiconductor Co., Ltd.* (廈門士蘭集宏半導體有限公司) from September 2024 until now;
- a director of Xiamen Industrial Investment Co., Ltd.* (廈門市產業投資有限公司) from March 2024 until now;
- a director of Xiamen Yaxun Zhilian Technology Co., Ltd.* (廈門雅迅智聯科技股份有限公司) from June 2023 until now;
- a director of Xiamen Tianma Optoelectronics Co., Ltd.* (廈門天馬光電子有限公司) from May 2022 until now;
- a director of UCAR (Xiamen) Information Technology Co., Ltd.* (神州優車(廈門)信息科技有限公司) from May 2019 until now;
- a director of Xiamen Software Information Industrial Venture Capital Co., Ltd.* (廈門市軟件信息產業創業投資有限公司) from July 2016 until now;
- a director of Xiamen Fukaihai Venture Capital Management Co., Ltd.* (廈門富凱海創投資管理有限公司) from June 2016 until now;

Profile of Directors, Supervisors and Senior Management

- a director of Xiamen Gaoneng Haiyin Venture Capital Management Co., Ltd.* (廈門高能海銀創業投資管理有限公司) from November 2015 until now;
- a director of Xiamen Venture Capital Co., Ltd.* (廈門市創業投資有限公司) from March 2015 until now;
- a director of Xiamen Saifu Venture Capital Management Co., Ltd.* (廈門賽富創業投資管理有限公司) from October 2014 until now.

In addition, Xie Jieping currently serves as the president of the Xiamen Entrepreneurship and Investment Association (廈門市創業與投資協會) and the director of the Private Equity Fund Self-discipline and Supervision Committee of the Securities, Futures and Fund Association of Xiamen (廈門證券期貨基金業協會私募基金自律監察專業委員會). With many years of experience in the financial industry and industrial and equity investment fund sectors, she was recognized as a “High-Level Financial Specialist in Xiamen” (廈門市高層次金融人才) in 2021.

Xie Jieping obtained her degree of bachelor in economics in July 1993 and degree of master in business administration in April 2013 from Xiamen University.

Independent Non-Executive Directors

Dr. Wang Susheng (王蘇生博士), born in March 1969, is our independent non-executive Director. Dr. Wang joined our Company and was appointed as our independent non-executive Director on 25 December 2021. Dr. Wang is mainly responsible for supervising and providing judgment to our Board, thereby protecting the overall interest of our Company. Dr. Wang is the chairman of our Audit Committee and a member of our Nomination Committee.

Dr. Wang has extensive experience in investment, financing and corporate management. Since April 2017, Dr. Wang has been a professor and doctoral supervisor in the Department of Finance of Southern University of Science and Technology (南方科技大學). From April 2017 to August 2023, Dr. Wang served as an independent non-executive director of Shahe Industrial Co., Ltd.* (沙河實業股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000014); from December 2016 to July 2022, he served as an independent non-executive director of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000050); from January 2016 to February 2022, he served as an independent non-executive director of Wedge Industrial Co., Ltd., a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000534); and from July 2003 to April 2017, he worked at the Economics and Management School of Harbin Institute of Technology Shenzhen Graduate School* (哈爾濱工業大學深圳研究生院) as a professor.

Dr. Wang also currently serves as the following positions:

- an independent non-executive director of Changyuan Technology Group Ltd.* (長園科技集團股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600525), and is principally engaged in the R&D and manufacturing of intelligent digitalization of industrial and power systems;

Profile of Directors, Supervisors and Senior Management

- an independent non-executive director of Dowell Service Group Co. Limited* (東原仁知城市運營服務集團股份有限公司), a company whose shares are listed on the Hong Kong Stock Exchange (stock code: 02352), and is principally engaged in the provision of comprehensive services for property projects;
- an independent non-executive director of Feiyada Precision Technology Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000026), and is principally engaged in the business of various timepieces and accessories.

Dr. Wang has been qualified as a certified public accountant (non-practising member) in the PRC in May 1997. Dr. Wang graduated with a bachelor of science degree from Changsha Institute of Electric Power* (長沙電力學院) in July 1991 and he graduated from Renmin University of China (中國人民大學) with a master's degree in economics in 1994. Dr. Wang received his doctor degree in law majoring in international economic law from School of Law, Peking University (北京大學) in July 2000 and postdoctoral degree majoring in management from School of Economics and Management, Tsinghua University (清華大學) in July 2002. Dr. Wang also held a master's degree in business administration from University of Chicago in May 2004.

Dr. Chen Zetong (陳澤桐博士), born in July 1970, is our independent non-executive Director. Dr. Chen joined our Company and was appointed as our independent non-executive Director on 25 December 2021. Dr. Chen is mainly responsible for supervising and providing judgment to our Board, thereby protecting the overall interest of our Company. Dr. Chen is the chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee.

Dr. Chen has extensive experience on providing advice on legal risk control, dispute resolution and mergers and acquisition for listed companies and state-owned enterprises. Dr. Chen is currently an attorney at Guangdong Sincere Qianhai Law Offices* (廣東星晨(前海)律師事務所) and a Registered Foreign Lawyer in Hong Kong. Dr. Chen has been a senior partner at JunZeJun Law Offices (君澤君律師事務所) from August 2012 to December 2025; from November 2017 to August 2024, Dr. Chen served as an independent non-executive director of Shenzhen Nanshan Power Co., Ltd.* (深圳南山熱電股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000037); from August 2016 to October 2022, he served as an independent non-executive director of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000050); from November 2016 to 2019, he served as an independent non-executive director of New Sports Group Limited located in Hong Kong, a company whose shares are listed on the Main Board of the Stock Exchange (currently known as Glory Sun Land Group Limited) (stock code: 00299); from May 2014 to July 2023, he served as an independent non-executive director of Hubei Sanxia New Building Materials Co., Ltd. (湖北三峽新型建材股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600293); from 2010 to 2012, he was a counsel and partner at King & Wood Mallesons (金杜律師事務所); and from 1994 to 2010, he held various positions at Shenzhen Intermediate People's Court where his last position was Deputy Chief Judge at the Company Liquidation and Bankruptcy Division of Shenzhen Intermediate People's Court* (深圳市中級人民法院(公司清算與破產審判庭)).

Profile of Directors, Supervisors and Senior Management

Dr. Chen also currently serves as an independent non-executive director at other companies including:

- Arashi Vision Inc, a company whose shares are listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688775).
- Funde Life Insurance Holdings Company Limited*(富德生命保險控股股份有限公司);
- Sino Life Asset Management Co., Ltd.* (生命保險資產管理有限公司);
- Funde Sino Life Insurance Company Limited* (富德生命人壽股份有限公司).

Dr. Chen is an arbitrator at China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會), Shenzhen Court of International Arbitration (深圳國際仲裁院), the Huizhou Arbitration Commission (惠州仲裁委員會), and the Chongqing International Commercial Arbitration Court (重慶國際商事仲裁院). Dr. Chen graduated from Southwest University of Political Science & Law (西南政法大學) with a bachelor's degree in economic law in July 1994 and received his master's degree in common law from the University of Hong Kong in December 2003. He also obtained a doctoral degree in civil and commercial law from Jilin University (吉林大學) in December 2008.

Dr. Xiao Wen (肖文博士), born in June 1969, is our independent non-executive Director. Dr. Xiao joined our Company and was appointed as our independent non-executive Director on 10 October 2025. Dr. Xiao is mainly responsible for supervising and providing judgment to our Board, thereby protecting the overall interest of our Company. Dr. Xiao is a member of our Strategy and Sustainable Development Committee, Audit Committee and Remuneration Committee.

Dr. Xiao has a wealth of experience in corporate strategy and operations, and corporate governance. Since July 2007, Dr. Xiao has been a faculty member at the University of Electronic Science and Technology of China (UESTC) through its talent recruitment program, focusing her research and teaching on corporate strategy management. She currently holds joint appointments as a professor at the School of Management and Economics and professor at the Advanced Institute of Humanities and Social Sciences, and serves as the chief professor for the "Internet+" undergraduate program (本科“互聯網+”) at UESTC. Additionally, she is a visiting full professor at ISCTE University Institute of Lisbon, Portugal. Her previous roles at UESTC include assistant dean of the School of Management and Economics (2008-2018), director of Executive Development Programs (EDP) (2007-2009), deputy director of the Business Research Center (2018-2024), and director of the UESTC-ISCTE Joint Program of Doctor of Management (2008-2024). From 1990 to July 2007, Dr. Xiao was employed at Chengdu University, where she held the position of executive dean of the School of International Education.

Dr. Xiao is deeply committed to cutting-edge research in corporate strategy theory and operational practice, underpinned by her robust theoretical foundation and sharp business insight. She possesses over 15 years of experience in corporate consulting and executive management training, and provides advisory services to organizations in areas such as strategic planning, organizational change, and digital transformation. Her extensive work has equipped her with a profound grasp of the business models and core challenges prevalent across various industries. Furthermore, she excels at delivering strategic management training and development programs to senior executives, bridging the gap between the academic community and the business community to drive successful strategy implementation.

Profile of Directors, Supervisors and Senior Management

Dr. Xiao obtained her master's degree in business administration from UESTC in June 2002 and her doctorate of management in management science and engineering from UESTC in March 2007, with a research focus on corporate strategy and operations. In 2008, her co-authored monograph, Power Allocation and Managerial Incentives 《權力配置與經理激勵》 won second prize of the 11th Sichuan Provincial Social Science Outstanding Achievement Award (四川省第十一次社會科學優秀成果獎二等獎). Dr. Xiao has never served as an independent director of any other companies.

Supervisors

Li Hui (李輝), born in July 1982, is a non-employee representative Supervisor of the Company. Li Hui has served as a member of the Party Committee and the secretary of the Discipline Inspection Commission of Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) since 6 September 2024. Since March 2019, Li Hui has served as the deputy general manager of Jiangsu Jintan Hualuogeng Technology Development Co., Ltd.* (江蘇金壇華羅庚科技發展有限公司). From June 2016 to February 2019, Li Hui worked as a member of the Party Committee for the Zhiqian Town Government in Jintan District, Changzhou City. From November 2013 to May 2016, Li Hui worked as a member of the Party Committee at the Rulin Town Government in Jintan District. Prior to joining Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司), Li Hui served at the Jintan Municipal Human Resources and Social Security Bureau* (金壇市人力資源和社會保障局) from December 2000 to October 2013, and his last position was secretary of the Party Branch for Labor and Law Enforcement and deputy captain of the Labor Supervision Brigade.

Li Hui also holds various positions in Jiangsu Jintan Investment Group Co., Ltd.* (江蘇金壇投資集團有限公司) and its subsidiaries, including:

- an executive director and the legal representative of Jiangsu Yanrui Precision Technology Company Limited* (江蘇炎瑞精密科技有限公司) since June 2024;
- an executive director and the legal representative of Changzhou Yuanmei New Materials Technology Company Limited* (常州源美新材料科技有限公司) since November 2023;
- an executive director of Jiangsu Huahang Energy Company Limited* (江蘇華航能源有限公司) since October 2023;
- a director of Jiangsu RDF Precision Technology Co., Ltd.* (江蘇瑞德豐精密技術股份有限公司) since October 2021;
- the general manager of Changzhou Huake Venture Capital Company Limited* (常州華科創業投資有限公司) since May 2021.

Li Hui has served as a public lawyer for Zhiqian Town Government in Jintan District, Changzhou City since November 2018, and a corporate lawyer for Jiangsu Jintan Hualuogeng Technology Development Co., Ltd.* (江蘇金壇華羅庚科技發展有限公司) since May 2022. Li Hui obtained a diploma in Law from Central Radio and TV University* (中央廣播電視大學) in July 2006.

Profile of Directors, Supervisors and Senior Management

Cheng Yan (程雁), born in August 1974, is our non-employee representative Supervisor. Cheng Yan joined our Company on 13 August 2019 and was appointed as our Supervisor on the same day. Cheng Yan is mainly responsible for supervising our Directors and senior management of our Company as to the fulfillment of their duties. Cheng Yan possesses extensive experience in the fields of financial and corporate governance. Cheng Yan joined Sichuan Chengfei Jicheng Technology Co., Ltd.* (四川成飛集成科技股份有限公司), a company whose shares are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 002190) (“Chengfei Jicheng”), since January 2002. Chengfei Jicheng is primarily engaged in the design, development and manufacturing of the tools and dies, with typical products such as the dies for the large and high-grade outer skin panels used in medium and high-grade cars. Cheng Yan has successively served as various positions including planner of planning department, person in charge of planning department, person in charge of securities department, person in charge of project department and secretary of the third to the eighth sessions of the board of directors of Chengfei Jicheng and she is a member of the Party Committee, chief accountant, board secretary, general legal counsel, and chief compliance officer of Chengfei Jicheng, currently mainly responsible for Chengfei Jicheng’s financial work, legal and compliance affairs, information-based management, information disclosure related matters, management of relationship with investors and dealing with matters in relation to the board meetings.

Cheng Yan also holds various positions in subsidiaries and associates of Chengfei Jicheng, including:

- a director of Anhui Chengfei Jicheng Rayhoo Motor Dies Co., Ltd.* (安徽成飛集成瑞鵬汽車模具有限公司) since January 2025.

Cheng Yan has received a number of awards over the years including:

- “Top 10 Outstanding Corporate Financial Management Talents in Western China in 2023” (2023年度中國西部地區十大企業財務管理卓越人才) awarded by the China Enterprise Financial Evaluation Expert Committee* (中國企業財務評價專家委員會) and the China CFO Development Center* (中國CFO發展中心) in 2024;
- rated 4A in the performance evaluation of the board secretaries awarded by the China Association for Public Companies for three consecutive years from 2023 to 2025;
- excellent Board Secretary of the 14th “Tianma Award” for Investor Relations of Listed Companies in China awarded by Securities Times in 2023;
- excellent Board Secretary of Listed Companies in Sichuan Province of the Year (四川上市公司年度優秀董事會秘書) for years of 2016, 2015 and 2013 awarded by Sichuan Listed Companies Association in October 2017, July 2016 and July 2014, respectively;

Profile of Directors, Supervisors and Senior Management

- Top 100 Board Secretaries of Listed Companies in China's Small and Medium Enterprise Board 2011 (2011中國中小板上市公司百佳董秘) and Top 100 Board Secretaries of Listed Companies in China's Small and Medium Enterprise Board 2010 (2010中國中小板上市公司百佳董秘) awarded by Securities Times in 2012 and 2011, respectively.

Cheng Yan has been a Senior International Finance Manager (高級國際財務管理師) jointly recognized by International Financial Management Association and China Association of Chief Financial Officers since June 2010. She has also been a Senior Economist (高級經濟師) recognized by Ministry of Human Resources and Social Security of the PRC since September 2020.

Nian Mingzhu (念明珠), born in March 1987, is the employee representative Supervisor of our Company. Nian Mingzhu joined our Company on 15 July 2019 and was appointed as our Supervisor on 15 September 2020. She is mainly responsible for supervising our Directors and senior management of our Company on fulfillment of their duties. Apart from being our Supervisor, she worked as an equipment procurement director at CALB (Xiamen) Co., Ltd.* (中創新航新能源(廈門)有限公司) from July 2019 to September 2020 and had been the equipment procurement director of our Company from September 2020 to November 2023, mainly responsible for commercial affairs of our Company's equipment procurement. Since November 2023, she has been a purchasing specialist of the cell purchasing department, primarily responsible for the delivery of cathode materials. She has been a project purchasing specialist since October 2024.

Nian Mingzhu also serves as a supervisor for CALB (Jiangsu) Co., Ltd.* (中創新航科技(江蘇)有限公司), CALB Technology Co., Ltd.* (中創新航技術研究院(江蘇)有限公司), CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), CALB (Chengdu) Co., Ltd.* (中創新航科技(成都)有限公司), CALB (Wuhan) Co., Ltd.* (中創新航科技(武漢)有限公司), CALB Technology (Shenzhen) Co., Ltd.* (中創新航技術研究中心(深圳)有限公司), CALB (Xiamen) Co., Ltd.* (中創新航新能源(廈門)有限公司), CALB (Fujian) Co., Ltd.* (中創新航科技(福建)有限公司), CALB (Jiangmen) Co., Ltd.* (中創新航科技(江門)有限公司), CALB (Sichuan) Co., Ltd.* (中創新航科技(四川)有限公司) and CALB Smart Energy Technology Co., Ltd.* (中創新航智慧能源科技有限公司).

Nian Mingzhu obtained her bachelor's degree in financial management from Fujian Normal University (福建師範大學) in June 2011.

SENIOR MANAGEMENT

Liu Jingyu (劉靜瑜), born in April 1970, is the chairwoman of the Board, our executive Director and general manager of our Company. For the biography of Liu Jingyu, please see “Directors – Executive Directors” of this section.

Dr. Pan Fangfang (潘芳芳博士), born in November 1984, is the deputy general manager of the Company. Dr. Pan joined our Company on 8 December 2015 and was appointed as deputy general manager and chief technology officer of our Company on 5 September 2019. She is mainly responsible for technical planning, organization, and performance management, while coordinating the advancement of major tasks. Dr. Pan has also served as the person-in-charge of Shanghai Branch of the Company since 28 July 2022.

Dr. Pan has over ten years of experience in the R&D of battery. From July 2011 to April 2019, she successively served as the director of the battery materials office, the director of the battery design office, the director of the battery design institute, the project chief engineer, the deputy chief engineer and the chief technology officer of Luoyang Company, and was mainly responsible for material R&D, battery products development, scientific research management and major project research.

Dr. Pan received many honors, including:

- in May 2023, she was awarded the “Jiangsu Youth May Fourth Medal” (江蘇青年五四獎章) jointly by Jiangsu Province Committee of Communist Youth League of China (共青團江蘇省委) and Jiangsu Youth Federation (江蘇省青年聯合會);
- in May 2022, she was awarded the “Ten Outstanding Young People in Changzhou” (常州市十大傑出青年) by Changzhou Municipal Committee of the Communist Youth League and Changzhou Daily;
- in March 2022, she was awarded the “March 8 Red Flag Bearer of Jiangsu Province” (江蘇省三八紅旗手) by the People’s Government of Jiangsu Province;
- in March 2022, she was awarded the “Most Beautiful Woman of Changzhou” (常州市最美巾幗人物) by the People’s Government of Jiangsu Province;
- in October 2021, she was awarded the “Top Talent of Changzhou ‘Dragon City Talent Program’” (常州市“龍城英才計劃”頂尖人才) by Changzhou Talent Work Leading Group Office;
- in February 2021, she was awarded the honorary title of “2020 Outstanding Entrepreneur” (2020年度優秀企業家) by the People’s Government of Jintan District, Changzhou City;
- in February 2021, she was awarded the honorary title of “2016-2020 Advanced Person of Moving Jintan” (2016-2020年感動金壇先進人物) by the People’s Government of Jintan District, Changzhou City.

Dr. Pan obtained her doctoral degree in physical chemistry from University of Science and Technology of China (中國科學技術大學) in June 2011.

Profile of Directors, Supervisors and Senior Management

Dai Ying (戴穎), born in June 1978, is the executive Director, deputy general manager and joint company secretary of our Company. For the biography of Dai Ying, please see “Directors – Executive Directors” of this section.

Geng Yan’an (耿言安), born in November 1982, is the deputy general manager of the Company. Geng Yan’an joined our Company on 1 July 2018 and was appointed as the deputy general manager of the Company on 6 August 2018, responsible for the digital intelligence of our Group. Geng Yan’an is the legal representative, director and general manager of CALB (Chengdu) Co., Ltd.* (中創新航科技(成都)有限公司), CALB (Sichuan) Co., Ltd.* (中創新航科技(四川)有限公司) and CALB (Zigong) Co., Ltd.* (中創新航科技(自貢)有限公司). Geng Yan’an is also the legal representative and general manager of Li Ding Materials (Sichuan) Co., Ltd.* (立鼎材料科技(四川)有限公司).

Prior to joining our Company, Geng Yan’an served as assistant president at Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司) from February 2014 to January 2018 and was mainly responsible for Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司)’s engagement of finance and information technology, during which time he was also responsible for procurement, business and administrative management. He also served as the financial controller of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司) from January 2012 to January 2014; from October 2010 to December 2011, he served as the financial controller at Shanghai AVIC Optoelectronics Co., Ltd.* (上海中航光電子有限公司); from February 2009 to December 2011, he worked as the financial controller at Chengdu Tianma Microelectronics Co., Ltd.* (成都天馬微電子有限公司), a subsidiary of Tianma; and from January 2007 to January 2009, he worked as a financial accountant of Shanghai Tianma Microelectronics Co., Ltd.* (上海天馬微電子有限公司), a subsidiary of Tianma.

Geng Yan’an earned his bachelor’s degree of management in accounting from Anhui University of Technology (安徽工業大學) in July 2003.

Gao Yan (高艷), born in October 1983, is the deputy general manager of the Company. Gao Yan joined our Company on 20 April 2020 and was appointed as the deputy general manager on 25 April 2020. Gao Yan is the financial controller of our Company and mainly responsible for the financial and human resources work of our Group. She also serves as the person-in-charge of the Beijing Branch of the Company.

Gao Yan has over 15 years of experience in finance. Prior to joining our Company, she worked successively at Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司) as financial controller from May 2015 to April 2020 (mainly responsible for functioning of the accounting organization of Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司)), as a financial manager from June 2010 to April 2015 and as a financial accountant from April 2008 to May 2010.

Gao Yan obtained her bachelor’s and master’s degree of management in accounting from Central South University (中南大學) in June 2005 and December 2007, respectively.

Profile of Directors, Supervisors and Senior Management

Wang Xiaoqiang (王小強), born in October 1984, is the deputy general manager of our Company. Wang Xiaoqiang joined our Company on 8 December 2015 and was appointed as the deputy general manager of our Company on 15 November 2021. Wang Xiaoqiang is mainly responsible for the Energy Storage Division affairs and the affairs of intellectual property rights of the Company. Wang Xiaoqiang concurrently serves as the legal representative and general manager of CALB Technology Co., Ltd.* (中創新航技術研究院(江蘇)有限公司) and CALB (Jiangsu) Co., Ltd.* (中創新航科技(江蘇)有限公司), as well as the legal representative, director and general manager of Jiangsu Power and Energy Storage Battery Innovation Center Co., Ltd.* (江蘇動力及儲能電池創新中心有限公司), CALB (Handan) Co., Ltd.* (中創新航科技(邯鄲)有限公司) and CALB (Shandong) Co., Ltd.* (中創新航科技(山東)有限公司).

Wang Xiaoqiang served as deputy general manager of our Company from August 2016 to August 2018, and was mainly responsible for the relevant engagement of our Company's overall operation and manufacturing; from August 2013 to September 2015, he had successively served as deputy general manager and general manager of the manufacturing department at China Lithium Battery Technology (Luoyang) Co., Ltd.* (中航鋰電(洛陽)有限公司) and was mainly responsible for the engagement of crafts technology, equipment technology and manufacturing management; and he served as the plant manager at the Lean Plant 1* (精益一廠) of the manufacturing department of Luoyang Company from September 2011 to July 2013 and was mainly responsible for production management of the sub-factory. He also served as engineer at the process technology department of Luoyang Company from October 2010 to August 2011 and was mainly responsible for the engagement of crafts development. Prior to joining Luoyang Company, he served as technical engineer at Shanxi Taigang Stainless Steel Co., Ltd.* (山西太鋼不銹鋼管有限公司) from July 2009 to October 2010 and was mainly responsible for workshop crafts.

Wang Xiaoqiang obtained a bachelor of engineering degree in material science and engineering from Zhengzhou University (鄭州大學) in July 2006 and a master of engineering degree in material science from University of Science and Technology Beijing (北京科技大學) in June 2009.

He Fan (何凡), born in October 1977, is the deputy general manager of our Company. He Fan joined our Company on 20 August 2018 and was appointed as deputy general manager of our Company on 15 November 2021. He Fan is responsible for the manufacturing operations, engineering construction and environmental safety of our Group. He Fan also acts as the legal representative, director and general manager of CALB (Wuhan) Co., Ltd.* (中創新航科技(武漢)有限公司) and CALB (Xinyang) Co., Ltd.* (中創新航科技(信陽)有限公司), and the legal representative and general manager of CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), as well as the legal representative and chairman of the board of Zhongling New Energy Technology (Zhejiang) Co., Ltd.* (中凌新能源科技(浙江)有限公司).

Before being appointed as deputy general manager of our Company, He Fan acted as the assistant to general manager of our Company from August 2018 to November 2021 and was mainly responsible for engineering construction. Prior to joining our Company, He Fan had successively served as senior manager of factory affairs, deputy director of factory affairs, and director of factory affairs in Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司) from July 2011 to November 2017 and was mainly responsible for project construction and operation management; and from April 2007 to June 2011, he had successively served as environment safety engineer and environment safety manager in Tianma Microelectronics Co., Ltd.* (天馬微電子股份有限公司).

Profile of Directors, Supervisors and Senior Management

Xie Qiu (謝秋), born in September 1982, is the deputy general manager of our Company. Xie Qiu joined our Company on 8 December 2015 and was appointed as deputy general manager of our Company on 15 November 2021. Xie Qiu is mainly responsible for light-duty energy business and the passenger vehicle market operations of our Company.

Before being appointed as deputy general manager of our Company, Xie Qiu acted as the assistant to general manager of our Company from July 2019 to October 2021 and was mainly responsible for sales of domestic passenger vehicles; from January 2019 to June 2019, he was a senior product director of marketing center of our Company and was mainly responsible for development of passenger vehicle products. Prior to joining our Company, Xie Qiu had successively served as the head of engineering department, the deputy president of technology research institute and the deputy chief engineer of the science and technology department at Luoyang Company from September 2008 to December 2018, and was mainly responsible for project management and development of battery pack products; from November 2007 to August 2008, he served as an engineer in the engineering department at Luoyang Company, and was mainly responsible for the development of battery pack products; and from August 2006 to October 2007, he served as an engineer at the engineering department of CAMA (Luoyang) Electromechanic Co., Ltd.* (凱邁(洛陽)機電有限公司) and was responsible for product development.

Xie Qiu obtained the qualification of senior engineer from AVIC in 2016. He received the first prize of Luoyang Science and Technology Progress Award (洛陽市科學技術進步獎) for the project “research on lithium energy storage technology of large-scale wind-solar storage and transportation system*” (大規模風光儲輸綜合系統鋰電儲能技術研究) awarded by People’s Government of Luoyang City in June 2016. He was also awarded the AVIC Science and Technology Award* (中航工業集團科學技術獎) for the project “High reliability CA60F I lithium-ion EV battery*” (高可靠性CA60F I鋰離子動力電池) by AVIC in December 2015. In January 2014, he was awarded the second prize of the Science and Technology Progress Award of Henan Province (河南省科學技術進步獎) by the People’s Government of Henan Province for the project “Megawatt-level Lithium-ion Battery Grid Peak-shaving Energy Storage System” (兆瓦級鋰離子電池電網調峰儲能系統).

Xie Qiu obtained his bachelor of engineering degree in computer science and technology from Harbin Engineering University (哈爾濱工程大學) in June 2006.

JOINT COMPANY SECRETARIES

Dai Ying (戴穎) was appointed as one of the joint company secretaries of our Company on 6 January 2022. For the biography of Dai Ying, please see “Directors – Executive Directors” of this section.

Wan Wing Yi Carol (溫詠宜) was appointed as another joint company secretary of our Company on 12 November 2025. She is a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 12 years of experience in corporate secretarial industry. Wan Wing Yi Carol is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Wan Wing Yi Carol graduated from The University of London in the United Kingdom and was awarded a Bachelor of Science in Business. She also received the Master of Corporate Governance from The Open University of Hong Kong (currently known as The Hong Kong Metropolitan University).

Corporate Governance Report

The Board hereby presents the corporate governance report (the “**Corporate Governance Report**”) of the Company for the year ended 31 December 2025.

Corporate Governance Practices

The Board is committed to maintaining a high standard of corporate governance and has established and implemented good corporate governance practices to comply with the legal and regulatory requirements on management structure, internal control, risk management and information disclosure, so as to achieve effective transparency and accountability to safeguard the interests of all Shareholders.

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Listing Rules as its own corporate governance code since 6 October 2022 (the “**Listing Date**”). During the Reporting Period, the Company has complied with all the applicable code provisions set out in the CG Code, except for the following deviations:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairwoman and general manager should be separate and should not be performed by the same individual. The division of responsibilities between the chairwoman and General Manager should be clearly established and set out in writing.

Liu Jingyu is the chairwoman and general manager of the Company, mainly responsible for overall strategic planning and operational decisions of the Group. Taking into consideration the Company’s current situation, the Board believes that vesting the roles of both chairwoman and general manager in the same person is beneficial to ensure consistent leadership within the Group and enable the Group to formulate overall strategic planning more effectively and efficiently. The Directors also believe that the current arrangement will not impair the balance of duties and authorities and the structure will enable the Company to make decisions and implement them in a timely and effective manner. Under the leadership of Liu Jingyu, the Board works effectively and performs its responsibilities to discuss all important and appropriate issues in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and the relevant Board committees, and there are three independent non-executive Directors on the Board offering independent views, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.

The Board will continue to review its corporate governance practices to ensure that it continues to comply with the CG Code and is in line with the latest developments of the regulatory authorities.

Culture

Mission: We shoulder the mission of energy safety for mankind. We drive the positive development of the industry with innovative concepts and leading core technologies. Adhering to our corporate spirit of “transcend commerce to benefit humanity”, we are committed to leading the new energy era.

Corporate Governance Report

Values: sincerity, efficiency and win-win.

Our strategy: We strive to lead the energy evolution and create a better world for mankind through the following strategies.

- Culture and talent strategy
- Leading product and technology strategy
- Quality strategy
- Brand strategy

BOARD OF DIRECTORS

Composition of the Board

Our Company has established a Board, which comprises 8 Directors, including 2 executive Directors, 3 non-executive Directors, and 3 independent non-executive Directors. The Board shall have one chairperson. The chairperson of the Board shall be elected and removed by more than one half of all Directors. The term of office of the chairperson shall be three years. Chairperson may serve consecutive terms if re-elected upon the expiration of his/her term of office.

The Board delegates certain responsibilities to various dedicated committees, namely, the Strategy and Sustainable Development Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee in accordance with relevant PRC laws, regulations, the Articles of Association, and the Listing Rules.

Executive Directors

Liu Jingyu (*Chairwoman and General Manager*)

Dai Ying

Non-executive Directors

Hu Jing

Li Jiancun

Xie Jieping

Independent non-executive Directors

Dr Wang Susheng

Dr Chen Zetong

Dr Xiao Wen (*appointed on 10 October 2025*)

Wu Guangquan (*resigned on 10 October 2025*)

Dr Xiao Wen has confirmed that (i) she has obtained the legal opinion as described in Rule 3.09D of the Listing Rules on 15 September 2025; and (ii) she is aware of her responsibilities as a director of listed issuers under the Listing Rules.

The biographical details of the Directors are set out in the section of “Profile of Directors, Supervisors and Senior Management” of this report. To the best knowledge of the Directors, none of them has any personal relationship (including financial, business, family or other material/relevant relationship(s)) with any other Directors, the chairwoman and the chief executives of the Company. The Company considers that the composition of the Board has been well balanced. Each of the Directors has the relevant experience, knowledge and expertise that can contribute to the business of the Company. The executive Directors oversee the day-to-day operations of the Group, while the independent non-executive Directors provide independent judgement to the decision-making process of the Board.

Responsibilities, accountabilities and contributions of the Board and management

The Company has formalized and adopted written terms of reference on the division of functions reserved to the Board and those delegated to the management of the Company. The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial data, appointment of Directors and other significant financial and operational matters.

All Directors have full and timely access to the relevant information of the Group as well as the advice and services of the joint company secretaries and senior management of the Company, in order to ensure compliance with the Board procedures and all applicable laws and regulations. Any Director may request independent professional advice in appropriate circumstances at the Company’s expense, upon reasonable request being made to the Board. The Board has delegated the responsibility for implementing its corporate strategies and the day-to-day management, operation and administration to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal control, communication with Shareholders, Board composition, delegation of authority and corporate governance. The Board periodically reviews the delegated functions and work tasks. Prior to entering into any significant transactions, the aforesaid officers have to obtain the Board’s approval.

The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

- (1) to develop and review the policies and practices on corporate governance of the Company and make recommendations to the Board;
- (2) to review and monitor the training and continuous professional development of Directors and senior management;
- (3) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- (5) to review the Company’s compliance with the CG Code and disclosure in the corporate governance report of the Company.

Corporate Governance Report

Continuous professional development of Directors

All Directors have been given relevant guideline materials in relation to the responsibilities and obligations of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Company and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors to ensure that he or she has a proper understanding of the operation and business of the Company and full awareness of Directors' responsibilities and obligations under the Listing Rules and relevant statutory requirements. All Directors have been provided monthly updates giving a balanced and understandable assessment of the Group's performance, financial position and prospects to keep the Directors abreast of the Group's affairs in order to discharge their duties. All Directors are also updated from time to time on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices, as set out in their respective terms of reference which are available on the websites of the Stock Exchange and the Company.

During the year ended 31 December 2025, all Directors had participated in continuous professional development in the following manner in compliance with principle C.1 of the CG Code:

Directors	Continuous professional development	
	Attend trainings	Read materials
Executive Directors		
Liu Jingyu	√	√
Dai Ying	√	√
Non-executive Directors		
Hu Jing	√	√
Li Jiancun	√	√
Xie Jieping	√	√
Independent Non-executive Directors		
Dr Wang Susheng	√	√
Dr Chen Zetong	√	√
Dr Xiao Wen (<i>appointed on 10 October 2025</i>)	√	√
Wu Guangquan (<i>resigned on 10 October 2025</i>)	√	√

Appointment, re-election and removal

Directors shall be elected or replaced at the general meetings for a term of 3 years. Upon expiration of the term of office, a Director shall be eligible to offer himself/herself for re-election and re-appointment, but the term of office of an independent Director shall not exceed 6 years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed. The term of office of a director shall commence from his/her accession till the expiry of the term of the current session of the Board. Where election of directors fails to be timely conducted upon expiry of the term of office of the former directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Subject to the relevant laws and regulations, and the regulatory rules of the jurisdictions where the Company's shares are listed, any person appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

When a Director's resignation becomes effective or his/her term of office expires, he/she shall duly carry out all handover procedures with the Board. His/her fiduciary obligations to the Company and Shareholders shall not necessarily terminate from the end of his/her term of office and shall remain effective within a reasonable period as specified in the Articles of Association.

If any Director fails to attend in person or appoint other Directors as his/her representative to attend meetings of the Board for two consecutive times, such Director shall be deemed to have failed to perform his/her duties, and the Board shall propose to replace such Director at the general meeting.

Independent non-executive Directors

During the year ended 31 December 2025, the Company has complied with Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing more than one-third of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors also meet the guidelines for assessment of their independence pursuant to Rule 3.13 of the Listing Rules. The Company has received a confirmation of independence from each of the independent non-executive Directors as required under the Rule 3.13 of the Listing Rules for the year ended 31 December 2025 and considers all the independent non-executive Directors to be independent. The Board will assess their independence annually.

Board meetings

Pursuant to the CG Code and the Articles of Association, the Board is scheduled to meet regularly at least four times a year, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary.

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly.

Corporate Governance Report

Notices for regular Board meetings and meeting agenda are sent to all Directors, Supervisors and general manager in advance. Notice of at least 14 days is given for a regular Board meeting. For other Board meetings, all Directors, Supervisors and general manager shall be notified within a reasonable period (not less than five days) prior to the meeting. Board papers together with all appropriate, complete and relevant information are dispatched to all Directors at least three days before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

The joint company secretaries are responsible for keeping minutes of all Board and committee meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable period after each meeting and the final version is open to Directors for inspection. The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Directors' attendance records

During the Reporting Period, fifteen Board meetings and four general meetings were held. The attendance records of Directors are set out below:

	Meetings of the Board attended/ Number of meetings	General meetings attended/ Number of meetings
Liu Jingyu	15/15	4/4
Dai Ying	15/15	4/4
Hu Jing	15/15	4/4
Li Jiancun	15/15	4/4
Xie Jieping	15/15	4/4
Wu Guangquan (resigned on 10 October 2025)	8/10	2/3
Dr Wang Susheng	15/15	4/4
Dr Chen Zetong	15/15	4/4
Dr Xiao Wen (appointed on 10 October 2025)	5/5	1/1

During the Reporting Period, one meeting was held between the chairwoman of the Board and all of the independent non-executive Directors without the presence of other Directors.

Chairwoman and General Manager

Pursuant to code provision C.2.1 of the CG Code, the roles of chairwoman and general manager should be separate and should not be performed by the same individual. Liu Jingyu is the chairwoman and general manager of the Company, mainly responsible for overall strategic planning and operational decision of the Group. Taking into consideration the Company's current situation, the Board believes that vesting the roles of chairwoman and general manager in the same person is beneficial to ensure consistent leadership within the Group and enable the Group to formulate overall strategic planning more effectively and efficiently. The Directors also believe that the current arrangement will not impair the balance of duties and authorities and the structure will enable the Company to make decisions and implement them in a timely and effective manner. Under the leadership of Liu Jingyu, the Board functions effectively and discharges its responsibilities to discuss all important and appropriate issues in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and the relevant Board committees, and the Board has three independent non-executive Directors to provide independent views, the Board considers that there are adequate safeguards to ensure an adequate balance of powers of the Board. However, the Board will review the structure and composition of the Board from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of the Company.

Terms of appointment of non-executive Directors

Pursuant to the Articles 96 and 106 of the Articles of Association, Directors shall be elected or replaced at the general meetings for a term of 3 years. Upon expiration of the term of office, a Director shall be eligible to offer himself for re-election and re-appointment, but the term of office of an independent Director shall not exceed 6 years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed. The term of office of a Director shall commence from his accession till the expiry of the term of the current session of the Board. Where election of Directors fails to be timely conducted upon expiry of the term of office of the former Directors, the former Directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Each of the non-executive Directors and independent non-executive Directors has entered into an appointment letter with the Company for a term of three years commencing from the respective appointment date.

Board committees

The Board has established four Board committees, namely, the strategy and sustainable development committee (the "**Strategy and Sustainable Development Committee**"), the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"), to assist them in the efficient implementation of their functions and to oversee particular aspects of the Company's affairs. Specific responsibilities, as set out in their respective terms of reference which are available on the websites of the Stock Exchange and the Company, have been delegated to the above committees and the corporate governance duties as required under the CG Code have been performed. All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Corporate Governance Report

The Strategy and Sustainable Development Committee

The Company established the Strategy and Sustainable Development Committee on 10 October 2025. The Board of Directors reviewed and adopted the Terms of Reference of the Strategy and Sustainable Development Committee, which outlines the committee's membership, responsibilities, meeting procedures, and voting rules. The terms of reference of the Strategy and Sustainable Development Committee were adopted in compliance with the CG Code.

The primary duties of the Strategy and Sustainable Development Committee are mainly to:

- (i) study and make recommendations to the Company's development strategies and medium – to long-term development plan;
- (ii) study and make recommendations on significant events affecting the Company's development strategies;
- (iii) review the Company's environmental, social and governance (“ESG”) management guidelines, policies and strategies, supervise the Company's ESG performance and achievement of targets, and ensure that the Company's ESG-related management complies with applicable laws, regulations, exchange regulatory requirements and international standards;
- (iv) review the communication methods and communication results with the Company's stakeholders, assess and manage the potential impacts and related risks of the Company's ESG-related issues on the Company's operations; and
- (v) review the Company's ESG reports and related information disclosure and report to the Board.

Our Strategy and Sustainable Development Committee comprises three members, namely Liu Jingyu (Chairwoman), the independent non-executive Director, Dr Xiao Wen and the executive Director, Dai Ying. From the date of establishment up to the period ended 31 December 2025, the Strategy and Sustainable Development Committee did not hold any meetings. The Board will disclose the relevant meeting information in the next annual report in accordance with the requirements of the CG Code.

In 2025, the Strategy and Sustainable Development Committee shall, in accordance with the Terms of Reference of the Strategy and Sustainable Development Committee and other regulations, study and make recommendations to the Company's development strategies and medium – to long-term development plan, study and make recommendations on significant events affecting the Company's development strategies, review the Company's environmental, social and governance (“ESG”) management guidelines, policies and strategies, supervise the Company's ESG performance and achievement of targets, and ensure that the Company's ESG-related management complies with applicable laws, regulations, exchange regulatory requirements and international standards.

Audit Committee

The Audit Committee was established by the Company in accordance with Rules 3.21 to 3.23 of the Listing Rules. The terms of reference of the Audit Committee were adopted in compliance with the CG Code.

The primary duties of the Audit Committee are mainly to:

- (i) review the Company's financial information and monitor the integrity of the Company's financial statements, annual report and accounts and half-year report and review significant financial reporting judgments contained therein before submission to the Board;
- (ii) manage the relationship with the external auditors, including but not limited to making recommendation to the Board on the appointment, re-appointment and removal of external auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, discussing with the external auditors the nature and scope of the audit and reporting obligations before the audit commences, and developing and implementing a policy on engaging an external auditor to supply non-audit services;
- (iii) review the Company's financial information, monitor the Company's financial reporting system, risk management and internal control procedures; and
- (iv) review the Company's policies and practices on corporate governance issues, including but not limited to training and continuous professional development of Directors and senior management, and the Company's compliance with legal and regulatory requirements and the CG Code.

Our Audit Committee comprises three members, namely Dr Wang Susheng (Chairman), Dr Chen Zetong and Dr Xiao Wen, all being independent non-executive Directors of the Company. During the Reporting Period, the Audit Committee held nine meetings and the work performed by the Audit Committee was summarised as follows:

- (1) reviewing the findings and recommendations from external auditors and independent internal control reviewers;
- (2) reviewing the independence of the external auditors and engagement of external auditors;
- (3) reviewing the audit plan, internal control plan, the development in accounting standards and their effects on the Group, financial statements and risk management matters;
- (4) reviewing the adequacy of resources, qualifications and experience of staff in the Company's accounting and financial reporting functions; and
- (5) reviewing the effectiveness of the Company's risk management and internal control systems.

Corporate Governance Report

The attendance records of each committee member are set out below:

	Number of meetings attended/ Number of meetings
Dr Wang Susheng	9/9
Wu Guangquan (resigned on 10 October 2025)	5/6
Dr Chen Zetong	9/9
Dr Xiao Wen (appointed on 10 October 2025)	3/3

The Company's annual report and annual results announcement for the year ended 31 December 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with the CG Code and the terms of reference have been adopted. The Remuneration Committee adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of independent Directors and senior management.

The primary duties of the Remuneration Committee are to:

- (i) make recommendations to the Board on the overall remuneration policy and structure for all Directors and senior management of the Company, and on the establishment of formal and transparent procedures for developing remuneration policy;
- (ii) review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) be delegated by the Board to determine the remuneration packages of individual executive Directors and senior management or to recommend to the Board the remuneration packages of individual executive Directors and senior management; and this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iv) make recommendations to the Board on the remuneration of non-executive Directors; and
- (v) review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Remuneration Committee consists of three members, namely Dr Chen Zetong (Chairman), the independent non-executive Director, Liu Jingyu, the executive Director and Dr Xiao Wen, the independent non-executive Director. The Remuneration Committee shall consult the chairwoman and/or the general manager of the Company on proposals relating to the remuneration of other executive Directors. The remuneration of the Directors was determined with reference to the salaries paid by comparable companies and the experience, responsibilities, workload, time devoted to the Group and individual performance of the Directors, as well as the performance of the Group.

During the Reporting Period, the Remuneration Committee held two meetings and the work performed by the Remuneration Committee was summarised as follows: (1) reviewing the appropriateness of the remuneration policy; and (2) evaluating the performance of Directors and senior management of the Group.

The attendance records of each committee member are set out below:

	Number of meetings attended/ Number of meetings
Dr Chen Zetong	2/2
Liu Jingyu	2/2
Dr Xiao Wen (appointed on 10 October 2025)	0/0
Wu Guangquan (resigned on 10 October 2025)	1/2

Pursuant to code provision E.1.5 of the CG Code, the remuneration of senior management of the Company during the year ended 31 December 2025 is set out in the following bands. The following remuneration includes salaries, allowances, equity-settled share-based payments and contributions to retirement benefits schemes. Details of the remuneration components are set out in note 16 and note 49 to the consolidated financial statements.

Remuneration level	Number of persons
RMB3,000,001 to RMB3,500,000	5
RMB3,500,001 to RMB4,000,000	1
RMB6,500,001 to RMB7,000,000	1
RMB11,500,001 to RMB12,000,000	1

Corporate Governance Report

Remuneration Policy

Our executive Directors receive, in their capacity as our employees, compensation in the form of salaries and benefits-in-kind, including our contributions to the pension scheme for our executive Directors, according to the laws of the PRC. The aggregate amounts of remuneration (including fees, salaries, allowances and benefits in kind, discretionary bonus and contributions to pension scheme) for our Directors and Supervisors for the years ended 31 December 2024 and 2025 were approximately RMB24,589,000 and RMB15,909,000, respectively. None of our Directors waived any remuneration during the aforesaid periods.

The information of the five highest paid individuals of the Company for the year ended 31 December 2025 is set out in note 15 to the consolidated financial statements.

During the Reporting Period, no emoluments were paid by our Group to any of our Directors or the five highest paid individuals (including Directors and employees of the Company) as an inducement to join or upon joining our Group or as compensation for loss of office. None of our Directors has waived any emoluments during the Reporting Period.

Save as disclosed above, no other remuneration has been paid or is payable, during the Reporting Period, by our Group to any of our directors or their representatives.

Nomination Committee

The Company has established a nomination committee with written terms of reference in compliance with the CG Code. The terms of reference have been adopted in compliance with the CG Code.

The primary duties of the Nomination Committee are to:

- (i) ensure that the Board and its committees consist of Directors with the appropriate balance of skills, diversity and knowledge of the Company to enable it to discharge its duties effectively;
- (ii) review the structure, size and composition (including the gender, age, cultural and educational background, skills, knowledge and professional experience) of the Board at least annually, to assist the Board in developing a Board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (iii) develop, review and implement, as appropriate, the policy, criteria and procedures for the identification, selection and nomination of candidates as directors for Board approval. Such criteria include but are not limited to the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

- (iv) assess the independence of independent non-executive Directors;
- (v) make recommendations to the Board on the appointment or re-appointment of directors and senior management and succession for Directors and senior management, in particular the chairperson of the Board and the general manager;
- (vi) draw up, review and update, as appropriate, the Board Diversity Policy and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review and update the progress on achieving the objectives; and to make disclosures of its progress and its review results in the annual report of the Company annually;
- (vii) assist the Company in conducting regular assessments of the Board's performance; and
- (viii) review the Company's workforce diversity policy (including senior management) and its implementation, and make recommendations to the Board to enhance its effectiveness in building an inclusive and diverse workplace.

The Nomination Committee consists of three members, namely Liu Jingyu (Chairman), Dr. Wang Susheng, the independent non-executive Director, Dr. Chen Zetong, the independent non-executive Director. During the Reporting Period, the Nomination Committee held three meetings, and the work performed by the Nomination Committee is summarised as follows:

- (1) to revise the Terms of Reference of the Nomination Committee;
- (2) to review and confirm that the structure, size and composition of the Board and the proportions of executive Directors and independent non-executive Directors remain appropriate for the Board to discharge its duties;
- (3) to review and confirm the diversity of skills, knowledge, experience and gender of the members of the Board;
- (4) to review the Board Diversity Policy (the "**Board Diversity Policy**"); and
- (5) to formulate the Company's nomination policy (the "**Nomination Policy**") and make recommendations to the Board for adoption.

Corporate Governance Report

The attendance records of each committee member are set out below:

	Number of meetings attended/ Number of meetings
Liu Jingyu	3/3
Dr Wang Susheng (appointed as member of the Nomination Committee on 10 October 2025)	1/1
Dr Chen Zetong	3/3
Wu Guangquan (resigned on 10 October 2025)	1/2

Nomination Policy

The Nomination Committee identifies individuals with suitable qualifications to become members of the Board by considering the proposed candidates' skills, knowledge, experience, expertise, etc., having due regard to the Board Diversity Policy, the Nomination Policy and the needs of the Company, and evaluates the independence of the proposed independent non-executive Directors (as the case may be). The Nomination Committee then makes recommendations to the Board. The Board considers the candidates recommended by the Nomination Committee after due consideration of the Board Diversity Policy, the Nomination Policy and the needs of the Company. The Board will then confirm the candidate for appointment as a Director or recommend a candidate for re-election at a general meeting of the Company. According to the Articles of Association, any person appointed by the Board as a director to fill a casual vacancy on the Board or to increase the number of members on the Board shall hold office only until the next annual general meeting of the Company and shall be eligible for re-election at that time.

Corporate Governance Functions

The Board is responsible for discharging its corporate governance responsibilities as described in the "Responsibilities, accountabilities and contributions of the Board and management" in this report. During the Reporting Period, the Board has reviewed the Company's corporate governance policies and practices and compliance with the CG Code, reviewed and monitored the continuous professional development of the Directors, and also reviewed and monitored the Company's policies and practices in compliance with legal and regulatory requirements.

Joint Company Secretaries

Dai Ying, the Executive Director, serves as the joint company secretary of the Company and is responsible for advising the Board on corporate governance matters.

In order to maintain good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also engaged Wan Wing Yi Carol as a joint company secretary with effect from 12 November 2025 to assist Dai Ying in performing his duties (Cheung Kai Cheong Willie, a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, who was previously appointed). Cheung Kai Cheong Willie has resigned as joint company secretary of the Company with effect from 12 November 2025. For further details, please refer to the Company's announcement dated 12 November 2025, disclosed on the Hong Kong Stock Exchange's HKExnews website. The primary internal liaison between the Company and Wan Wing Yi Carol is the Company's joint company secretary, Dai Ying.

In accordance with Rule 3.29 of the Listing Rules, Dai Ying and Wan Wing Yi Carol have confirmed that they have taken no less than 15 hours of relevant professional training for the year ended 31 December 2025.

Waiver from Strict Compliance with Rules 3.28 and 8.17 of the Listing Rules

Reference is made to the waiver granted to the Company by the Stock Exchange from strict compliance with Rules 3.28 and 8.17 of the Listing Rules in relation to the eligibility of Dai Ying to act as the Joint Company Secretary for a three-year period (the "**Original Waiver Period**") from the Listing Date, i.e., 6 October 2022. Relevant details were disclosed in the prospectus of the Company dated 23 September 2022. The Company has applied to the Stock Exchange for the qualification of Dai Ying to act as the joint company secretary during the Reporting Period, and has received a confirmation from the Stock Exchange confirming that Dai Ying, with the assistance of Cheung Kai Cheong Willie, has attained the relevant experience and is capable of discharging the functions of company secretary under Rule 3.28 of the Listing Rules during the Original Waiver Period, such that no further waiver from strict compliance with the requirements of Rule 3.28 and Rule 8.17 of the Listing Rules is required.

Directors and Supervisors' Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions of the Company by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors, the Company confirmed that they have complied with the Model Code during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROL

During the Reporting Period, the Company has established appropriate and effective risk management and internal control systems in compliance with the paragraph D.2 of the CG Code. The Company has adopted and implemented a comprehensive risk management policy encompassing risks that may arise in R&D, procurement management, production management and sales management. Our risk management and internal control systems also cover the general functional operations such as human resources, financial management, asset management, warehousing and logistics management, information system management and corporate governance as well as decision-making processes. Meanwhile, the Board is committed to supervising and evaluating the effectiveness of the risk management and internal control systems to ensure that the system is rectified and effectively controlled as our business develops.

The management of the Company, under the supervision of the Board, has implemented and maintained appropriate and effective risk management and internal control systems. However, the risk management and internal control systems can only provide reasonable but not absolute assurance against material misstatements or losses. The key features of the risk management and internal control systems are described in the following sections:

Risk Management System

The Company has adopted a risk management system to manage risks related to its business and operation. The system includes the following stages:

- Risk identification: extensively and continuously collect internal and external environmental factors, stakeholders' needs, etc. related to enterprise risk and risk management of the Company; identify risks that may affect the Company's operation and business.
- Risk evaluation: systematically analyze the collected risk information, evaluate the impact of the risk, and determine the risk values and risk levels based on the risk assessment standards.
- Risk response and control: based on its own conditions and external environment and adhering to the development strategy, select appropriate basic risk management strategies and formulate risk management solutions to prevent, avoid or mitigate risks.
- Risk monitoring and improvement: continuously carry out risk monitoring, dynamically assess the rationality and implementation effectiveness of risk strategies and solutions, timely identify defects and make improvements, and continuously revise and improve risk management and control measures based on actual conditions.

Internal Control System

The Company has established an internal control system which enables the Company to achieve its objectives regarding operational effectiveness and efficiency, the effectiveness of procedures related to financial reporting and compliance with the requirements of the Listing Rules, and compliance with applicable laws and regulations. Internal control process is designed to monitor the Company's operations and ensure compliance. The components of the internal control system framework are set out below:

- Monitoring environment: a set of standards, procedures and frameworks has been implemented to provide the basis for the Company's internal monitoring.
- Risk evaluation: a dynamic interactive process of identifying, evaluating and analyzing risks to achieve the Company's objectives and forming the basis for determining how to manage risks.
- Monitoring activities: actions established in accordance with policies and procedures to help ensure that management's instructions to mitigate risks and achieve objectives are being implemented.
- Information and communication: regular and effective internal and external communications provide the Company with information needed for daily monitoring.
- Monitoring: continuous and individual evaluations to determine the existence and effective operation of each component of the internal control system.

The Company has also adopted and implemented inside information policies and procedures in order to enhance the Company's system for handling and releasing inside information and ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures. The Company has taken certain reasonable measures from time to time to ensure its access to potential inside information and to maintain the confidentiality of such information in order not to breach the Company's disclosure requirements, including:

- Information is restricted to a limited number of employees on a notice basis. Employees who are in possession of inside information are fully aware of their confidentiality obligations;
- Confidentiality agreements will be entered into when the Company conducts material negotiations;
- Different operating units have their own reporting channels to report any potential inside information to the designated departments; and
- Designated person who speaks on behalf of the Company when communicating with external parties such as the media, analysts or investors and responding to external enquiries.

Based on the internal monitoring review conducted for the year ended 31 December 2025, no material internal monitoring deficiencies were identified.

Corporate Governance Report

Internal Audit Function

The Company has established a professional internal control team, which is responsible for establishing risk management and internal control systems. As of the end of the Reporting Period, the members of our internal control management team have an average of several years of relevant work experience, and hold relevant professional certificates.

Effectiveness of Risk Management and Internal Control Systems

The Board is responsible for guiding the implementation and management of the Company's risk management and internal control systems and ensuring that the effectiveness of such systems is reviewed annually. The review covered all significant controls of the Group, including financial, operational and compliance. The Board has considered certain aspects in the review, including but not limited to:

- (i) changes in the nature and extent of significant risks since the last annual review, and the Company's ability to respond to changes in its business and the external environment;
- (ii) the management monitors the scope and effectiveness of the risks and internal control systems on an ongoing basis;
- (iii) the extent and frequency of communication of monitoring results to the Board (or its committees), which helps the Board to assess the control and effectiveness of risk management of the issuer;
- (iv) significant control failures occurred or weaknesses identified during the period, and the extent to which such failures or weaknesses have resulted in unforeseen outcomes or contingencies as well as the material impacts those outcomes or contingencies have had, could have had, or may in the future have, on the issuer's financial performance or condition;
- (v) the effectiveness of the Company's procedures for financial reporting and compliance with the requirements of the Stock Exchange Listing Rules; and
- (vi) the adequacy of resources, qualifications and experience of staff, training programmes and budget in respect of the accounting, internal audit and financial reporting functions of the issuer and the ESG performance and reporting of the Company.

Through its review and the review by its independent audit department and the Audit Committee, the Board concluded that the risk management and internal control systems are effective and adequate. However, 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 also considers that the resources, staff qualifications and experience of the relevant staffs are adequate and the training programmes and budget provided are adequate. Having conducted the review, the Board was of the view that the risk management and internal control systems of the Company were adequate and effective during the Reporting Period.

Anti-corruption

The Company pursues a zero-tolerance policy towards fraudulent acts such as bribery, corruption and embezzlement. The Company has adopted an “Employee Code of Conduct” and “Management Measures Against Fraud” that contain relevant requirements for confidentiality, integrity, conflicts of interest and other guidelines on the code of behaviors. The Company also provides our employees with education in respect of anti-bribery and anti-corruption through various channels such as compliance training, and meanwhile publicizing the integrity regulations to our suppliers and entering into the “Anti-bribery Undertaking Agreement” with suppliers.

Whistle-blowing Policies

We have put in place a whistle-blowing channel where external suppliers, employees and other relevant parties can file complaints or report violations.

Auditor’s Emoluments

The Group’s domestic auditor RSM China (Special General Partnership) and international auditor RSM Hong Kong are both independent external auditors employed by the Group. The emoluments paid and payable to the domestic and international auditors of the Group for their services provided during the Reporting Period are set out below:

Items	Charges (RMB’000)
Audit services	
– IFRS-based annual audit of financial statements	3,845
– CAS-based annual audit of financial statements	420
	4,265
Non-audit services ^(note)	1,401
	1,401

Note: The non-audit services mainly include limited assurance and agreed-upon procedures service.

Board Diversity Policy

The Company has adopted a board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing its ability to attract talents and to retain and motivate employees. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels.

Corporate Governance Report

Our Directors have a balanced mix of knowledge and skills, including in management, strategic and business development, sales, legal compliance and corporate investment and finance. The ages of our Directors range from 36 years old to 57 years old, and we have both male and female representatives on the Board, which is in line with the regulations on gender diversity of directors in the Listing Rules. Our Nomination Committee will review and assess the composition of the Board and make recommendations to the Board on appointment of members of the Board. Meanwhile, our Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, professional experience, skills, knowledge, education background, age, gender, cultural and ethnicity and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity on the Board.

The Nomination Committee has made below recommendations to the Board on the measurable objectives for the implementation of the Board Diversity Policy and Nomination Policy: (1) at least one female Director is appointed; and (2) at least one third of the Board members are independent non-executive Directors. The Nomination Committee will review the Board Diversity Policy and Diversity Profile in due course and at least once every year to ensure they are continuously effective from time to time and, if necessary, make any necessary changes and recommend any such changes to the Board for consideration and approval. The Board confirmed that the measurable objectives had been achieved at the end of the Reporting Period. The Nomination Committee will disclose the implementation of the Board Diversity Policy in the Company's Corporate Governance Report on an annual basis.

In addition, as of 31 December 2025, the Group had 14,323 employees, including 10,655 male employees and 3,668 female employees, accounting for 74.39% and 25.61%, respectively, which satisfied the requirement of employee gender diversity. We are aiming to achieve a more balanced gender ratio in the workforce in the future and will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness. Our Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing diversity under the CG Code. Our Nomination Committee will review our diversity policy on an annual basis and to ensure its continued effectiveness.

Board Independence/Mechanism

The Company has formulated internal policies (including but not limited to the Articles of Association, the Rules of Procedures of the Board and the Terms of Reference of the Remuneration Committee, etc.) to ensure that the Board has access to independent views and opinions. These policies cover the Company's procedures and criteria for the election and appointment of Directors (including independent non-executive Directors), the abstention mechanism for voting on relevant resolutions of the Board by related Directors, and the special authorities of the independent appointment of external audit institutions and consulting agencies by independent Directors, etc. Upon reviewing the implementation of the aforesaid mechanisms, the Board considers that the aforesaid mechanisms are able to effectively ensure that the Board is provided with independent views and opinions.

Dividend Policy

The Company did not pay or declare any dividends since the Listing Date. The Company currently does not have a predetermined dividend payout ratio. The Board may declare and our Company may pay dividend after taking into account our results of operations, future business development strategies and other factors that may be deemed as relevant.

Directors' Responsibilities for Financial Statements

The Board acknowledges its responsibilities for preparing the financial statements of the Company for each financial year and ensures that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures that the financial statements are published in a timely manner in accordance with statutory and/or regulatory requirements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties or circumstances that may materially affect the Company's ability to continue as a going concern. The statement of the auditor of the Company regarding their reporting responsibilities and opinions on the financial statements is set out in the Independent Auditor's Report on pages 85 to 93 of this report.

Further information on the procedures for Shareholders to nominate a person for election as a Director is available on the Company's website. In addition, the Shareholders or the Company may refer to the above procedures to put forward any other proposals at the general meetings.

Shareholders' Rights

The Shareholders' general meeting of the Company is the organ of authority of the Company, which consists of all the Shareholders and exercises its powers in accordance with the laws, administrative regulations and the Articles of Association.

Procedures for Shareholder Request to Convene Extraordinary General Meeting

For a Shareholder request to convene an extraordinary general meeting, the procedures should be adopted in compliance with the Articles 50, 51, 52 and 53 of the Articles of Association.

Pursuant to the Article 50 of the Articles of Association, Shareholders holding more than 10% of our Company's shares, either individually or jointly, shall be entitled to request and demand the board to convene extraordinary general meetings and shall make written request to the board. The board shall, in accordance with the requirements of the laws, administrative regulations and the provisions of the Articles, reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request. If the board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days after the board resolves to do so. Should there be amendments to the original requests in the notice, consent has to be obtained from the relevant Shareholders. If the board does not agree to convene the extraordinary general meeting or does not reply in writing within ten (10) days upon receiving the request, Shareholders holding more than 10% of our Company's shares, either individually or jointly, shall have the right to request the Supervisory Committee in writing to convene an extraordinary general meeting. If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall issue a notice thereof within five (5) days of its receipt of the request, and any amendment made in the notice to the original proposals shall be subject to the consent of the relevant Shareholders. If the Supervisory Committee fails to issue a notice of the general meeting within a specified period, it shall be deemed that the Supervisory Committee shall not convene and preside over the general meeting, the shareholder(s) who hold 10% or more of the shares of the Company which carry rights to vote at the proposed meeting either individually or jointly, for a consecutive period of more than 90 days may convene and preside over the meeting on their own.

Corporate Governance Report

Pursuant to the Article 51 of the Articles of Association, Supervisory Committee or Shareholders, if decided to convene general meetings on their own, shall inform the Board in writing. Prior to the publication of announcement of the resolutions of the Shareholders' general meeting, holding by the convening Shareholders shall not be less than 10%. The Supervisory Committee or the convening Shareholders shall submit relevant evidence to the stock exchange(s) on which the shares of the Company are listed upon the issuance of the notice of the Shareholders' general meeting and the announcement of the resolutions of the Shareholders' general meeting.

Pursuant to the Article 52 of the Articles of Association, the Board and the secretary to the Board should cooperate with the Supervisory Committee or Shareholders convening general meetings on their own after receiving the notice. The Board shall provide the register of shareholders as of the share capital registration day.

Pursuant to the Article 53 of the Articles of Association, the Company will bear all the necessary and reasonable costs for the general meeting convened by the Supervisory Committee or Shareholders.

For a Shareholder request to propose new resolutions at the general meeting, the procedures should be adopted in compliance with the Articles 54 and 55 of the Articles of Association.

Pursuant to the Article 54 of the Articles of Association, the contents of a proposal shall be within the scope of the duties and powers of the general meeting, have definite themes and specific matters for resolutions, as well as in compliance with the relevant requirements of the laws, administrative regulations, and the Articles of Association.

Pursuant to the Article 55 of the Articles of Association, in relation to a general meeting convene by the Company, the Board, the Supervisory Committee and Shareholders separately or aggregately holding more than 3% of the total number of voting shares of the Company are entitled to propose motions to the Company in writing. Shareholders holding more than 3% of our Company's shares separately or aggregately shall have the right to put forward new proposals in writing to our Company and submit them to the convener of a general meeting ten days prior to the meeting. The convener shall issue a supplementary notice of the general meeting to announce the content of the extraordinary motions within 2 days after receipt thereof. Except as stipulated above, the convener shall not alter the motions listed in the notice of general meeting or add new motions after the notice of general meeting has been published. The proposals that have not been set out in the notice of the Shareholders' general meeting or that do not comply with Article 54 of the Articles of Association, shall not be voted on or resolved at the Shareholders' meeting.

Procedures for Making Enquiries

Shareholders shall make enquiries with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, regarding their shareholdings, share transfer, registration and payment of dividends as follows:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

E-mail: is-enquiries@vistra.com

Tel: (852) 2980 1333

Fax: (852) 2810 8185

Shareholders may at any time submit any enquiries to the Company through the Company's designated contact person, correspondence address, email address and enquiry hotline:

Recipient: Office of IR of CALB GROUP CO., LTD.

Address: No. 1 Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, the PRC.

E-mail: lr@calb-tech.com

Tel: 86-0519-68903688-664580

Shareholders are reminded to submit their enquiries with their contact information so that the Company can respond promptly as it deems appropriate.

Shareholders may propose a resolution at a general meeting to nominate candidates for Directors. According to Article 96 of the Articles of Association, Directors shall be elected or replaced at the general meetings. According to Article 55 of the Articles of Association, Shareholders who individually or collectively hold more than 3% of the Company's total number of voting shares shall have the rights to put forward new proposals in writing to our Company and submit them to the convener of a general meeting ten days prior to the meeting. Accordingly, if a Shareholder proposes to nominate a candidate for election as a Director, such notice of intent and a notice signed by the nominated candidate indicating his/her willingness to accept the appointment shall be duly lodged with the Company's registered office for the attention of the secretary and the Board of our Company.

Further information on the procedures for Shareholders to nominate a person for election as a Director is available on the Company's website. In addition, the Shareholders or the Company may refer to the above procedures to put forward any other proposals at the general meetings.

INVESTOR RELATIONS

The Board believes that transparency and timely disclosure of the Company's information is essential to enhance investor relations and will enable Shareholders and investors to make the best investment decisions and have a better understanding of the Company's business performance and strategies. The Company is committed to maintaining an on-going dialogue with Shareholders, in particular through annual general meetings and other general meetings. The chairwoman of the Board and the chairpersons of the Board Committees will endeavor to meet with the Shareholders at the general meetings to answer any questions raised by the Shareholders.

Corporate Governance Report

The Company has adopted a shareholders' communication policy (the "**Shareholders' Communication Policy**") which aims to ensure transparent, accurate and open communication with Shareholders to ensure that Shareholders' views and concerns are properly addressed and will be reviewed annually to ensure its effectiveness. Pursuant to the requirements of the Shareholders' Communication Policy, Shareholders can communicate with the Company through channels such as the Company's official website, new media platforms, investor relations hotlines, emails, etc., by means of general meetings, investor briefings, roadshows, analyst meetings, receptions, and forums.

The Company also has a website at www.calb-tech.com, with a dedicated "Investor Relations" section containing corporate communications documents, listing documents, announcements, reports, company information and other documents published by the Company on the website of the Stock Exchange for public inspection. The Company's website serves as a platform for communication with Shareholders and investors.

Shareholders and investors may also write to the Company's principal place of business and headquarters in the PRC at No. 1 Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province or email to Ir@calb-tech.com or call 86-0519-68903688-664580 for enquiries. Such enquiries will be fully responded to as soon as possible.

The Board regularly reviews the Shareholders' Communication Policy on an annual basis to ensure its effectiveness. After reviewing the various measures, the Board is of the view that the Shareholders' Communication Policy for the year ended 31 December 2025 has been properly implemented and effective.

Articles of Association

There were no changes to the Articles of Association during the Reporting Period and up to the date of this annual report. The Articles of Association are available on the websites of the Company and the Stock Exchange respectively.

Directors' Report

The Board of the Company is pleased to present this Directors' Report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is a joint stock limited company incorporated in Changzhou City, Jiangsu Province under the Company Law of the PRC and listed on the Hong Kong Stock Exchange on 6 October 2022. The Company is a high-technology new energy enterprise specializing in development, manufacturing, sales and market application development of lithium batteries, battery management system and related integrated products, and lithium battery materials. As a specialist in the battery technology, the Company is committed to building a comprehensive energy operation system to provide complete product solutions and full life-cycle management for the all-scenario application market of new energy represented by EV batteries and ESS products.

Details of the business of the Company's subsidiaries are set out in the financial statements. There was no material change in the nature of the Company's principal activities for the year ended 31 December 2025. For further discussion and analysis on principal activities, please refer to the "Management Discussion and Analysis" section of this annual report.

BUSINESS REVIEW

A review of the Group's results for the year, a discussion and analysis of key factors related to its financial position and the prospects of the Group's business are set out in the "Management Discussion and Analysis" section of this annual report, respectively.

RESULTS

The operating results of the Group for the reporting period are set out in the "Financial Review" section of this annual report.

RISKS AND UNCERTAINTIES

- **Market risk**

With rapid development of lithium batteries industry, market competition is getting increasingly intense. The Company must consistently uphold its competitiveness by focusing on market share, technological innovation and cost control to respond to the intense market competition.

The Company has responded to challenges from market changes in an active manner to ensure that its products have an edge in application fields, by continuously making technological innovations and playing a leading role in dimensions including advanced materials, advanced manufacturing technologies, high performance batteries and system technologies, new batteries, and battery full life cycle management; the Company tightened cost control through technological innovation, optimization of production and operation management, supply chain management, etc.; at the same time, the Company actively expanded overseas markets, accelerated overseas industrial layout, actively expanded market business in the field of energy storage and pay close attention to emerging market dynamics.

Directors' Report

- **International operation risk**

The Company actively expanded overseas markets, established subsidiaries and built new factories overseas. In the event of geopolitical conflicts, the implementation of policies such as increased tariffs or non-tariff barriers, or the Company's failure to identify overseas local laws and regulations and operational risks, the Company's local operations may be adversely affected.

In order to prevent the risk of international operation, the Company will continue to improve the operation and management level of overseas business, identify possible risks in overseas business, formulate risk response strategies, and formulate relevant management standards and policies in line with local laws, regulations and customs. Meanwhile, the Company should keep accurately informed of the timeframe for the issuance of overseas policies related to new energy, and accordingly align supply with demand in advance by proactively engaging with clients in respect of their vehicle models mass-produced or to be mass-produced in order to fully explore potential market demands from international customers.

- **Risks to Technology and Research and Development**

As a technology-intensive and talent-intensive industry, the technological upgrading of EV battery and energy storage battery industry is fast, while safety, stability and advancement are also highly required in EV battery and energy storage battery market. For these reasons, only with continued investment in technological research and development can we continuously adapt to the changing market situations.

Thanks to its long-term technologies accumulation and talent development, the Company has a technology patent R&D team which plays a leading role in the industry, and puts in place the mechanism to respond to market needs rapidly; furthermore, the Company continues to increase expenditure on the research and development of the next-generation technologies such as all-solid-state batteries, to maintain the leading role; at the same time, the Company maintains long-term cooperation with universities, colleges, scientific research institutions, and players in the upstream and downstream of the industrial chain to accelerate the process of technological breakthrough and commercialization.

FINANCIAL REVIEW

A discussion and analysis of the key factors relating to reviewing the financial position of the Group during the year is set out in the section headed "Management Discussion and Analysis" in this annual report.

SHARE CAPITAL

During the Reporting Period, there was no change in the total share capital of the Company. As at the end of the Reporting Period, the total share capital of the Company was 1,772,301,858 shares. Reference is made to the announcement of the Company dated 4 September 2025 in relation to the completion of the H Share "Full Circulation" by the Company. 149,831,290 domestic shares of the Company were converted into H Shares on 4 September 2025 and listed on the Stock Exchange on 5 September 2025. Upon the completion of the H Share "Full Circulation", H Shares of the Company increased by 149,831,290 shares and domestic shares decreased by 149,831,290 shares. The total number of issued shares of the Company remained unchanged after the conversion. Details are as follows:

Type of Shares	Immediately before completion of the Conversion and Listing		Upon completion of the Conversion and the Listing	
	Number of Shares	Percentage of the total number of issued shares of the Company	Number of Shares	Percentage of the total number of issued shares of the Company
Domestic Shares	1,160,633,753	65.49%	1,010,802,463	57.03%
H Shares	611,668,105	34.51%	761,499,395	42.97%
Total	<u>1,772,301,858</u>	<u>100%</u>	<u>1,772,301,858</u>	<u>100%</u>

For details of the H Share "Full Circulation", please refer to the relevant announcements of the Company dated 14 April 2025, 14 August 2025, 19 August 2025 and 4 September 2025.

SUBSIDIARIES

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

FINAL DIVIDEND

The Board has resolved neither to recommend the payment of a final dividend for the year ended 31 December 2025, nor to convert capital reserve to share capital or make other forms of distribution.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is not exposed to any significant environmental risks. During the Reporting Period, it is to the knowledge of Directors that the Group has complied with all relevant laws and regulations which have a significant impact on the Group in all material respects.

Further details of the environmental policies and performance of the Company are set out in the "2025 Environmental, Social and Governance Report" which is to be published on the same day with this report.

LEGAL PROCEEDINGS AND COMPLIANCE

The Group may be involved in various legal proceedings, arbitrations or litigations in the ordinary course of business from time to time. Save as disclosed in this report, during the Reporting Period, the Group was not involved in any legal proceedings, arbitration or litigation which, in our opinion, would have a material adverse effect on the ordinary business, financial condition or results of operations and, to our knowledge, there is no risk of any such legal proceedings, arbitrations or administrative litigations.

RESERVES

Details of movements in the reserves of the Group and the Company as of 31 December 2025 are set out in the consolidated statement of changes in equity and note 44 to the financial statements, respectively.

The Group's reserves available for distribution as at 31 December 2025, calculated in accordance with the applicable laws of the PRC, the place of incorporation of the Company, amounted to approximately RMB2,674,316 thousand.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in note 19 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales amount and purchase amount of the Group's major customers and suppliers for the year ended 31 December 2025 are as follows:

Sales amount

– The largest customer	16.7%
– Total of the five largest customers	50.8%

Purchase amount

– The largest supplier	8.6%
– Total of the five largest suppliers	35.1%

Among the five largest suppliers of the Group, except for China Lithium Battery Technology (Luoyang) Co., Ltd.* (中航鋰電(洛陽)有限公司) (“**Luoyang Company**”) which is a connected person of the Company (for more details, refer to the section headed “Directors' Report – Continuing Connected Transactions”), the Directors of the Company, their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) do not have any interest in any of the other abovementioned major suppliers or customers.

EQUITY-LINKED AGREEMENTS

The Company did not enter into any equity-linked agreement in 2025 and no such agreement existed at the end of 2025.

PERMITTED INDEMNITY PROVISION

The Company maintained appropriate liability insurance for Directors and officers of the Company and such permitted indemnity provision for the benefit of Directors is still in force and continued to be in force for the year ended 31 December 2025. Apart from this, the Company had no other valid permitted indemnity provisions during the Reporting Period and at the time of approval as at the date of this annual report.

ISSUED DEBENTURE

In order to further broaden the financing channels and optimize the debt financing structure, the Company successfully issued three tranches of green technology innovation bonds in 2025, with a total amount of RMB1,900 million, which will be used for the construction of green projects of the Company and the repayment of interest-bearing liabilities of green projects. The details are set out in note 34 to the consolidated financial statements.

Directors' Report

DONATION

For the year ended 31 December 2025, the Group made charitable and other donations totalling RMB8,083 thousand.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended 31 December 2025.

DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this annual report are:

Executive Directors

Liu Jingyu (*Chairwoman and General Manager*)

Dai Ying

Non-executive Directors

Hu Jing

Li Jiancun

Xie Jieping

Independent Non-executive Directors

Dr. Wang Susheng

Dr. Chen Zetong

Dr. Xiao Wen (*appointed on 10 October 2025*)

Wu Guangquan⁽¹⁾ (*resigned on 10 October 2025*)

CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Directors has provided a written confirmation to confirm his independence from the Company under Rule 3.13 of the Listing Rules. Upon assessment, the Company considers each of the independent non-executive Directors to be independent.

(1) Wu Guangquan resigned as an independent non-executive Director of the Company due to personal work adjustment.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

All of the executive Directors, independent non-executive Directors and Supervisors of the Company have entered into service contracts or letters of appointment with the Company, respectively. The term of office of each Director is thereafter renewed annually by mutual consent, unless terminated by either party giving to the other not less than three months' prior written notice. In accordance with Articles 96 and 106 of the Articles of Association of the Company, the Directors shall be elected or replaced at the general meetings, with a term of three years. Upon expiry of the term of office, the Directors may be re-elected, but the term of office of an independent Director shall not exceed six years (unless the term of office of an independent Director is otherwise provided for by relevant laws, regulations and the listing rules of the exchange where the Company's shares are listed).

None of the Directors or Supervisors who are to be re-elected at the annual general meeting has entered into any service contract with the Group which may not be terminated by the Group within a year without payment of any compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors, the Directors of the Company's subsidiaries or their respective associates has an interest in any business which competes or is likely to compete (whether directly or indirectly) with the business of the Company and its subsidiaries for the year ended 31 December 2025 (except for directors and/or directors of their subsidiaries and their respective associates).

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this report, none of the Company, its holding company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate during the year ended 31 December 2025.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the Group's continuing connected transactions during the Reporting Period are set out as follows:

CONTINUING CONNECTED TRANSACTIONS

I. Sales Framework Agreement

As at the date of this annual report, Jintan Holding directly and indirectly held approximately 26.02% of the issued shares of the Company and is one of the substantial shareholders of the Company, and therefore Jintan Holding and its associates are connected persons of the Company. Luoyang Company is owned as to 49% by Jinhang Holding and 51% by Jincheng Technology, respectively, and Jincheng Technology is wholly owned by Jintan Holding. Thus, Luoyang Company is an associate of Jintan Holding and hence a connected person of the Company.

Directors' Report

On 4 January 2024, Luoyang Company entered into a sales framework agreement with the Company (the “**Sales Framework Agreement**”), under which the Group will sell lithium batteries components and related products (including raw materials, work in progress and finished goods) to Luoyang Company and its associates for a term from 1 January 2024 to 31 December 2024, which has been renewed on the Board meeting held on 15 November 2024, for a term from 1 January 2025 to 31 December 2025 (the “**2025 Sales Framework Agreement**”). As the Company estimates that the existing annual caps under these agreements will not be sufficient to satisfy the relevant business development needs, on 12 November 2025, upon consideration and approval by the Board of the Company, the Company (for itself and on behalf of the Group) and Luoyang Company (for itself and on behalf of its associates) entered into the Supplemental Agreement to the 2025 Sales Framework Agreement (the “**Supplemental Agreement to the 2025 Sales Framework Agreement**”) to revise the annual cap under the 2025 Sales Framework Agreement. Save for the revision of the annual caps, the other principal terms of the 2025 Sales Framework Agreement remain unchanged. For details, please refer to the announcement dated 12 November 2025 as disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange.

As the 2025 Sales Framework Agreement will expire on 31 December 2025, the Company expects such transactions to continue thereafter. On 24 December 2025, as approved at the 2025 third extraordinary general meeting of the Company, the term of the Sales Framework Agreement was further extended to the period from 1 January 2026 to 31 December 2026 (the “**2026 Sales Framework Agreement**”). Based on the previous transactions, Luoyang Company has a thorough understanding of the Group’s product range and product quality, and it is cost effective and mutually beneficial for both parties to continue the cooperation. The sale of Lithium Batteries and related products to Luoyang Company and its associates at fair, reasonable and competitive prices is part of the Company’s ordinary and usual course of business, which helps enhance the Group’s revenue in the sale of Lithium Batteries and related products and promotes the Group’s business development. The prices of Lithium Batteries and related products sold by the Group to Luoyang Company and its associates will be determined after arm’s length negotiations mainly by reference to market prices and the sales prices of similar products supplied by the Group to other Independent Third Party customers, having taken into account the costs plus a reasonable profit margin. For details, please refer to the announcements dated 24 December 2025 and 12 November 2025 and the circular dated 4 December 2025 as disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange.

The revised annual cap for the continuing connected transaction under the Supplemental Agreement to the 2025 Sales Framework Agreement for the year ended 31 December 2025 was RMB1,360 million, and the actual transaction amount for the year ended 31 December 2025 was approximately RMB1,351.63 million.

II. Entrusted Processing Framework Agreement

As at the date of this annual report, Jintan Holding directly and indirectly held approximately 26.02% of the issued shares of the Company and is one of the substantial shareholders of the Company, and therefore Jintan Holding and its associates are connected persons of the Company. Luoyang Company is owned as to 49% by Jinhang Holding and 51% by Jincheng Technology, respectively, and Jincheng Technology is wholly owned by Jintan Holding. Thus, Luoyang Company is an associate of Jintan Holding and hence a connected person of the Company.

On 4 January 2024, Luoyang Company entered into an entrusted processing framework agreement with the Company (the "**Entrusted Processing Framework Agreement**"), pursuant to which the Company agrees to entrust Luoyang Company and Luoyang Company agrees to provide processing services of lithium batteries for the Company for a term of one year commencing from 1 January 2024 and ending on 31 December 2024. On 31 December 2024, the term of the Entrusted Processing Framework Agreement was extended to the period from 1 January 2025 to 31 December 2025 (the "**2025 Entrusted Processing Framework Agreement**"). As the Company estimates that the existing annual caps under these agreements will not be sufficient to satisfy the relevant business development needs, on 12 November 2025, as approved at the 2025 third extraordinary general meeting of the Company, the Company (for itself and on behalf of the Group) and Luoyang Company (for itself and on behalf of Luoyang Group) entered into the Supplemental Agreement to the 2025 Entrusted Processing Framework Agreement (the "**Supplemental Agreement to the 2025 Entrusted Processing Framework Agreement**") to revise the annual cap under the 2025 Entrusted Processing Framework Agreement. Save for the revision of the annual caps, the other principal terms of the 2025 Entrusted Processing Framework Agreement remain unchanged. For details, please refer to the announcements dated 24 December 2025 and 12 November 2025 and the circular dated 4 December 2025 as disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange.

As the 2025 Entrusted Processing Framework Agreement will expire on 31 December 2025, on 24 December 2025, as approved at the 2025 third extraordinary general meeting of the Company, the term of the Entrusted Processing Framework Agreement was further extended to the period from 1 January 2026 to 31 December 2026 (the "**2026 Entrusted Processing Framework Agreement**"). Luoyang Company will be responsible for the raw materials, front line workers and technicians whose licences and qualifications are recognized by us and completing the production and processing. The prices for lithium batteries processing services it provided are determined with reference to the cost of processing and producing lithium batteries and the prevailing market price of processing services in the same or proximity areas charged by Independent Third Parties. The Group and Luoyang Company will also enter into a specific entrusted processing agreement in respect of the detailed terms of the processing services.

Directors' Report

The Directors are of the view that the transactions under the Entrusted Processing Framework Agreement are to the benefit of the Company because (1) Luoyang Company has a mature and stable production line, and is able to serve the Company's existing customers nearby. The use of Luoyang Company's existing production capacity is more cost-effective than the construction of new production lines by the Company, which can ensure the stability of products of relevant models and the continuity of orders so as to meet the needs of customers for related products, so as to further increase the Group's revenue and support its long-term business growth; (2) Luoyang Company as well as the shareholders of Luoyang Company have already entered into a non-compete undertaking in favor of each member of the Group and undertook that Luoyang Company cannot engage in the business of manufacturing, research and development and sales of the Lithium Batteries, unless the Company's demands for entrusted processing services for the Lithium Batteries have been satisfied and an expressed consent have been obtained from the Company. Such undertaking can effectively avoid potential competition from Luoyang Company; (3) based on the previous transactions, both the Group and Luoyang Company have a thorough understanding of each other's product and service quality, and cooperation model, and it is cost effective and mutually beneficial for both parties to leverage their respective strengths to engage in cooperation; and (4) it is not easy to find a substitute for provision of processing service of the Lithium Batteries in the market with similar quality, price, production capacity and cultivated trust and understanding.

The annual cap for above continuing connected transaction for the year ended 31 December 2025 was RMB3,800 million, and the actual transaction amount for the year ended 31 December 2025 was approximately RMB3,575.80 million.

III. The General Contracting Agreements for Construction Projects

As at the date of this annual report, Jintan Holding directly and indirectly held approximately 26.02% of the total issued shares of the Company and is one of the substantial Shareholders of the Company, and therefore Jintan Holding and its associates are connected persons of the Company. Jiangsu Chengdong Construction Engineering Co., Ltd.* (江蘇城東建設工程有限公司) ("**Jiangsu Chengdong Construction**") is a non-wholly owned subsidiary of Jintan Holding, and hence a connected person of the Company.

Reference is made to the announcement of the Company dated December 18, 2023 in relation to, among others, the Engineering and Construction Framework Agreement entered into between the Company (for itself and on behalf of the Group) and Jiangsu Chengdong Construction (for itself and on behalf of its subsidiaries) (the "**2024 to 2026 Engineering and Construction Framework Agreement**"), pursuant to which, Jiangsu Chengdong Construction and its subsidiaries will provide general contracting services of design, procurement and construction for certain industrial parks or buildings of the Group for a term of three years commencing from January 1, 2024 to December 31, 2026. On 15 November 2024, the Board agreed to enter into the Supplemental Agreement to the 2024 to 2026 Engineering and Construction Framework Agreement between the Company and Jiangsu Chengdong Construction to revise the annual caps under the 2024 to 2026 Engineering and Construction Framework Agreement, for the purpose of early completion, acceptance and settlement of the above construction projects between the Group and Jiangsu Chengdong Construction and allowing these projects to yield benefits earlier, thereby improving the Company's market share and competitiveness.

Due to the rapid growth across all business sectors of the Group and taking into account market demand, the Group will commence the construction of certain production lines during the period of 2025 to 2026 in an orderly manner. Therefore, on 26 September 2025, the Board agreed that the Company and Jiangsu Chengdong Construction entered into Supplemental Agreement II to revise the existing annual caps for the years ending 31 December 2025 and 2026 under the 2024 to 2026 Engineering and Construction Framework Agreement and the Supplemental Agreement. Except for the revision of the annual caps, the other principal terms of the 2024 to 2026 Engineering and Construction Framework Agreement remain unchanged. General contracting services provided by Jiangsu Chengdong Construction and its subsidiaries in respect of design, procurement and construction to certain industrial parks or buildings of the Group are in line with the Group's expansion plan, which will have a positive impact on the future performance of the Group. For details, please refer to the announcement dated 26 September 2025 as disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange.

The annual cap for above continuing connected transactions for the year ended 31 December 2025 was RMB250 million. The actual transaction amount for the year ended 31 December 2025 was approximately RMB161.26 million.

Confirmation of Independent Non-Executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the abovementioned continuing connected transactions and, after taking into consideration of factors such as market environment, transaction amounts and corporate governance, confirmed that they were entered into by the Group: (i) in the ordinary course of business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Directors' Report

Confirmation of Auditor

The auditor of the Company has been engaged to report on the Group's continuing connected transactions in accordance with 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 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing its findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules, and concluded that:

- (i) nothing has come to their attention that causes the auditor to believe that the abovementioned continuing connected transactions have not been approved by the Board;
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) nothing has come to their attention that causes the auditor to believe that the transactions were not carried out, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and
- (iv) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes the auditor to believe that the amounts have exceeded the related annual caps for the year ended 31 December 2025.

A copy of the auditor's letter on the continuing connected transactions of the Group for the year ended 31 December 2025 has been provided to the Company.

Connected Transactions

Acquisition of 8.3155% Equity Interest in Wuhan Company

On 23 December 2025, the Company successfully bid for the 8.3155% equity interest ("**Target Equity**") in CALB (Wuhan) Co., Ltd.* (中創新航科技(武漢)有限公司) ("**Wuhan Company**") offered for sale by Wuhan Jingkai Investment Co., Ltd.* (武漢經開投資有限公司) ("**Wuhan Jingkai Investment**") in the Public Tender held by CBEX. Accordingly, on 24 December 2025 (after trading hours), the Company entered into the Equity Transaction Agreement with Wuhan Jingkai Investment, pursuant to which, the Company agreed to purchase, and Wuhan Jingkai Investment agreed to sell, the Target Equity at a consideration of RMB660,076.1 thousand (the "**Acquisition**").

On 24 December 2025, Wuhan Company was owned as to 51% and 49% by the Company and Wuhan Jingkai Investment, respectively. Wuhan Jingkai Investment is the substantial shareholder of Wuhan Company and Wuhan Company is a non-wholly owned subsidiary of the Company, Wuhan Jingkai Investment therefore constitutes a connected person of the Company at the subsidiary level. Therefore, the Acquisition contemplated under the Equity Transaction Agreement constitutes a connected transaction of the Company. Upon the completion of the auction and the Acquisition, the Company's equity interest in Wuhan Company shall increase from 51% to 59.3155%, and Wuhan Company will continue to be a non-wholly owned subsidiary of the Company.

Since its establishment, Wuhan Company has efficiently and rapidly completed the construction of production lines and put them into operation, with stable revenue growth, good profitability, and a controllable liability-to-asset ratio. Based on the positive outlook for the development of Wuhan Company, the Company has participated in the Public Tender. The completion of the Acquisition will further increase the shareholding proportion of the Company in Wuhan Company. For details, please refer to the announcement dated 24 December 2025 as disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange.

The related party transactions set out in Note 49 to the consolidated financial statements do not constitute non-exempt connected transactions or continuing connected transactions of the Company as defined in Chapter 14A of the Listing Rules, except that the transactions entered into between the Group and their connected persons constitute connected transactions and/or continuing connected transactions as disclosed above, and the Company has complied with all the applicable requirements under Chapter 14A of the Listing Rules in this respect. Save as disclosed in this annual report, there were no other connected transactions which are required to be disclosed by the Company during the Reporting Period in accordance with the Chapter 14A of the Listing Rules.

TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

No transaction, arrangement or contract of significance, to which the Company, or any of its subsidiaries was a party and in which a Director, a Supervisor or any entity in connection with any Director or Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

There is no Shareholder of the Company holding more than 30% of the voting rights of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules). As of the end of the Reporting Period, the Company did not hold treasury shares.

EMOLUMENT POLICY

As at 31 December 2025, the total number of employees of the Group was 14,323. Staff costs (including Directors' remuneration) of the Group for the year of 2025 amounted to approximately RMB1,761,387,000, and the total remuneration of the Group's Directors, Supervisors and senior management in 2025 amounted to approximately RMB40,030,000. The staff costs include basic remuneration, bonuses and employee benefits.

Upholding the core values of sincerity, efficiency and win-win cooperation, and deeply implementing the "Culture and Talent Strategy", the Company is committed to respecting and cultivating talents, and providing a development platform for willing and capable employees, so as to earnestly perform its social responsibilities. The Company has established a comprehensive remuneration and benefit management system, and built a remuneration and benefit system featuring both external competitiveness and internal fairness. The Company comprehensively assesses employees' abilities and room for growth through a fair and transparent promotion mechanism and taking into consideration the employee's values, performance, competence and development potential, so as to match the talents with the Company's development needs. The Company implements a salary adjustment system that is externally competitive, internally fair, and individually balanced to maximize the potential of the team and individuals. In terms of bonus distribution, the Company evaluates the achievement of the operational targets at the company level and the performance targets at the department level as well as the achievement of the labor cost targets of each system, and distributes the bonuses according to the employees' performance contributions. The Company continues to optimize the hierarchical and layered talent incentive system, implement differentiated incentive strategies for different categories of employees, consistently enhance their sense of belonging, accomplishment and honor, so as to achieve mutual growth of the employees and the Company.

EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors, Supervisors and senior management are set out in note 16 and note 49 to the consolidated financial statements.

FIVE HIGHEST-PAID EMPLOYEES

Details of the five highest-paid individuals are set out in note 15 to the consolidated financial statements.

NON-COMPETITION AGREEMENT

The non-competition agreement dated 2 March 2022 was entered into by each member of Jintan Group in favor of the Company (for the Company and as trustee for each of its subsidiaries), as further described under the section headed "Relationship with Jintan Group – Non-Competition Agreement" in the Prospectus.

The Company has received an annual declaration in writing from each member of Jintan Group confirming that it had complied with the non-competition undertakings provided to the Company under the non-competition agreement. The independent non-executive Directors reviewed the status of compliance and enforcement of the non-competition agreement and confirmed that all the undertakings thereunder have been complied with for the year ended 31 December 2025.

RELATIONS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The success of the Group relies on the support of important relations such as employees, suppliers and customers. The Company maintains a good relationship with its employees, customers and suppliers in order to ensure smooth business operation.

Directors, Supervisors and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at 31 December 2025, the long positions and short positions in Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) our Directors, Supervisors or chief executive of our Company have or are taken or deemed to have (a) which shall be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which will be required pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which shall be required to be notified to us and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) are as follows:

Name of Directors, Supervisors or chief executive	Position	Nature of interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Liu Jingyu	Executive Director	Beneficial owner	Domestic Shares	2,002,265	0.20%	0.11%
Dai Ying	Executive Director	Beneficial owner	Domestic Shares	1,196,820	0.12%	0.07%

Notes:

- (1) All the interests above represent long positions.
- (2) The percentages are calculated based on the Company's total number in the respective class of shares as at 31 December 2025 (i.e. 1,010,802,463 Domestic Shares and 761,499,395 H Shares).
- (3) The percentages are calculated based on the Company's total number of the issued shares of the Company, being 1,772,301,858 shares, as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of our Directors, Supervisors or chief executive of our Company had or was taken or deemed to have the long positions and short positions in Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) (a) which shall be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) which will be required pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) which shall be required to be notified to us and the Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

Directors' Report

Interests and Short Positions of Major Shareholders and Other Persons in the Shares and Underlying Shares of the Company

As at 31 December 2025, to the best knowledge of the Directors, the following persons (other than Directors, Supervisors or the chief executive of the Company) had the interests or short positions in the Shares or underlying Shares which shall be notified to us and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which will 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 interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of Shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Changzhou Jinsha Technology Investment Co., Ltd. ("Jinsha Investment") ⁽⁷⁾	Beneficial owner	Domestic Shares	172,255,431(L)	17.04%(L)	9.72%(L)
	Interest in controlled corporation	Domestic Shares	8,642,400(L)	0.86%(L)	0.49%(L)
	Beneficial owner	H Shares	79,874,850(L)	10.49%(L)	4.51%(L)
Changzhou Huake Engineering Construction Co., Ltd. ("Huake Engineering") ⁽⁷⁾	Beneficial owner	H Shares	55,897,277(L)	7.34%(L)	3.15%(L)
Changzhou Huake Technology Investment Co., Ltd. ("Huake Investment") ⁽⁷⁾	Beneficial owner	Domestic Shares	77,785,163(L)	7.70%(L)	4.39%(L)
Jiangsu Jintan Hualuogeng Technology Industry Development Co., Ltd. ("Jintan Hualuogeng") ^{(4) & (7)}	Interest in controlled corporation	Domestic Shares	120,546,199(L)	11.93%(L)	6.80%(L)
	Interest in controlled corporation	H Shares	55,897,277(L)	7.34%(L)	3.15%(L)
Jiangsu Jintan Investment Holding Co., Ltd. ("Jintan Holding") ^{(5) & (6) & (7)}	Interest in controlled corporation	Domestic Shares	301,444,030(L)	29.82%(L)	17.01%(L)
	Others	Domestic Shares	24,000,000(L)	2.37%(L)	1.35%(L)
	Interest in controlled corporation	H Shares	135,772,127(L)	17.83%(L)	7.66%(L)
Xiamen Lihang Equity Investment Management Co., Ltd. ⁽⁸⁾	Interest in controlled corporation	Domestic Shares	99,306,299(L)	9.82%(L)	5.60%(L)
	Interest in controlled corporation	H Shares	42,559,842(L)	5.59%(L)	2.40%(L)
Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership) ("Lihang Jinzhi") ⁽⁸⁾	Beneficial owner	Domestic Shares	99,306,299(L)	9.82%(L)	5.60%(L)
	Beneficial owner	H Shares	42,559,842(L)	5.59%(L)	2.40%(L)

Name of Shareholder	Nature of interests	Class of shares	Number of shares held ⁽¹⁾	Percentage of Shareholdings in respective class of share capital ⁽²⁾	Percentage of shareholdings in the total share capital ⁽³⁾
Xiamen Industrial Investment Co., Ltd., ("Xiamen Industrial Investment") ⁽⁹⁾	Beneficial owner	Domestic Shares	26,306,305(L)	2.60%(L)	1.48%(L)
	Interest in controlled corporation	Domestic Shares	99,306,299(L)	9.82%(L)	5.60%(L)
	Interest in controlled corporation	H Shares	42,559,842(L)	5.59%(L)	2.40%(L)
Xiamen Jinyuan Investment Group Co., Ltd. ("Jinyuan Investment") ⁽⁹⁾	Beneficial owner	H Shares	8,018,430(L)	1.05%(L)	0.45%(L)
	Beneficial owner	Domestic Shares	26,306,305(L)	2.60%(L)	1.48%(L)
	Interest in controlled corporation	Domestic Shares	149,612,604(L)	14.80%(L)	8.44%(L)
	Beneficial owner	H Shares	11,274,130(L)	1.48%(L)	0.64%(L)
Sichuan Chengfei Jicheng Technology Co., Ltd. ("Chengfei Jicheng") ⁽¹⁰⁾	Interest in controlled corporation	H Shares	50,578,272(L)	6.64%(L)	2.85%(L)
	Beneficial owner	Domestic Shares	105,802,107(L)	10.47%(L)	5.97%(L)
	Beneficial owner	H Shares	45,343,760(L)	5.95%(L)	2.56%(L)
Aviation Industry Corporation of China Limited ("AVIC") ⁽¹⁰⁾	Interest in controlled corporation	Domestic Shares	116,992,304(L)	11.57%(L)	6.60%(L)
	Interest in controlled corporation	H Shares	46,978,691(L)	6.17%(L)	2.65%(L)
Guangdong Guangqi Ruidian Equity Investment Partnership Enterprise (Limited Partnership)	Beneficial owner	H Shares	50,484,991(L)	6.63%(L)	2.85%(L)
China Insurance Investment Company Ltd	Interest in controlled corporation	Domestic Shares	80,177,982	7.93%(L)	4.52%(L)
China Insurance Investment (Shenzhen) Advanced Manufacturing Investment Partnership (Limited Partnership) ⁽¹¹⁾	Beneficial owner	Domestic Shares	52,043,316	5.15%(L)	2.94%(L)

Directors' Report

Notes:

- (1) All the interests above represent long position.
- (2) The percentages are calculated based on the Company's total number in the respective class of shares as at 31 December 2025 (i.e. 1,010,802,463 Domestic Shares and 761,499,395 H Shares).
- (3) The percentages are calculated based on the Company's total number of the issued shares of the Company as at 31 December 2025 (i.e. 1,772,301,858 shares).
- (4) Each of Huake Engineering and Huake Investment is wholly owned by Jintan Hualuogeng. Jintan Hualuogeng is deemed to be interested in the Shares held by each of Huake Engineering and Huake Investment under the SFO.
- (5) Jinsha Investment is wholly owned by Jintan Holding. Jintan Hualuogeng is owned as to 90% by Jintan Holding. Jintan Holding is deemed to be interested in the Shares held by each of Jinsha Investment, Huake Engineering and Huake Investment under the SFO.
- (6) The investment by Jintan International in our Company was made in accordance with the instructions of Jintan Holding and Jintan International exercises its voting rights in our Company in accordance with the instructions of Jintan Holding.
- (7) Jinsha Investment, Huake Engineering, Huake Investment, Jintan International, Changzhou Changjin New Energy Partnership (Limited Partnership), Jintan Hualuogeng and Jintan Holding are a group of largest Shareholders and directly or indirectly control an aggregate of approximately 26.02% of our Company's voting rights.
- (8) Lihang Jinzhi is a limited partnership established under the laws of the PRC with Xiamen Lihang Equity Investment Management Co., Ltd.* (廈門鯉航股權投資管理有限公司) being its general partner and Xiamen Industrial Investment being its limited partner. According to the partnership agreement of Lihang Jinzhi which provides, among other things, that the investment decision committee of Lihang Jinzhi shall comprise three members, of which Xiamen Industrial Investment shall be entitled to nominate two members, and Xiamen Industrial Investment exercises de facto control of Lihang Jinzhi. As such, Xiamen Industrial Investment is deemed to be interested in the Shares held by Lihang Jinzhi under the SFO. Xiamen Industrial Investment directly owns approximately 1.94% interests in our Company and therefore Xiamen Industrial Investment directly and indirectly controls an aggregate of approximately 9.95% of our Company's voting rights.
- (9) Xiamen Industrial Investment is a wholly owned subsidiary of Jinyuan Investment and as such Jinyuan Investment is deemed to be interested in all the Shares held by Lihang Jinzhi and Xiamen Industrial Investment under the SFO. Moreover, Xiamen Jinli No. 2 Equity Investment Partnership (Limited Partnership) owns approximately 1.35% interests in our Company respectively. Xiamen Jinli No. 2 is a limited partnership with Xiamen City Jinyuan Equity Investment Co., Ltd.* (廈門市金圓股權投資有限公司) being its general partner. Xiamen City Jinyuan Equity Investment Co., Ltd.* is ultimately controlled by Jinyuan Investment. Jinli Investment is a limited partnership with Jinyuan Capital Management (Xiamen) Co., Ltd.* being its general partner. Jinyuan Capital Management (Xiamen) Co., Ltd.* (金圓資本管理(廈門)有限公司) is ultimately controlled by Jinyuan Investment. As such, Jinyuan Investment is also deemed to be interested in the Shares held by Xiamen Jinli No.2 under the SFO. Jinyuan Investment directly owns approximately 2.12% interests in our Company and therefore Jinyuan Investment directly and indirectly controls an aggregate of approximately 13.42% of our Company's voting rights.
- (10) Chengfei Jicheng is a joint stock limited company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002190) and ultimately controlled by AVIC. As such, AVIC is deemed to be interested in the Shares held by Chengfei Jicheng under the SFO. Moreover, each of Missile Academy, Aviation Investment and Hongdu Airline owns approximately 0.55%, 0.09% and 0.08% interests in our Company respectively, and each of the above companies and partnerships is ultimately controlled by AVIC, which is also deemed to be interested in the Shares held by such companies and partnerships under the SFO. Therefore, AVIC indirectly controls an aggregate of approximately 9.25% of our Company's voting rights.
- (11) General partners of China Insurance Investment (Shenzhen) Advanced Manufacturing Investment Partnership (Limited Partnership), China Insurance Investment No. 1 (Shenzhen) New Energy Automobile Industry Investment Partnership (Limited Partnership) and China Insurance Investment (Shenzhen) Strategic Emerging Industry Investment Partnership (Limited Partnership) are all ultimately managed and controlled by China Insurance Investment Company Ltd. As such, China Insurance Investment Company Ltd is deemed to be interested in the Shares of the Company held by each of China Insurance Investment (Shenzhen) Advanced Manufacturing Investment Partnership (Limited Partners), China Insurance Investment No. 1 (Shenzhen) New Energy Automobile Industry Investment Partnership (Limited Partnership) and China Insurance Investment (Shenzhen) Strategic Emerging Industry Investment Partnership (Limited Partnership) under the SFO.

Pursuant to section 336 of the SFO, shareholders are required to submit disclosure of interest forms if certain conditions are fulfilled. In the event of a change in a shareholder's shareholding in the Company, it is not necessary for the shareholder to notify the Company and the Stock Exchange unless certain conditions have been fulfilled, so the shareholder's latest shareholding in the Company may differ from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any persons (other than the Directors, Supervisors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or to be recorded in the register required to be kept by the Company under section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions under the Articles of Association and the laws of the PRC which oblige the Company to offer pre-emptive rights of new shares to existing shareholders based on their shareholding proportion.

TAX RELIEF AND EXEMPTION

The Group is not aware of any tax relief and exemption to the holders of any securities of the Company as a result of their holding of such securities.

PENSION SCHEME

The employees of the subsidiaries in Chinese Mainland are required to participate in a central pension scheme managed by the local municipal government in Chinese Mainland. The subsidiaries are required to contribute a prescribed percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at any time during the Reporting Period, the Company or any of its subsidiaries or holding companies or any subsidiaries of the Company's holding companies had not entered into any arrangement which would empower the Directors or Supervisors to acquire benefits by acquiring shares in or debentures of the Company or any other corporate body, and no Directors or Supervisors or any of their spouses or minor children had been granted any rights to subscribe for equity interests in or debt securities of the Company or any other corporate body, nor had they exercised any such rights.

At the beginning of the Reporting Period, there were no incentive shares outstanding or not vested with any of the Directors, the five highest paid individuals during the Reporting Period and other employees as beneficiaries. During the Reporting Period, there were no incentive share granted to any of the Directors, the five highest paid individuals and the other employees. At the end of the Reporting Period, there were no incentive share outstanding or not vested with any of the Directors, the five highest paid individuals or other employees as beneficiaries.

During the year ended 31 December 2025, the Company did not issue shares pursuant to any equity incentive scheme.

Directors' Report

PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, provided that the minimum public float of the Company shall be the higher of: (1) approximately 13.08% of the total issued share capital of the Company; (2) the percentage of H Shares held by the public immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. The details were disclosed in the Prospectus of the Company dated 23 September 2022.

During the year ended 31 December 2025, based on information publicly available to the Company and to the knowledge of the Directors, the Company complied with the minimum public float as required by the Listing Rules, with its public float consistently maintained at not less than the minimum percentage of public float prescribed at the time of its listing. Since 1 January 2026, the Company's H Shares which are listed on the Stock Exchange and held by the public represent at least 13.08% of the total number of issued shares of the Company (excluding the treasury shares).

SUBSEQUENT EVENTS

On 5 February 2026, the Board of the Company has considered and approved the proposed implementation of conversion of 207,102,914 domestic shares of the Company held by certain shareholders of the Company into H shares of the Company (the "**H Share Full Circulation**"). As of the date of this annual report, the Company has submitted the filing application documents to the CSRC for the H Share Full Circulation. The Company will make further announcement(s) on the progress of the H Share Full Circulation and the Conversion and Listing in accordance with the requirements of the Listing Rules. For details, please refer to the announcement of the Company dated 5 February 2026.

After due and careful consideration, the Directors confirm that, save for the above disclosures, there has been no material adverse change in financial or trading position or prospects of the Company since 31 December 2025 to the date of this annual report.

AUDITOR

For the year ended 31 December 2025, the Group's domestic auditor was performed by RSM China (special general partnership), and the international auditor was performed by RSM Hong Kong. The financial statements set out in this annual report have been audited by RSM Hong Kong. There has been no change in auditor of the Group since the Listing Date.

For and on behalf of the Board

CALB GROUP CO., LTD.

Liu Jingyu

Chairwoman, executive Director and General Manager

Changzhou, the PRC

27 March 2026

Independent Auditor's Report



**TO THE SHAREHOLDERS OF
CALB GROUP CO., LTD.**

(A joint stock company incorporated in the PRC with limited liability)

Opinion

We have audited the consolidated financial statements of CALB Group Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 94 to 218, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 issued by the International Accounting Standards Board (the “**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 Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). 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 HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have 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 judgment, 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. The key audit matters we identified are:

1. Assessment of the Group’s Ability to Continue as a Going Concern
2. Revenue Recognition
3. Valuation of Allowance for Inventories
4. Government Grants

Independent Auditor’s Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of the Group’s Ability to Continue as a Going Concern</p> <p>Refer to note 2 to the consolidated financial statements</p> <p>As at 31 December 2025 the Group had net current liabilities of approximately RMB12,773 million and total bank borrowings and bond payables of approximately RMB57,267 million, with approximately RMB25,120 million due within one year. The Group also has capital commitments of approximately RMB11,297 million which are mostly expected to be fulfilled within the next 18 months.</p> <p>While management forecasts revenue growth and margin improvement in coming year, the Group’s ability to meet its obligations depends on successfully increasing production capacity, reliably anticipating market demands, securing additional long-term financing for capital expenditures, successfully rollover short-term borrowing facilities and maintaining compliance with financial covenants of loans.</p> <p>The directors of the Company have reviewed a comprehensive cashflow forecast for a period of not less than twelve months from 31 December 2025 (“Forecast Period”) in which certain key assumptions are applied by management for going concern assessment. These key assumptions included forecasts sales volumes, average unit selling price, gross profit margin, planned capital expenditure and the availability of banking facilities. Based on the assessment, the directors concluded that there are no material uncertainties related to events and conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern.</p>	<p>Our audit procedures in respect of the directors’ assessment of the Group’s ability to continue as a going concern included the following:</p> <ul style="list-style-type: none"> Assessing and challenging the reasonableness of the key assumptions used by management in the cashflow forecast (including sales volumes, average unit selling price, gross profit margin and availability of banking facilities) by comparing them to historical production data, market trends for EV battery and ESS product prices and operational plans; Comparing the prior year’s cash flow forecast prepared in the prior year with current year’s performance of the Group to assess the accuracy of the prior year’s cash flow forecast, and discussing with management the reasons for any significant variations identified; Assessing the availability of banking facilities during the Forecast Period by inspecting relevant underlying documents, which included banking facility agreements signed before and after the reporting period end, and evaluating whether the facilities are sufficient to meet the Group’s needs in the context of the cashflow forecast, taking into the account any breach of loan covenants which may trigger early repayment of loans, and the growing working capital requirements due to forecasted scaling of manufacturing operations;

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of the Group's Ability to Continue as a Going Concern (Continued)</p> <p>We identified going concern assessment as a key audit matter because significant degree of management judgement and estimates are involved in making this assessment and in forecasting the future cash flows of the Group which are inherently uncertain.</p>	<ul style="list-style-type: none"> • Assessing the Group's ability to renew or refinance existing banking facilities upon maturity by performing a retrospective review of past renewal or roll-over history in prior years, and evaluate the management's plan and their assessment of feasibility of obtaining additional banking facilities in the Forecast Period; • Obtaining financial information after the reporting period and assessing for any post-year-end deterioration in performance or adverse events that could impact going concern assumptions; • Reviewing management's sensitivity analyses on key assumptions used in the cashflow forecast and assessing their impact on the conclusions of the going concern assessment; and • Assessing the related disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue Recognition</p> <p>Refer to note 4(v) and note 8 to the consolidated financial statements</p> <p>The Group's revenue is principally generated from sales of EV batteries, ESS products and other related goods. During the year, the Group has recorded revenue of approximately RMB44,400 million, representing an increase of 60% compared with last year.</p> <p>Revenue from sales of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and because there is an inherent risk that revenue could be recorded in an incorrect period or could be subject to manipulation in order to achieve financial targets and expectations.</p>	<p>Our audit procedures in relation to the recognition of revenue included the following:</p> <ul style="list-style-type: none"> • Understanding and assessing the design, implementation and operating effectiveness of the key internal controls over the Group's systems which govern revenue recognition; • Inspecting sales contracts with major customers to understand and assess the terms and conditions therein which may affect the recognition of revenue; • Testing revenue recorded on sample basis covering different business locations and customers, by examining the relevant supporting documents including sales orders, goods delivery notes with customer's acceptance, sales invoices, etc.; • Comparing sales transactions recorded just before and after the year end with the underlying goods delivery notes on a sample basis to assess if the related revenue had been recognised in the appropriate accounting period; • Selecting ex-warehouse numbers recorded in the ex-warehouse listing and tracing them back to the sales register on a sample basis to assess whether sales transactions are completely recorded in the sales register; and • Checking to inventories and sales records subsequent to the year end for any significant sales returns that occurred after the reporting period.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of Allowance for Inventories</p> <p>Refer to note 4(j) and note 25 to the consolidated financial statements</p> <p>As at 31 December 2025, the carrying amount of inventories is approximately RMB7,164 million and allowance for inventories of approximately RMB523 million was charged to profit or loss during the year.</p> <p>Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>We identified the valuation of the allowance for inventories as a key audit matter because there is a significant inherent risk related to assessing the net realisable value of inventories. This assessment involves significant estimates and subjective judgments of management.</p>	<p>Our audit procedures in relation to the Group's valuation of allowance for inventory included the following:</p> <ul style="list-style-type: none"> • Assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity; • Understanding and evaluating management's key controls over the assessment of the net realisable value of inventories and related loss allowances including periodic review on inventories; • Evaluating the outcome of prior period assessment of net realisable value of inventories to assess the effectiveness of management's estimation process; • Evaluating the reasonableness and appropriateness of the methods and estimations used in net realisable value of inventories; and • Comparing the carrying value of inventories to actual prices for sales transactions subsequent to the end of the reporting period, on a sample basis.

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Government Grants</p> <p>Refer to note 4(z), note 9, note 27 and note 35 to the consolidated financial statements</p> <p>The Group recognises government grant when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.</p> <p>The Group has recognised significant government grants in profit or loss during the year, and had significant deferred income as at end of reporting period as set out in note 9 and note 35, respectively.</p> <p>Most of the government grants recognised during the year were related to compensation for operating costs and expenses incurred, hence being income-related and recognised in profit or loss in the same period as the relevant expenditures.</p> <p>As at end of the reporting period, certain government grant receivables as set out in note 27 were recognised but not yet received.</p> <p>We identified accounting for government grants as a key audit matter because of its significance to the consolidated financial statements and because of the exercise of management judgement in relation to the conditions attached to the government grants and assessing whether they are met and whether the grants will be received.</p>	<p>Our audit procedures in relation to the Group's government grants included the following:</p> <ul style="list-style-type: none"> • Inspecting, on a sample basis, documents relating to government grants received or receivable during the year, identifying the specific conditions attached, and assessing whether the Group's determination on classification of income related and long-term asset related grants complied with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance; • For income-related government grants, verifying the occurrence and recognition of the expenditures and checking whether related government grants released to profit or loss matched corresponding expenditures; • For asset-related government grants, verifying total government grant amount recognised as deferred revenue matched the corresponding capitalized expenditures of assets purchased or under construction, and verifying the relationship between grants and assets items; once these government grant related long-term assets were ready to use we checked whether the recognised deferred revenue was amortised on a straight-line basis to the profit or loss for the period over the useful life of related assets; and • Checking subsequent receipts of government grants receivables for the year.

Other Information

The directors are responsible for the other information. The other information comprises all of 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 Directors and Audit Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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. We report our opinion 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 HKSAAs 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.

Independent Auditor's Report

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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.

We communicate with the Audit Committee, 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.

Independent Auditor's Report

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 Mr. Szeto Tai Shun (Practising certificate number: P07359).

RSM Hong Kong

Certified Public Accountants

29th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	8	44,400,067	27,751,526
Cost of sales		<u>(36,988,116)</u>	<u>(23,341,632)</u>
Gross profit		7,411,951	4,409,894
Investment and other income	9	333,611	357,560
Other losses, net	10	(251,616)	(139,021)
Selling expenses		(777,434)	(615,974)
Administrative expenses		(1,484,457)	(1,257,403)
Research and development expenses		(2,142,560)	(1,417,611)
Reversal of impairment losses/(impairment losses) on trade and bills receivables	26	3,951	(91,058)
Reversal of impairment losses/(impairment losses) on prepayments, deposits and other receivables	27	<u>32,320</u>	<u>(40,987)</u>
Profit from operations		3,125,766	1,205,400
Finance costs	12	(854,596)	(415,116)
Share of losses of associates		<u>(819)</u>	<u>(85)</u>
Profit before tax		2,270,351	790,199
Income tax (expense)/credit	13	<u>(175,128)</u>	<u>53,427</u>
Profit for the year	14	<u>2,095,223</u>	<u>843,626</u>
Attributable to:			
Owners of the Company		1,475,632	591,196
Non-controlling interests		<u>619,591</u>	<u>252,430</u>
		<u>2,095,223</u>	<u>843,626</u>
Earnings per share	18		
Basic (RMB per share)		<u>0.8326</u>	<u>0.3336</u>
Diluted (RMB per share)		<u>0.8326</u>	<u>0.3336</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Profit for the year	<u>2,095,223</u>	<u>843,626</u>
Other comprehensive income/(expense):		
Item that will not be reclassified to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income (FVTOCI)	<u>95,025</u>	<u>(76,423)</u>
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	<u>(4,698)</u>	<u>1,570</u>
Other comprehensive income/(expense) for the year, net of tax	<u>90,327</u>	<u>(74,853)</u>
Total comprehensive income for the year	<u>2,185,550</u>	<u>768,773</u>
Attributable to:		
Owners of the Company	1,565,959	516,343
Non-controlling interests	<u>619,591</u>	<u>252,430</u>
	<u>2,185,550</u>	<u>768,773</u>

Consolidated Statement of Financial Position

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	19	91,803,586	81,005,464
Right-of-use assets	20	2,469,276	1,749,505
Goodwill	21	137,956	–
Intangible assets	22	2,118,814	1,480,521
Investments in associates	24	359,959	16,109
Other financial assets	29	2,241,924	829,152
Deposits paid for acquisition of property, plant and equipment	27	1,142,603	993,795
Deferred tax assets	39	763,521	793,450
		<u>101,037,639</u>	<u>86,867,996</u>
Current assets			
Inventories	25	7,163,551	5,263,435
Trade and bills receivables	26	14,964,655	8,414,300
Prepayments, deposits and other receivables	27	8,175,971	7,455,596
Amounts due from related parties	28	–	201,399
Other financial assets	29	5,019,239	1,834,516
Current tax assets		3,186	185
Pledged bank deposits	30(a)	2,552,680	3,377,123
Restricted bank balances	30(b)	508	280
Bank and cash balances	30(c)	9,637,699	9,058,553
		<u>47,517,489</u>	<u>35,605,387</u>
Current liabilities			
Trade and bills payables	31	27,036,648	19,486,536
Accruals and other payables	32	6,866,909	6,779,961
Contract liabilities	33	329,736	141,294
Bond payables	34	11,441	–
Amounts due to related parties	28	25,658	27,250
Lease liabilities	36	385,519	31,463
Bank borrowings	37	25,108,122	18,960,089
Provisions	38	311,608	122,660
Financial guarantee	40	143,567	34,563
Current tax liabilities		71,092	485
		<u>60,290,300</u>	<u>45,584,301</u>
Net current liabilities		<u>(12,772,811)</u>	<u>(9,978,914)</u>
Total assets less current liabilities		<u>88,264,828</u>	<u>76,889,082</u>

Consolidated Statement of Financial Position

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Bond payables	34	1,900,000	–
Deferred income	35	338,124	297,907
Lease liabilities	36	648,596	69,137
Bank borrowings	37	30,247,028	27,156,291
Provisions	38	1,520,911	1,303,117
Deferred tax liabilities	39	153,560	8,705
		<u>34,808,219</u>	<u>28,835,157</u>
NET ASSETS		<u>53,456,609</u>	<u>48,053,925</u>
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	42	1,772,302	1,772,302
Reserves	44	34,966,643	33,411,542
		<u>36,738,945</u>	<u>35,183,844</u>
Non-controlling interests		<u>16,717,664</u>	<u>12,870,081</u>
TOTAL EQUITY		<u>53,456,609</u>	<u>48,053,925</u>

Approved by the Board of Directors on 27 March 2026 and are signed on its behalf by:

LIU Jingyu

DAI Ying

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company											Total equity
	Share capital/ Paid-in capital (Note 42) RMB'000	Capital reserve (Note 44(b)(i)) RMB'000	Merger reserve (Note 44(b)(ii)) RMB'000	Safety	Contribution	Exchange reserve (Note 44(b)(vi)) RMB'000	Put option Reserve (Note 44(b)(vii)) RMB'000	Financial assets	Retained earnings RMB'000	Non- controlling interests RMB'000	Total	
				production	from			at FVTOCI				
				fund (Note 44(b)(iii)) RMB'000	shareholder (Note 44(b)(iv)) RMB'000			reserve (Note 44(b)(vii)) RMB'000				
At 1 January 2024	<u>1,772,302</u>	<u>32,418,662</u>	<u>8,058</u>	<u>12,606</u>	<u>139,611</u>	<u>(8,966)</u>	<u>(261,157)</u>	<u>(150,020)</u>	<u>714,804</u>	<u>34,645,900</u>	<u>11,739,890</u>	<u>46,385,790</u>
Total comprehensive income for the year	-	-	-	-	-	1,570	-	(76,423)	591,196	516,343	252,430	768,773
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	884,000	884,000
Share-based payments (note 41)	-	-	-	-	26,150	-	-	-	-	26,150	-	26,150
Acquisition of non-controlling interests	-	6,493	-	-	-	-	-	-	-	6,493	(17,281)	(10,788)
Safety production fund	-	-	-	28,608	-	-	-	-	(39,650)	(11,042)	11,042	-
Changes in equity for the year	<u>-</u>	<u>6,493</u>	<u>-</u>	<u>28,608</u>	<u>26,150</u>	<u>1,570</u>	<u>-</u>	<u>(76,423)</u>	<u>551,546</u>	<u>537,944</u>	<u>1,130,191</u>	<u>1,668,135</u>
At 31 December 2024	<u>1,772,302</u>	<u>32,425,155</u>	<u>8,058</u>	<u>41,214</u>	<u>165,761</u>	<u>(7,396)</u>	<u>(261,157)</u>	<u>(226,443)</u>	<u>1,266,350</u>	<u>35,183,844</u>	<u>12,870,081</u>	<u>48,053,925</u>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company												Total equity
	Share capital/ Paid-in capital (Note 42) RMB'000	Capital reserve (Note 44(b)(i)) RMB'000	Merger reserve (Note 44(b)(ii)) RMB'000	Safety	Contribution	Financial assets					Retained earnings RMB'000	Non- controlling interests RMB'000	
				production	from	Exchange	Put option	at FVTOCI	Statutory	Total			
				fund	shareholder	reserve	Reserve	reserve	reserve	RMB'000			
(Note 44(b)(iii)) RMB'000	(Note 44(b)(iv)) RMB'000	(Note 44(b)(v)) RMB'000	(note 44(b)(vi)) RMB'000	(Note 44(b)(vii)) RMB'000	(Note 44(b)(viii)) RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
At 1 January 2025	1,772,302	32,425,155	8,058	41,214	165,761	(7,396)	(261,157)	(226,443)	-	1,266,350	35,183,844	12,870,081	48,053,925
Total comprehensive income for the year	-	-	-	-	-	(4,698)	-	95,025	-	1,475,632	1,565,959	619,591	2,185,550
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	1,051,000	1,051,000
Acquisition of subsidiaries	-	-	-	3,339	-	-	-	-	-	-	3,339	2,822,871	2,826,210
Acquisition of non-controlling interests	-	(5,737)	-	-	-	-	-	-	-	-	(5,737)	(654,339)	(660,076)
Appropriation of statutory reserve	-	-	-	-	-	-	-	-	38,419	(38,419)	-	-	-
Safety production fund	-	-	-	20,787	-	-	-	-	-	(29,247)	(8,460)	8,460	-
Changes in equity for the year	-	(5,737)	-	24,126	-	(4,698)	-	95,025	38,419	1,407,966	1,555,101	3,847,583	5,402,684
At 31 December 2025	1,772,302	32,419,418	8,058	65,340	165,761	(12,094)	(261,157)	(131,418)	38,419	2,674,316	36,738,945	16,717,664	53,456,609

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,270,351	790,199
Adjustments for:			
Depreciation of property, plant and equipment	19	4,648,965	2,242,732
Depreciation of right-of-use assets	20	66,386	58,942
Amortisation of intangible assets	22	194,459	171,850
Equity-settled share-based payments	41	–	26,150
Share of losses of associates	24	819	85
Allowance for inventories	10	523,231	149,755
(Reversal of impairment losses)/impairment losses on trade and bills receivables, net	26	(3,951)	91,058
(Reversal of impairment losses)/impairment losses on other receivables, net	27	(32,320)	40,987
Net gain on disposals of property, plant and equipment	10	(2,572)	(819)
Fair value change in financial assets at FVTPL	10	(368,199)	(37,599)
Fair value change in financial guarantees	10	109,004	34,563
(Reversal of provision)/provision for litigation	38	(8,155)	7,915
Net foreign exchange gains	10	(9,848)	(6,879)
Interest income	9	(148,797)	(154,822)
Finance costs	12	854,596	415,116
Operating profit before working capital changes		8,093,969	3,829,233
(Increase)/decrease in inventories		(2,147,497)	1,712,578
Increase in trade and bills receivables		(5,077,458)	(2,034,076)
(Increase)/decrease in prepayments, deposits and other receivables		(536,924)	1,046,237
Decrease in amount due from a subsidiary of shareholders		201,399	31,169
Decrease/(increase) in pledged bank deposits		1,330,549	(2,064,592)
Decrease in amounts due to subsidiaries of shareholders		(1,492)	(398,450)
Decrease in amounts due to a shareholder		(100)	–
Increase/(decrease) in trade and bills payables		7,832,028	(220,367)
Increase in accruals and other payables		411,307	1,282,502
Increase in provisions		405,821	423,898
Increase/(decrease) in contract liabilities		143,494	(475,661)
(Decrease)/increase in deferred income		(410,276)	192,252
Increase in restricted bank balances		(228)	(13)
Cash generated from operations		10,244,592	3,324,710
Interest expenses on lease liabilities		(10,178)	(3,860)
Income tax paid		(74,328)	(207,748)
Net cash generated from operating activities		10,160,086	3,113,102

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and other income received		138,361	141,980
Payment of property, plant and equipment		(14,387,306)	(16,334,962)
Proceeds from disposals of property, plant and equipment		848	20,056
Payment of right-of-use assets		(662,288)	–
Addition of intangible assets		(286,568)	(271,620)
Purchase of other financial assets		(6,705,045)	(5,949,297)
Proceeds from disposal of other financial assets		4,586,138	4,290,620
Purchase of shares of equity securities		(152,332)	(179,938)
Investment in limited partnership		(752,305)	(82,300)
Investment in an associate		(56,000)	–
Decrease in amount due from a shareholder		–	17
Changes in pledged bank deposits		(456,202)	81,912
Acquisition of subsidiaries	45(a)	(371,343)	–
Net cash used in investing activities		(19,104,042)	(18,283,532)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from bank borrowings		6,162,902	16,400,198
Proceeds received under supplier finance arrangements		1,536,545	225,563
Principal elements of lease payments		(86,078)	(4,560)
Capital contribution from non-controlling interests		1,051,000	884,000
Acquisition of non-controlling interests		(660,076)	(10,788)
Changes in pledged bank deposits		12,812	(12,812)
Interest paid		(1,395,340)	(1,087,959)
Issuance of bonds		1,900,000	–
Proceeds from finance lease arrangements		1,000,000	–
Net cash generated from financing activities		9,521,765	16,393,642
NET INCREASE IN CASH AND CASH EQUIVALENTS		577,809	1,223,212
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,058,553	7,833,962
Effect of foreign exchange rate changes		1,337	1,379
CASH AND CASH EQUIVALENTS AT END OF YEAR		9,637,699	9,058,553
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	30(c)	9,637,699	9,058,553

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. General Information

CALB Group Co., Ltd. (中創新航科技集團股份有限公司) is a joint stock limited company registered in the People's Republic of China (the "PRC"). The Company's H-shares have been listed on The Stock Exchange of Hong Kong Limited since 6 October 2022. The address of its registered office and its principal place of business is No. 1 Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, the PRC.

The Company has been engaging in the design, research and development, production and sales of EV batteries and ESS products. Particulars and principal activities of its subsidiaries are set out below.

Name	Principal country of operation/Country or region of incorporation/ Kind of legal entity	Registered capital	Paid-up amount	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
中創新航科技(江蘇)有限公司 CALB (Jiangsu) Co., Ltd.* ("Jiangsu Company")	PRC/PRC/Limited liability company	RMB7,500 million	RMB7,500 million	100%	N/A	Research and development production and sales of EV battery and ESS products
中創新航技術研究院(江蘇)有限公司 CALB Technology Co., Ltd.*	PRC/PRC/Limited liability company	RMB1,000 million	RMB1,000 million	100%	N/A	Research and development of EV battery and ESS products
中創新航新能源(廈門)有限公司 CALB (Xiamen) Co., Ltd.* ("Xiamen Company")	PRC/PRC/Limited liability company	RMB5,000 million	RMB5,000 million	100%	N/A	Research and development production and sales of EV battery and ESS products
中創新航技術研究中心(深圳)有限公司 CALB Technology (Shenzhen) Co., Ltd.*	PRC/PRC/Limited liability company	RMB100 million	RMB100 million	100%	N/A	Research and development of EV battery and ESS products
中創新航科技(成都)有限公司 CALB (Chengdu) Co., Ltd.* ("Chengdu Company")	PRC/PRC/Limited liability company	RMB4,000 million	RMB4,908 million	51%	N/A	Research and development, production and sales of EV battery and ESS products
中創新航科技(武漢)有限公司 CALB (Wuhan) Co., Ltd.* ("Wuhan Company")	PRC/PRC/Limited liability company	RMB7,000 million	RMB6,488 million	59.3%	N/A	Research and development, production and sales of EV battery and ESS products

1. General Information (Continued)

Name	Principal country of operation/Country or region of incorporation/ Kind of legal entity	Registered capital	Paid-up amount	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
中創新航科技(合肥)有限公司 CALB (Hefei) Co., Ltd.* ("Hefei Company")	PRC/PRC/Limited liability company	RMB5,000 million	RMB4,619 million	29.4%	N/A	Research and development, production and sales of EV battery and ESS products
中創新航科技(福建)有限公司 CALB (Fujian) Co., Ltd.* ("Fujian Company")	PRC/PRC/Limited liability company	RMB3,900 million	RMB3,900 million	51%	N/A	Research and development, production and sales of EV battery and ESS products
中創新航科技(江門)有限公司 CALB (Jiangmen) Co., Ltd.* ("Jiangmen Company")	PRC/PRC/Limited liability company	RMB5,400 million	RMB4,988 million	63.7%	N/A	Research and development, production and sales of EV battery and ESS products
中創新航科技(四川)有限公司 CALB (Sichuan) Co., Ltd.* ("Sichuan Company")	PRC/PRC/Limited liability company	RMB4,000 million	RMB2,953 million	51%	N/A	Research and development, production and sales of EV battery and ESS products
立鼎材料科技(四川)有限公司 CALB Material (Sichuan) Co., Ltd.**	PRC/PRC/Limited liability company	RMB600 million	RMB600 million	100%	N/A	Research and development, production and sales of EV battery materials
中創新航智慧能源科技有限公司 CALB Smart Energy Technology Co., Ltd.*	PRC/PRC/Limited liability company	RMB100 million	RMB100 million	100%	N/A	Research and development, production and sales of EV battery and ESS products

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. General Information (Continued)

Name	Principal country of operation/Country or region of incorporation/ Kind of legal entity	Registered capital	Paid-up amount	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
中創新航科技(邯鄲)有限公司 CALB (Handan) Co., Ltd.*	PRC/PRC/Limited liability company	RMB4,000 million	RMB350 million	60%	N/A	Research and development, production and sales of EV battery and ESS products
中創新航科技(山東)有限公司 CALB (Shandong) Co., Ltd.*	PRC/PRC/Limited liability company	RMB1,000 million	RMBNil	64%	N/A	Research and development, production and sales of EV battery and ESS products
中創新航科技(信陽)有限公司 CALB (Xinyang) Co., Ltd.*	PRC/PRC/Limited liability company	RMB2,800 million	RMBNil	65%	N/A	Research and development, production and sales of EV battery and ESS products
中凌新能源科技(浙江)有限公司 Zhongling New Energy Technology (Zhejiang) Co., Ltd.*	PRC/PRC/Limited liability company	RMB1,000 million	RMB100 million	51%	N/A	Research and development, production and sales of EV battery
CALB GmbH	Germany/Germany/ Limited liability company	EUR25,000	EUR25,000	100%	N/A	Research and development, production and sales of EV battery and ESS products
CALB (HK) Co., Limited	PRC/Hong Kong/ Limited liability company	USD50,000	USD50,000	100%	N/A	Investment holding and sales of EV battery and ESS products

1. General Information (Continued)

Name	Principal country of operation/Country or region of incorporation/ Kind of legal entity	Registered capital	Paid-up amount	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CALB (SINGAPORE) PTE. LTD.	Singapore/Singapore/ Limited liability company	USD50,000	USD50,000	N/A	100%	Investment holding and sales of EV battery and ESS products
CALB (EUROPE), S.A.	Portugal/Portugal/ Limited liability company	EUR48.2 million	EUR48.2 million	N/A	100%	Research and development, production and sales of EV battery and ESS products
CALB (THAILAND) CO., LTD.	Thailand/Thailand/ Limited liability company	THB100 million	THB29.5 million	N/A	100%	Research and development, production and sales of EV battery and ESS products
江蘇奧力威傳感高科股份有限公司 Jiangsu Olive Sensors High-tech Corporation Limited* ("Olive Sensors")	PRC/PRC/ Limited liability company	RMB800.65 million	RMB800.65 million	10.94%	N/A	Research and development, manufacturing and sales of automotive parts and accessories

* The English translation name is for identification purpose only. The official name of the entity is in Chinese.

Formerly known as 中創新航材料科技(四川)有限公司.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”). IFRS Accounting Standards comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

As at 31 December 2025 the Group had net current liabilities of approximately RMB12,773 million. Bank and cash balances totalled approximately RMB9,638 million, while total outstanding bank borrowings and bond payables amounted to approximately RMB57,267 million, with approximately RMB25,120 million due within one year.

Additionally, the Group has capital commitments of approximately RMB11,297 million at the end of reporting period which are mostly expected to be fulfilled within the next 18 months.

Notwithstanding the above events and conditions, the directors of the Company (the “Directors”) had adopted the going concern basis in the preparation of these consolidated financial statements of the Group on the grounds including but not limited to the following:

- (a) The Group’s financial budget and production planning project increasing production volume and revenue in upcoming year, thereby anticipating improvements in operating cash inflow;
- (b) The Group had sufficient committed banking facilities at the end of reporting period available to meet the operating requirements and foreseeable future capital investment requirements;
- (c) Management expects the Group will successfully arrange the rolling-over of existing banking facilities and secure additional banking facilities, providing sufficient funding for the Group’s operating and capital investment needs; and
- (d) Taking the above into consideration, the Directors have reviewed a comprehensive cashflow forecast of the Group for not less than twelve months from 31 December 2025 prepared by management for the purpose of assessing the Group’s working capital and banking facilities requirements. Based on this assessment, the Directors concluded that there are no material uncertainties related to events and conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern.

Therefore, the Directors are of the view that it is appropriate to adopt the going concern basis when preparing these consolidated financial statements.

3. Adoption of New and Revised IFRS Accounting Standards

(a) Application of new and revised IFRS Accounting Standards

The Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 and IFRS 1

Lack of Exchangeability

Amendments to IAS 21 “Lack of Exchangeability”

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The application of the amendments did not have any material impact on the financial position and performance of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Adoption of New and Revised IFRS Accounting Standards (Continued)

(b) New and revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards, which are not effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The Directors are in the process of making an assessment of what the impacts of these new standards and amendments to standards are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. Material Accounting Policy Information

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. financial instruments that are measured at fair value).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

4. Material Accounting Policy Information (Continued)

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of subsidiaries that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in those subsidiaries and (ii) the Company's share of the net assets of those subsidiaries plus any remaining goodwill and any accumulated exchange reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated, Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Material Accounting Policy Information (Continued)

(a) Consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). The result of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Merger accounting for business combination under common control

These consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if the current group structure had always been in existence.

The consolidated financial statements incorporate the financial statements of the combining entities as if they had been combined from the date when they first came under the control of the controlling party.

The consolidated statements of profit or loss and the other comprehensive income include the results of each of the combining businesses from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The consolidated statements of financial position have been prepared to present the assets and liabilities of the combining entities as if the group structure had been in existence at the end of each reporting period. The net assets of the combining entities are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or gain on bargain purchase at the time of common control combination, to the extent of the continuation of the controlling party's interest.

4. Material Accounting Policy Information (Continued)

(d) Business combination (other than under common control) and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at Cost less accumulated impairment losses. For the purpose of Impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(e) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Material Accounting Policy Information (Continued)

(e) Associates (Continued)

Investments in associates are accounted for in the consolidated financial statements by the equity method and are initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, from part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated exchange reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Groups interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. Material Accounting Policy Information (Continued)

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currency are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Material Accounting Policy Information (Continued)

(f) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the exchange reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustment arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(g) Property, plant and equipment

Property, plant and equipment are stated in the consolidated financial statements at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	20-35 years
Machinery	10%
Computer equipment	12% – 32%
Furniture and office equipment	19% – 32%
Leasehold improvements	Over the shorter of the term of the lease and estimated useful life of 5 years
Motor vehicles	10% – 24%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. Material Accounting Policy Information (Continued)

(h) Leases

At inception of a contract, the Group assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

4. Material Accounting Policy Information (Continued)

(h) Leases (Continued)

The Group as a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(i) Other intangible assets

(a) Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internal generated intangible asset is recognised only if all of the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Management intends to complete the intangible asset and use or sell it;
- There is ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete development and to use or sell the intangible assets are available;
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Development costs are stated at cost less any impairment losses. The development costs are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 10 years after the products are put into commercial production.

4. Material Accounting Policy Information (Continued)

(i) Other intangible assets (Continued)

(b) Intangible assets acquired separately

The following intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line method over their estimated useful lives as follows:

Computer software	Not more than 10 years
Trademark	10 years
Patent	Not more than 20 years
Others	Not more than 10 years

The amortisation period and the amortisation method for intangible assets with finite useful life are reviewed at least at each financial year end.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

4. Material Accounting Policy Information (Continued)

(k) Other contract costs (Continued)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised.

(l) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ('ECL') in accordance with the policy set out in note 4(cc) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method replaced.

(m) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4. Material Accounting Policy Information (Continued)

(m) Recognition and derecognition of financial instruments (Continued)

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. Material Accounting Policy Information (Continued)

(n) Financial assets (Continued)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the financial assets at FVTOCI reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the financial assets at FVTOCI reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(o) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within six months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(q) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out in notes (r) to (u) below.

4. Material Accounting Policy Information (Continued)

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Where guarantees in relation to loans or other payables of investees, under debt instruments measured at FVTOCI, are provided for no compensation, the fair values are accounted for as expenses and recognised in profit or loss.

(t) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Material Accounting Policy Information (Continued)

(u) Equity instruments

Any equity instrument is any contract that evidence a residual interest in the assets of an equity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

(v) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of goods is recognised when control of the goods has transferred, being when the goods have shipped to the customer's specific location (delivery). A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from the provision of services is recognised over the scheduled period on an input method because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset, lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Dividend income is recognised when the shareholders' rights to receive payment are established.

4. Material Accounting Policy Information (Continued)

(w) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Medical benefits

The Group's contributions to various defined contribution medical benefit plans organised by the relevant municipal and provincial governments in the PRC are expensed as incurred.

(iii) Pension scheme – Mainland China

The employees of the Group's subsidiaries, which operate in Mainland China, are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

(iv) Housing fund – Mainland China

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

(v) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(x) Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

4. Material Accounting Policy Information (Continued)

(y) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are 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, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sales included in the general borrowing pool for calculation of capitalisation rate on general borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(z) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to the acquisition or construction of long-term assets are *asset-related government grants*. Such government grants are firstly recognised in deferred income until the corresponding long-term assets are completed and put to use. The government grants shall offset the carrying value of related assets and are recognised in profit or loss over the life of the related depreciable assets by way of reduced depreciation expenses.

Income-related government grants are government grants other than asset-related government grants. Such government grants are deducted from the related operating costs and expenses and recognise in the same period as the expenses specifically relevant to the grants. Income-related government grants shall be recognised as deferred income and recognised as described above when the relevant costs or losses are recognised subsequently.

For government grants that include both asset-related portion and income-related portion, different portions shall be accounted for separately.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. Material Accounting Policy Information (Continued)

(z) Government grants (Continued)

Repayment of income-related government grant is applied first against any unamortised deferred income set up in respect of the grant. To the extent that the repayment exceeds any such deferred income, or where no deferred income exists, the repayment is recognised immediately in profit or loss. Repayment of asset-related government grant is recognised by increasing the carrying amount of the asset by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

(aa) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Material Accounting Policy Information (Continued)

(aa) Taxation (Continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

(bb) Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount 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. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses on CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. Material Accounting Policy Information (Continued)

(cc) Impairment of financial assets and contract assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

4. Material Accounting Policy Information (Continued)

(cc) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4. Material Accounting Policy Information (Continued)

(cc) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. Material Accounting Policy Information (Continued)

(cc) Impairment of financial assets and contract assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation;
or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

4. Material Accounting Policy Information (Continued)

(cc) Impairment of financial assets and contract assets (Continued)

Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(dd) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ee) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Critical Judgements and Key Estimates

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the banking facilities available to the group at a level sufficient to finance its working capital requirements and capital investment requirements. Details are explained in note 2 to the consolidated financial statements.

(b) Consolidation of entities with less than 50% equity interest holding

Although the Company owns less than 50% of the equity interest in Hefei Company, Hefei Company is treated as a subsidiary because the Group is able to control the relevant activities of Hefei Company as a result of the voting rights entrustment agreement and concerted action agreement entered into between the Company and the other major shareholder of Hefei Company. The other major shareholder agrees to entrust 31% voting rights to the Company and to act in concert for all voting decisions made by the Company in Hefei Company's board of directors meeting and shareholders meeting. In addition, according to the articles of association of Hefei Company, the board of directors of Hefei Company shall comprise 3 directors, of which the Company has the right to nominate 2 directors.

Since 21 November 2025, Olive Sensors, a company listed on the Shenzhen Stock Exchange, has been a subsidiary of the Company although the Company has only 10.94% ownership interest and voting rights in Olive Sensors.

The Directors assessed whether the Company has control over Olive Sensors based on whether the Company has practical rights to variable returns from the involvement with Olive Sensors and has the ability to affect those returns through the power over Olive Sensors. In the board of directors of Olive Sensors, four out of five directors are nominated by the Company and successfully elected in the general meeting of Olive Sensors. Based on the composition of the board of directors of Olive Sensors, the Directors concluded that the Company has taken control of the board of directors of Olive Sensors. Thereby the Company has rights to variable returns from the involvement with Olive Sensors and has the ability to affect those returns through the power over Olive Sensors and therefore the Company has control over Olive Sensors.

5. Critical Judgements and Key Estimates (Continued)

Critical judgements in applying accounting policies (Continued)

(c) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (i.e. Solely Payments of Principal and Interest) test and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(d) Significant increase in credit risk

As explained in note 4(cc), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(e) Determining the lease term

In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation.

Generally, periods covered by an extension option in other properties leases have not been included in the lease liability because the Group could replace the assets without significant cost or business disruption. See note 20 for further information.

The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. During the current financial year, no lease term has been reassessed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Critical Judgements and Key Estimates (Continued)

Critical judgements in applying accounting policies (Continued)

(f) Derecognition of bank acceptance bills

As described in note 26 to the consolidated financial statements, the Group endorsed certain bank acceptance bills to suppliers for settling trade payables and discounted certain bank acceptance bills to the banks for obtaining working capital. In the opinion of the Directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and the Group has minimum exposure in respect of the settlement obligation of these bills under the commercial practice in the PRC, should the accepting banks fail to settle the bills on maturity date. Therefore, these bills have been derecognised since the Group considered the accepting banks are of good credit quality and chance of non-settlement of these bills by the accepting banks on maturity date is remote.

5. Critical Judgements and Key Estimates (Continued)

Key sources of 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 discussed below.

(a) Deferred tax asset

As at 31 December 2025, a deferred tax asset of approximately RMB627,053,000 (2024: RMB571,661,000) in relation to unused tax losses for certain operating subsidiaries has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB1,213,293,000 (2024: RMB1,158,514,000) for certain subsidiaries due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(b) Impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation and impairment, if any. Intangible assets not yet available for use (such as development costs) must be tested for impairment annually. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

Further, the cash flows projections, growth rate and discount rate are subject to greater uncertainties in current year due to uncertainty on volatility in material cost.

The carrying amount of property, plant and equipment was approximately RMB91,803,586,000 (2024: RMB81,005,464,000) as at 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Critical Judgements and Key Estimates (Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment of property, plant and equipment, right-of-use assets and intangible assets (Continued)

The carrying amount of right-of-use assets was approximately RMB2,469,276,000 (2024: RMB1,749,505,000) as at 31 December 2025.

The carrying amount of intangible assets was approximately RMB2,118,814,000 (2024: RMB1,480,521,000) as at 31 December 2025.

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, an impairment loss may arise.

The carrying amount of goodwill was approximately RMB137,956,000 as at 31 December 2025.

(d) Impairment of trade receivables

The management of the Group estimates the amount of impairment loss for ECL on trade receivables based on the credit risk of trade receivables. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The provision of ECL is sensitive to changes in estimates. Due to greater financial uncertainty triggered by the changing economic landscape of the PRC, the Group has increased the expected loss rates in the current year as there is higher risk that a disruptions in general market could led to increased credit default rates. The information about the ECL and the Group's trade receivables disclosed in note 6(b).

At 31 December 2025, the carrying amount of trade receivables was RMB12,993,639,000 (2024: RMB7,009,413,000) (net of allowance of doubtful debts of RMB273,413,000 (2024: RMB179,697,000)).

5. Critical Judgements and Key Estimates (Continued)

Key sources of estimation uncertainty (Continued)

(e) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on current market conditions and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer's demand in response to EV battery and ESS products industry cycles and volatility. The Group will reassess the estimates by the end of each reporting period.

During the year, RMB523,231,000 (2024: RMB149,755,000) allowance for inventories was recognised.

(f) Warranty provisions

As explained in note 38(a), the Group makes product warranty provision based on its best estimate of the expected settlement under the sales agreements in respect of products sold which are still within the warranty period. The amount of provision takes into account the Group's recent claim experience, historical warranty data and a weighting of all possible outcomes against their associated probabilities. As the Group is continually upgrading its product designs and launching new models, it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in current and future years.

(g) Estimated provisions for litigation claims

The Group evaluates whether a present obligation exists under litigation claim after taking into account all available evidence, including the opinion of experts. A provision is recognised for litigation claim if the Directors consider it is more likely than not that present obligation exists and a reliable estimate can be made on the settlement amount of the claim. If it is more likely than not that no present obligation exists, the Group should disclose a contingent liability, unless the possibility of any transfer of economic benefits in settlement is remote. Details of the Group's provisions and contingent liabilities related to litigation claims are disclosed in note 38(b) and note 46, respectively.

(h) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is not completely certain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially estimated based on the then circumstances, such differences will impact the income tax and deferred tax provisions in the period in which such outcome is finalized and agreed by relevant tax authorities. During the year, income tax expense of RMB175,128,000 (2024: RMB53,427,000 income tax credit) was recognised in profit or loss based on the latest assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Critical Judgements and Key Estimates (Continued)

Key sources of estimation uncertainty (Continued)

(i) *Fair value measurement of financial investments*

In the absence of quoted market prices in an active market, the Directors estimate the fair value of the Group's unlisted investments, details of which are set out in note 29 to the consolidated financial statements, by considering information from a variety of sources, including the latest financial information, the historical data on market volatility as well as the price and industry and sector performance of the unlisted investments. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these unlisted investments.

As at 31 December 2025, the carrying amount of the unlisted investments was RMB1,848,533,000 (2024: RMB730,988,000).

6. Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Foreign currency risk*

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2025, if the RMB had weakened/strengthened five per cent against United States Dollar with all other variables held constant, consolidated profit after tax for the year would have been RMB42,247,000 (2024: RMB26,212,000) higher/lower, arising mainly as a result of the foreign exchange gain/loss on bank balances and trade receivables denominated in United States Dollar.

At 31 December 2025, if the RMB had weakened/strengthened five per cent against Euro with all other variables held constant, consolidated profit after tax for the year would have been RMB14,251,000 (2024: RMB11,437,000) higher/lower, arising mainly as a result of the foreign exchange gain/loss on bank balances and trade receivables denominated in Euro.

No sensitivity analyses on the change of RMB against other currencies are prepared as the impact to the financial statements is insignificant.

6. Financial Risk Management (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. The Group's exposure to credit risk arising from bank and cash balances, restricted bank balances and pledged bank deposits is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Except for the financial guarantee given by the Group as set out in note 40, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 40.

Trade and bills receivables

Customer credit risk is managed by each business unit subject to the Groups' established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are normally due within 90 days from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Of the total trade receivables as at 31 December 2025, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. At the end of the reporting period, concentration of credit risk related to the largest customer did not exceed 20% of the total trade receivables (2024: did not exceed 25%). In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

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For the year ended 31 December 2025

6. Financial Risk Management (Continued)

(b) Credit risk (Continued)

Trade and bills receivables (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024:

As at 31 December 2025

	Current	0-180 days	Past due	Over 1 year	Individually	Total
	RMB'000	RMB'000	181-365 days	RMB'000	assessed	RMB'000
			RMB'000	RMB'000	RMB'000	
Expected credit loss rate (%)	–	2.9%	16.0%	25.8%	100.0%	–
Gross carrying amount	11,691,153	950,797	240,305	238,485	146,312	13,267,052
Expected credit losses	–	27,141	38,505	61,455	146,312	273,413

As at 31 December 2024

	Current	0-180 days	Past due	Over 1 year	Individually	Total
	RMB'000	RMB'000	181-365 days	RMB'000	assessed	RMB'000
			RMB'000	RMB'000	RMB'000	
Expected credit loss rate (%)	–	5.7%	18.6%	37.0%	71.0%	–
Gross carrying amount	6,262,373	497,046	227,944	101,013	100,734	7,189,110
Expected credit losses	–	28,356	42,370	37,419	71,552	179,697

Expected credit loss rates are based on actual loss experience over the past 1 year and are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

6. Financial Risk Management (Continued)

(b) Credit risk (Continued)

Trade and bills receivables (Continued)

Movement in the loss allowance account in respect of trade and bills receivables is as follows:

	RMB'000
At 1 January 2024	88,639
Loss allowance recognised for the year, net	<u>91,058</u>
At 31 December 2024 and 1 January 2025	179,697
Acquisition of subsidiaries	98,176
Loss allowance reversed for the year, net	<u>(3,951)</u>
At 31 December 2025	<u>273,922</u>

Financial assets other than trade and bills receivables

All of the Group's financial assets, other than trade and bills receivables, are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12-month expected losses.

Financial assets at amortised cost include deposits and other receivables and amounts due from related parties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. Financial Risk Management (Continued)

(b) Credit risk (Continued)

Financial assets other than trade and bills receivables (Continued)

Movement in the loss allowance for financial assets at amortised cost is as follows:

	Deposit and other receivables RMB'000
As at 1 January 2024	6,956
Loss allowance recognised for the year, net	<u>40,987</u>
At 31 December 2024 and 1 January 2025	47,943
Acquisition of subsidiaries	1,978
Loss allowance reversed for the year, net	<u>(32,320)</u>
At 31 December 2025	<u>17,601</u>

Financial assets at FVTOCI includes certificate of deposit and listed and unlisted equity securities. The loss allowance for financial assets at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in other comprehensive income.

During the year, no loss allowance for financial assets at FVTOCI was provided (2024: Nil).

The Group is also exposed to credit risk in relation to the investments that are measured at FVTPL. The maximum exposure as at 31 December 2025 is the carrying amount of these investments of RMB1,933,817,000 (2024: RMB479,118,000).

6. Financial Risk Management (Continued)

(c) Liquidity risk

Each entity within the Group is responsible for its own cash management, including the participation in supplier finance arrangements with banks and the raising of borrowings to cover expected cash demands, subject to approval by the Directors when the borrowings exceed certain predetermined level of authority.

As disclosed in note 37(f), the Group has entered into certain reverse factoring arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As disclosed in note 37(e), certain Group's banking facilities are subject to the fulfilments of covenants. Some of those covenants relate to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach these covenants, the related loans would become payable on demand. The Group holds various bank loans amounted to RMB26,540 million (2024: RMB23,766 million) as at 31 December 2025, which are subject to covenants. These covenants primarily require the borrowing entities to maintain liabilities-to-assets ratios below a specified level, ranging from 65% to 75%. Additionally, certain bank loans stipulate that the shareholders of the borrowing entities must remain unchanged, that no financial guarantees may be extended to external parties, and that there are specified limits on contingent liabilities for the borrowing entities and the Group, as applicable. These covenants are enforceable throughout the duration of the loan term.

Up to the date of these consolidated financial statements, there are no indications that the Group would have difficulties complying with the above covenants when they will be next tested.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. Financial Risk Management (Continued)

(c) Liquidity risk (Continued)

The maturity analysis based on contractual undiscounted cash flows of the Group's financial liabilities is as follows:

	Less than 1 year RMB'000	Between 1 to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
At 31 December 2025				
Trade and bills payables	27,036,648	–	–	27,036,648
Accruals and other payables	6,866,909	–	–	6,866,909
Amounts due to related parties	25,658	–	–	25,658
Lease liabilities	410,379	667,013	–	1,077,392
Bank borrowings	25,901,379	27,942,276	4,569,792	58,413,447
Bond payables	42,150	1,984,300	–	2,026,450
At 31 December 2024				
Trade and bills payables	19,486,536	–	–	19,486,536
Accruals and other payables	6,779,961	–	–	6,779,961
Amounts due to related parties	27,250	–	–	27,250
Lease liabilities	34,872	74,857	–	109,729
Bank borrowings	19,892,393	25,264,283	4,227,894	49,384,570

(d) Interest rate risk

The Group's exposure to interest-rate risk mainly arises from its bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rate varied with the prevailing market condition.

At 31 December 2025, if interest rates at that date had been 100 basis points higher with all other variables held constant, consolidated profit after tax for the year would have been RMB132,776,000 (2024: RMB133,264,000) lower, arising mainly as a result of higher interest income on bank deposits net of higher interest expenses on bank borrowings. If interest rates had been 100 basis points lower, with all other variables held constant, consolidated profit after tax for the year would have been RMB132,776,000 (2024: RMB133,264,000) higher, arising mainly as a result of lower interest income on bank deposits net of lower interest expenses on bank borrowings.

6. Financial Risk Management (Continued)

(e) Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets:		
Financial assets measured at amortised cost	27,824,752	22,527,920
Financial assets at FVTPL	1,933,817	479,118
Financial assets at FVTOCI	5,327,346	2,184,550
Financial liabilities:		
Financial liabilities at amortised cost	90,940,708	72,338,044
Lease liabilities	1,034,115	100,600
Financial guarantee	143,567	34,563

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statements of financial position approximate their respective fair values.

(g) Transfers of financial assets

The following were the Group's financial assets transferred to banks or suppliers by discounting those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing (note 26). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

As at 31 December 2025

	Bills receivables discounted to banks with full recourse RMB'000
Carrying amount of transferred assets	9,325
Carrying amount of associated liabilities	9,325
Net position	—

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. Financial Risk Management (Continued)

(g) Transfers of financial assets (Continued)

As at 31 December 2024

	Bills receivables discounted to banks with full recourse RMB'000
Carrying amount of transferred assets	100,000
Carrying amount of associated liabilities	<u>100,000</u>
Net position	<u>–</u>

7. Fair Value Measurements

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 following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer

7. Fair Value Measurements (Continued)

(a) Disclosures of level in fair value hierarchy:

	Fair value measurements using:			As at
	Level 1	Level 2	Level 3	31 December
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTOCI				
– Certificate of deposit	–	4,484,050	–	4,484,050
– Investment in listed equity securities	342,830	–	–	342,830
– Investment in unlisted equity securities	–	–	500,466	500,466
Financial assets at FVTPL				
– Investment in a listed equity security	78,272	–	–	78,272
– Investment in unlisted debt instruments	–	–	1,304,733	1,304,733
– Investment in unlisted equity securities	–	–	43,334	43,334
– Investment in wealth management products	–	507,478	–	507,478
	<u>421,102</u>	<u>4,991,528</u>	<u>1,848,533</u>	<u>7,261,163</u>

	Fair value measurements using:			As at
	Level 1	Level 2	Level 3	31 December
	RMB'000	RMB'000	RMB'000	2024
				RMB'000
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTOCI				
– Certificate of deposit	–	1,598,926	–	1,598,926
– Investment in a listed equity security	98,164	–	–	98,164
– Investment in unlisted equity securities	–	–	487,460	487,460
Financial assets at FVTPL				
– Investment in a listed equity security	54,963	–	–	54,963
– Investment in unlisted debt instruments	–	–	243,528	243,528
– Investment in wealth management products	–	180,627	–	180,627
	<u>153,127</u>	<u>1,779,553</u>	<u>730,988</u>	<u>2,663,668</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. Fair Value Measurements (Continued)

(b) Reconciliation of assets measured at fair value based on level 3:

	Financial assets at FVTPL - Investment in unlisted equity securities RMB'000	Financial assets at FVTPL - Investment in unlisted debt instruments RMB'000	Financial assets at FVTOCI - Investment in unlisted equity securities RMB'000	2025 Total RMB'000
At beginning of year	–	243,528	487,460	730,988
Additions, net	–	722,465	12,032	734,497
Acquisition of subsidiaries	41,704	–	–	41,704
Total gains recognised				
in profit or loss	1,630	338,740	–	340,370
in other comprehensive income	–	–	8,551	8,551
Exchange difference	–	–	(7,577)	(7,577)
At end of year	<u>43,334</u>	<u>1,304,733</u>	<u>500,466</u>	<u>1,848,533</u>

	Financial assets at FVTPL - Investment in unlisted debt instruments RMB'000	Financial assets at FVTOCI - Investment in unlisted equity securities RMB'000	2024 Total RMB'000
At beginning of year	149,414	296,793	446,207
Additions, net	82,300	179,938	262,238
Total gains recognised			
in profit or loss	11,814	–	11,814
in other comprehensive income	–	4,239	4,239
Exchange difference	–	6,490	6,490
At end of year	<u>243,528</u>	<u>487,460</u>	<u>730,988</u>

7. Fair Value Measurements (Continued)

(b) Reconciliation of assets measured at fair value based on level 3: (Continued)

The total gains recognised in other comprehensive income are presented in fair value changes of equity instruments at fair value through other comprehensive income (FVTOCI) in the consolidated statement of profit or loss and other comprehensive income.

The total gains recognised in profit or loss including those for assets held at end of reporting period are presented in other losses, net in the consolidated statement of profit or loss.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 2 and level 3 fair value measurements. The financial controller reports directly to the Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Directors at least once a year.

For level 2 fair value measurements, specific valuation techniques adopted by the Group to evaluate the financial assets include the annual interest rates for certificate of deposits and net assets value of the wealth management investment.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Effect on fair value for increase of inputs	Fair value	
				2025 RMB'000	2024 RMB'000
Investment in unlisted debt instruments classified as financial assets at FVTPL	Net assets value of underlying investments	Net assets	Increase	1,304,733	243,528
Investment in unlisted equity securities classified as financial assets at FVTOCI	Net assets value of underlying investment	Net assets	Increase	311,977	307,522
Investment in an unlisted equity security classified as financial assets at FVTOCI	Market approach	Changes in share price of comparable companies	Increase	188,489	179,938
Investment in unlisted equity securities classified as financial assets at FVTPL	Market approach	Enterprise value to earnings before interest, tax, depreciation and amortisation ratio of comparable companies	Increase	43,334	N/A

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. Revenue

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of EV batteries	30,299,670	19,550,893
Sales of ESS products and others	<u>14,100,397</u>	<u>8,200,633</u>
	<u>44,400,067</u>	<u>27,751,526</u>

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Sales of EV battery		Sales of ESS products and others		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Primary geographical markets						
– Mainland China	29,503,461	19,085,928	13,977,372	8,025,690	43,480,833	27,111,618
– Europe	215,380	161,683	5,218	3,349	220,598	165,032
– Asia	577,250	266,132	117,072	153,291	694,322	419,423
– America	1,035	32,865	444	18,011	1,479	50,876
– Others	<u>2,544</u>	<u>4,285</u>	<u>291</u>	<u>292</u>	<u>2,835</u>	<u>4,577</u>
Revenue from external customers	<u>30,299,670</u>	<u>19,550,893</u>	<u>14,100,397</u>	<u>8,200,633</u>	<u>44,400,067</u>	<u>27,751,526</u>
Timing of revenue recognition						
– Products transferred at a point in time	30,299,670	19,550,893	13,999,862	8,127,642	44,299,532	27,678,535
– Products and services transferred over time	<u>–</u>	<u>–</u>	<u>100,535</u>	<u>72,991</u>	<u>100,535</u>	<u>72,991</u>
Total	<u>30,299,670</u>	<u>19,550,893</u>	<u>14,100,397</u>	<u>8,200,633</u>	<u>44,400,067</u>	<u>27,751,526</u>

8. Revenue (Continued)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at year end and the expected timing of recognising revenue as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	329,736	141,294

9. Investment and Other Income

	2025 RMB'000	2024 RMB'000
Interest income on:		
– Bank deposits	99,795	121,707
– Financial assets at FVTOCI	49,002	33,115
Total interest income	148,797	154,822
Government grants and subsidies (note)	48,009	27,451
Value-added tax additional deduction	97,766	160,382
Compensation from suppliers	14,715	11,150
Insurance compensation income	8,167	2,829
Reversal of provision for litigation	8,155	–
Others	8,002	926
	333,611	357,560

Note:

During the year, the Group recognised government subsidies as follow:

	2025 RMB'000	2024 RMB'000
Research and development subsidies	18,765	18,229
Subsidies on industry development	24,941	7,420
Others	4,303	1,802
	48,009	27,451

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For the year ended 31 December 2025

9. Investment and Other Income (Continued)

The government subsidies as set out above were received for compensation for or reimbursement of costs or expenses previously incurred and recognised in profit or loss in the current period in which they became receivable.

Apart from above, the Group has recognised government grants of approximately RMB1,740 million (2024: RMB434 million) in total, which were accounted for in accordance with the accounting policies as set forth in note 4(z) to the consolidated financial statements. These government grants, mostly being income-related, were used to offset the related operating costs and expenses, or deduct from the carrying value of the related property, plant and equipment if they are asset-related. There were no conditions attached to these government grants that were unfulfilled as at the end of the reporting period.

10. Other Losses, Net

	2025 RMB'000	2024 RMB'000
Allowance for inventories	(523,231)	(149,755)
Fair value change in financial assets at FVTPL	368,199	37,599
Fair value change in financial guarantees	(109,004)	(34,563)
Net foreign exchange gain	9,848	6,879
Net gain on disposals of property, plant and equipment	2,572	819
	<u>(251,616)</u>	<u>(139,021)</u>

11. Segment Information

The Group is mainly engaged in the design, research and development, production and sales of EV batteries and ESS products in the PRC, and all the assets are substantially located in the PRC. Accordingly, there is only one single business reportable segment which is regularly reviewed by the chief operating decision maker.

Revenue from major customers:

	2025 RMB'000	2024 RMB'000
Customer A	7,420,382	3,622,311
Customer B	6,985,687	3,470,117
Customer C [#]	N/A	2,971,549
Customer D [#]	N/A	2,794,586

[#] Revenue from these customers amounted to less than 10% of the total revenue of the Group for the year ended 31 December 2025.

12. Finance Costs

	2025	2024
	RMB'000	RMB'000
Interest expenses on lease liabilities (note 20)	10,178	3,860
Interest on bank borrowings, bond payables and finance charges	<u>1,225,334</u>	<u>1,227,732</u>
Total borrowing costs	1,235,512	1,231,592
Amount capitalised	<u>(380,916)</u>	<u>(816,476)</u>
	<u>854,596</u>	<u>415,116</u>

13. Income Tax Expense/(Credit)

Income tax expense/(credit) has been recognised in profit or loss as follows:

	2025	2024
	RMB'000	RMB'000
Current tax – the PRC		
Provision for the year	60,588	485
Under provision in prior years	<u>74,064</u>	<u>159,336</u>
	134,652	159,821
Current tax – Others		
Provision for the year	82	292
Deferred tax (note 39)	<u>40,394</u>	<u>(213,540)</u>
	<u>175,128</u>	<u>(53,427)</u>

Under the relevant income tax law, the PRC subsidiaries are subject to Enterprise Income Tax (“EIT”) at a statutory rate of 25% on their respective taxable income during the year.

The Company and certain subsidiaries operating in Mainland China were approved to be high and new technology enterprises and were entitled to a reduced EIT rate of 15%. The high and new technology enterprises certificates need to be renewed every three years so as to enable the Company and those subsidiaries to enjoy the reduced EIT rate of 15%.

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13. Income Tax Expense/(Credit) (Continued)

The reconciliation between the income tax expense/(credit) and the product of profit before tax multiplied by the PRC EIT rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	2,270,351	790,199
Tax at the PRC Enterprise Income Tax rate of 15%	340,553	118,530
Tax effect of expenses that are not deductible	7,616	18,122
Tax effect of income that are not taxable	(138)	(4,168)
Tax effect of super deduction of qualified research and development expenditure	(341,670)	(260,670)
Tax effect of temporary differences not recognised	20,353	(723)
Tax effect of tax losses	101,979	(114,289)
Effect on deferred tax balance resulting from a change in tax rate	20,428	1,579
Effect of different tax rates of subsidiaries	(48,057)	28,856
Under provision in prior years	74,064	159,336
Income tax expense/(credit)	175,128	(53,427)

14. Profit for the Year

The Group's profit for the year is stated after charging/(crediting) the following:

	2025 RMB'000	2024 RMB'000
Allowance for inventories (note 10)	523,231	149,755
Amortisation of intangible assets (note 22)	194,459	171,850
Auditor's remuneration		
– Audit services	4,265	4,114
– Non-audit services	1,401	578
Cost of inventories sold	36,988,116	23,341,632
Depreciation of property, plant and equipment (note 19)	4,648,965	2,242,732
Depreciation of right-of-use assets (note 20)	66,386	58,942
Net gain on disposals of property, plant and equipment (note 10)	(2,572)	(819)
(Reversal of impairment losses)/impairment losses on trade and bills receivables	(3,951)	91,058
(Reversal of impairment losses)/impairment losses on prepayments, deposits and other receivables	(32,320)	40,987

15. Employee Benefits Expenses

	2025 RMB'000	2024 RMB'000
Employee benefits expense (including Directors' emoluments):		
Salaries, bonuses and allowances	1,631,032	1,525,267
Equity-settled share-based payments	–	26,150
Retirement benefit scheme contributions	130,355	133,726
	<u>1,761,387</u>	<u>1,685,143</u>

Five highest paid individuals

The five highest paid individuals in the Group during the year included one (2024: two) directors of the Company whose emoluments are reflected in the analysis presented in note 16(a). The emoluments of the remaining four (2024: three) individuals are set out below:

	2025 RMB'000	2024 RMB'000
Basic salaries and allowances	17,142	11,339
Equity-settled share-based payments	–	10,454
Retirement benefit scheme contributions	199	140
	<u>17,341</u>	<u>21,933</u>

Five highest paid individuals

The emoluments fell with the following band:

	2025 Number of headcount	2024 Number of headcount
RMB3,000,001 to RMB3,500,000	2	–
RMB3,500,001 to RMB4,000,000	1	–
RMB4,500,001 to RMB5,000,000	–	1
RMB6,500,001 to RMB7,000,000	1	2
RMB10,000,001 to RMB10,500,000	–	1
RMB11,500,001 to RMB12,000,000	1	–
RMB16,500,001 to RMB17,000,000	–	1
	<u>5</u>	<u>5</u>

During the year, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

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16. Benefits and Interests of Directors and Supervisors

(a) Directors' and supervisors' emoluments

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking							Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	
	Fees	Salaries and allowances	Discretionary bonus	(Note i) Estimated money value of other benefits	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Housing allowance		Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Chairwoman</u>									
Liu Jingyu (劉靜瑜)	-	3,376	8,222	-	57	-	-	-	11,655
<u>Executive directors</u>									
Dai Ying (戴穎)	-	1,108	2,126	-	57	-	-	-	3,291
<u>Non-Executive directors</u>									
Hu Jing (胡靖) (note v)	-	-	-	-	-	-	-	-	-
Li Jiancun (李建存) (note v)	-	-	-	-	-	-	-	-	-
Xie Jieping (謝潔平) (note v)	-	-	-	-	-	-	-	-	-
<u>Independent non-executive directors</u>									
Wu Guangquan (吳光權) (note vii)	180	-	-	-	-	-	-	-	180
Dr. Wang Susheng (王蘇生博士)	240	-	-	-	-	-	-	-	240
Dr. Chen Zetong (陳澤桐博士)	240	-	-	-	-	-	-	-	240
Dr. Xiao Wen (肖文博士) (note viii)	60	-	-	-	-	-	-	-	60
<u>Supervisors</u>									
Li Hui (李輝) (note vi)	-	-	-	-	-	-	-	-	-
Cheng Yan (程雁)	-	-	-	-	-	-	-	-	-
Nian Mingzhu (念明珠)	-	201	16	-	26	-	-	-	243
Total for year ended 31 December 2025	720	4,685	10,364	-	140	-	-	-	15,909

16. Benefits and Interests of Directors and Supervisors (Continued)

(a) Directors' and supervisors' emoluments (Continued)

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking							Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
	Fees	Salaries and allowances	Discretionary bonus	(Note i) Estimated money value of other benefits	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Housing allowance		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Chairwoman</u>									
Liu Jingyu (劉靜瑜)	-	2,676	4,490	9,762	50	-	-	-	16,978
<u>Executive directors</u>									
Dai Ying (戴穎)	-	949	1,970	3,691	50	-	-	-	6,660
<u>Non-Executive directors</u>									
Zhang Guoqing (張國慶) (note iii)	-	-	-	-	-	-	-	-	-
Zhou Sheng (周勝) (note iii)	-	-	-	-	-	-	-	-	-
Li Yunxiang (李雲祥) (note ii)	-	-	-	-	-	-	-	-	-
Hu Jing (胡婧) (note v)	-	-	-	-	-	-	-	-	-
Li Jiancun (李建存) (note v)	-	-	-	-	-	-	-	-	-
Xie Jieping (謝潔平) (note v)	-	-	-	-	-	-	-	-	-
<u>Independent non-executive directors</u>									
Wu Guangquan (吳光權)	240	-	-	-	-	-	-	-	240
Dr. Wang Susheng (王蘇生博士)	240	-	-	-	-	-	-	-	240
Dr. Chen Zetong (陳澤桐博士)	240	-	-	-	-	-	-	-	240
<u>Supervisors</u>									
Jiang Jinhua (姜金華) (note iv)	-	-	-	-	-	-	-	-	-
Li Hui (李輝) (note vi)	-	-	-	-	-	-	-	-	-
Cheng Yan (程雁)	-	-	-	-	-	-	-	-	-
Nian Mingzhu (念明珠)	-	194	11	-	26	-	-	-	231
Total for year ended 31 December 2024	720	3,819	6,471	13,453	126	-	-	-	24,589

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16. Benefits and Interests of Directors and Supervisors (Continued)

(a) Directors' and supervisors' emoluments (Continued)

Notes

- (i) Estimated money values of other benefits include equity-settled share-based payments.
- (ii) Li Yunxiang resigned as non-executive director on 26 August 2024.
- (iii) Zhang Guoqing and Zhou Sheng were retired as non-executive directors on 31 December 2024.
- (iv) Jiang Jinhua was retired as supervisor on 31 December 2024.
- (v) Hu Jing, Li Jiansun and Xie Jieping were appointed as non-executive directors on 31 December 2024.
- (vi) Li Hui was appointed as supervisor on 31 December 2024.
- (vii) Wu Guangquan was resigned as independent non-executive director on 10 October 2025.
- (viii) Dr. Xiao Wen was appointed as independent non-executive director on 10 October 2025

Neither the chief executive officer nor any of the directors waived any emoluments during the year 2025 and 2024.

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

17. Dividends

No dividend has been paid or proposed during the year (2024: Nil).

18. Earnings Per Share

The calculation of the basic earnings per share during the year is based on the profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately RMB1,475,632,000 (2024: RMB591,196,000), and the weighted average number of ordinary shares of approximately 1,772,302,000 (2024: 1,772,302,000) in issue during the year.

18. Earnings Per Share (Continued)

(b) Diluted earnings per share

The calculation of the diluted earnings per share is based on the following:

	2025 RMB'000	2024 RMB'000
Earnings		
Earnings for the purpose of calculating basic earnings per share	1,475,632	591,196
Earnings diluted as a result of non-wholly owned subsidiary's equity-settled share-based payments	(1)	–
Earnings for the purpose of calculating diluted earnings per share	<u>1,475,631</u>	<u>591,196</u>

The numbers of ordinary shares used as denominators in calculating the basic and diluted earnings per share are the same.

19. Property, Plant and Equipment

	Building RMB'000	Machinery RMB'000	Computer equipment RMB'000	Furniture and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2024:								
Cost	11,296,220	10,637,980	926,518	762,706	16,521	178,892	46,211,107	70,029,944
Accumulated depreciation and impairment	<u>(505,914)</u>	<u>(1,227,355)</u>	<u>(322,161)</u>	<u>(207,901)</u>	<u>(7,233)</u>	<u>(64,564)</u>	–	<u>(2,335,128)</u>
Net carrying amount	<u>10,790,306</u>	<u>9,410,625</u>	<u>604,357</u>	<u>554,805</u>	<u>9,288</u>	<u>114,328</u>	<u>46,211,107</u>	<u>67,694,816</u>
At 1 January 2024, net of accumulated depreciation and impairment	10,790,306	9,410,625	604,357	554,805	9,288	114,328	46,211,107	67,694,816
Additions	1,794	404,008	30,997	55,255	1,954	5,966	15,094,219	15,594,193
Disposals	–	(9,361)	(882)	(7,426)	(526)	(291)	–	(18,486)
Transfer	5,062,721	15,884,479	31,872	55,148	–	137	(21,056,684)	(22,327)
Depreciation provided during the year	<u>(416,644)</u>	<u>(1,480,317)</u>	<u>(138,873)</u>	<u>(169,945)</u>	<u>(3,173)</u>	<u>(33,780)</u>	–	<u>(2,242,732)</u>

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For the year ended 31 December 2025

19. Property, Plant and Equipment (Continued)

	Building RMB'000	Machinery RMB'000	Computer equipment RMB'000	Furniture and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2024, net of accumulated depreciation and impairment	<u>15,438,177</u>	<u>24,209,434</u>	<u>527,471</u>	<u>487,837</u>	<u>7,543</u>	<u>86,360</u>	<u>40,248,642</u>	<u>81,005,464</u>
At 31 December 2024 and at 1 January 2025:	16,360,735	26,917,106	988,505	865,683	17,949	184,704	40,248,642	85,583,324
Cost								
Accumulated depreciation and impairment	<u>(922,558)</u>	<u>(2,707,672)</u>	<u>(461,034)</u>	<u>(377,846)</u>	<u>(10,406)</u>	<u>(98,344)</u>	<u>-</u>	<u>(4,577,860)</u>
Net carrying amount	<u>15,438,177</u>	<u>24,209,434</u>	<u>527,471</u>	<u>487,837</u>	<u>7,543</u>	<u>86,360</u>	<u>40,248,642</u>	<u>81,005,464</u>
At 1 January 2025, net of accumulated depreciation and impairment	15,438,177	24,209,434	527,471	487,837	7,543	86,360	40,248,642	81,005,464
Acquisition of subsidiaries	286,478	329,244	10,393	35,475	4,549	2,194	95,355	763,688
Additions	42,091	424,813	23,584	63,962	1,092	6,693	14,221,831	14,784,066
Disposals	-	(30,171)	(1,049)	(6,698)	(371)	-	(10,037)	(48,326)
Transfer	2,808,887	25,039,697	13,583	110,286	313	-	(28,043,115)	(70,349)
Exchange alignment	-	-	53	28	47	294	17,586	18,008
Depreciation provided during the year	<u>(525,644)</u>	<u>(3,757,661)</u>	<u>(145,721)</u>	<u>(185,264)</u>	<u>(3,730)</u>	<u>(30,945)</u>	<u>-</u>	<u>(4,648,965)</u>
At 31 December 2025 net of accumulated depreciation and impairment	<u>18,049,989</u>	<u>46,215,356</u>	<u>428,314</u>	<u>505,626</u>	<u>9,443</u>	<u>64,596</u>	<u>26,530,262</u>	<u>91,803,586</u>

19. Property, Plant and Equipment (Continued)

	Building RMB'000	Machinery RMB'000	Computer equipment RMB'000	Furniture and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2025								
Cost	19,498,191	52,680,689	1,035,069	1,068,736	23,579	193,885	26,530,262	101,030,411
Accumulated depreciation and impairment	<u>(1,448,202)</u>	<u>(6,465,333)</u>	<u>(606,755)</u>	<u>(563,110)</u>	<u>(14,136)</u>	<u>(129,289)</u>	<u>-</u>	<u>(9,226,825)</u>
Net carrying amount	<u>18,049,989</u>	<u>46,215,356</u>	<u>428,314</u>	<u>505,626</u>	<u>9,443</u>	<u>64,596</u>	<u>26,530,262</u>	<u>91,803,586</u>

The Group was still in the process of obtaining property ownership certificates for certain buildings with a net carrying amount of RMB3,598,963,000 (2024: RMB8,409,266,000).

Property, plant and equipment with carrying amounts of approximately RMB16,155,207,000 (2024: RMB9,614,624,000) was pledged as security for the Group's bank borrowings and finance lease arrangements.

During the year ended 31 December 2025, the government subsidies related to assets of approximately RMB48,010,000 (2024: RMB54,410,000) were recognised and deducted from cost of related assets.

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20. Right-Of-Use Assets

	Leasehold lands RMB'000	Lease properties RMB'000	Total RMB'000
At 1 January 2024	1,712,148	74,180	1,786,328
Additions	–	26,478	26,478
Depreciation	(40,563)	(18,379)	(58,942)
Exchange realignment	(325)	85	(240)
Early termination of leases	–	(4,119)	(4,119)
At 31 December 2024 and 1 January 2025	1,671,260	78,245	1,749,505
Acquisition of subsidiaries	96,675	20,142	116,817
Additions	662,288	1,359	663,647
Transfer	4,613	–	4,613
Depreciation	(47,663)	(18,723)	(66,386)
Exchange realignment	690	390	1,080
At 31 December 2025	2,387,863	81,413	2,469,276

	2025 RMB'000	2024 RMB'000
Depreciation expenses on right-of-use assets	66,386	58,942
Interest expense on lease liabilities (included in finance costs)	10,178	3,860
Expenses relating to short-term lease (included in cost of sales, selling expenses, administrative expenses and research and development expenses)	53,313	60,516
Expenses relating to leases of low value assets (included in cost of sales, selling expenses and administrative expenses)	3,087	3,278

Details of total cash outflow for leases is set out in note 45(b).

During the year ended 2025, the Group leases various factories and office premise for its operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Lease contracts are entered into for fixed term of 3 year to 5 years. No extension options and termination options are included in the lease contracts.

Right-of-use assets with carrying amounts of approximately RMB863,609,000 (2024: RMB819,876,000) was pledged as security for the Group's bank borrowings.

21. Goodwill

	2025 RMB'000	2024 RMB'000
Cost		
At 1 January	–	–
Arising on acquisition of subsidiaries (note 45(a))	<u>137,956</u>	<u>–</u>
At 31 December	<u>137,956</u>	<u>–</u>
Accumulated impairment losses		
At 1 January and 31 December	<u>–</u>	<u>–</u>
Carrying amount		
At 31 December	<u>137,956</u>	<u>–</u>

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to Olive Sensors.

In addition to goodwill, property, plant and equipment, right-of-use assets and other intangible assets that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amount of Olive Sensors' CGU has been determined on the basis of its fair value less cost of disposal. The fair value is estimated by using Olive Sensors' closing market price as at 31 December 2025. The estimated cost of disposal includes professional third parties' fees, such as broker advisory commissions, legal advisory fee and reporting accountant fee, and related taxes derived from the disposal of Olive Sensors.

Management believes that any reasonably possible change in the cost of disposal will not cause Olive Sensors' CGU's carrying amount to exceed its recoverable amount. The headroom, expressed as a percentage of the CGU's recoverable amount is approximately 60% as at 31 December 2025.

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22. Intangible Assets

	Computer software RMB'000	Trademarks RMB'000	Patents RMB'000	Development costs RMB'000	Others RMB'000	Total RMB'000
Cost						
At 1 January 2024	211,660	4	1,658,293	342,776	5,081	2,217,814
Additions – internal development	37,383	–	–	234,562	–	271,945
Transfer	22,327	–	153,520	(153,520)	–	22,327
At 31 December 2024 and 1 January 2025	271,370	4	1,811,813	423,818	5,081	2,512,086
Acquisition from subsidiaries	24,445	11	484,136	–	–	508,592
Additions – internal development	39,079	–	–	244,796	2,693	286,568
Transfer	65,125	–	97,702	(97,702)	611	65,736
At 31 December 2025	400,019	15	2,393,651	570,912	8,385	3,372,982
Accumulated amortisation and impairment						
At 1 January 2024	47,195	2	810,710	–	1,808	859,715
Charge for the year	25,511	1	145,310	–	1,028	171,850
At 31 December 2024 and 1 January 2025	72,706	3	956,020	–	2,836	1,031,565
Acquisition from subsidiaries	19,959	6	8,179	–	–	28,144
Charge for the year	30,203	1	163,132	–	1,123	194,459
At 31 December 2025	122,868	10	1,127,331	–	3,959	1,254,168
Carrying amount						
At 31 December 2024	198,664	1	855,793	423,818	2,245	1,480,521
At 31 December 2025	277,151	5	1,266,320	570,912	4,426	2,118,814

Computer software was purchased by the Group and has finite useful life. The computer software is stated at cost less accumulated amortisation and any impairment losses and is amortised on the straight-line basis over its estimated useful life of not more than 10 years.

Trademarks were acquired in a business combination and recognised at fair values at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over their estimated useful life of 10 years.

22. Intangible Assets (Continued)

Patents have finite useful lives and are amortised on a straight-line basis over its estimated useful life of 10 to 20 years.

Development costs are internally generated. The development costs mainly represent staff costs, materials and utilities used in development of technologies for battery production. The estimated useful lives of these projects will be determined after completion based on the period of time to generate probable economic benefits. Development costs are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 10 years. The development costs of relevant technology would be transferred to patents if they can be successfully patented.

The average remaining amortisation period (in years) for the Group's intangible assets at end of reporting periods are:

	2025 (years)	2024 (years)
Computer software	5.7	6.1
Trademarks	5.0	0.9
Patents	6.9	7.3
Others	3.0	2.6
Development costs	N/A	N/A

Intangible assets not yet available for use (such as development costs) must be tested for impairment annually. At 31 December 2025, the Group has certain development costs not yet available for use. The development costs are systematically allocated into each CGUs. The recoverable amount of each CGU was determined on the basis of its value-in-use using discounted cash flow method. The Group prepares each CGU cash flow forecasts derived from the most recent financial budgets approved by the Directors for the period up to year 2030 and with the residual period using growth rate of 0%. 2027 is the year that most CGUs are expected to attain their effective capacity and stabilized operating efficiency.

The Group has engaged independent external valuers to assist management to estimate the recoverable amounts of CGUs.

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22. Intangible Assets (Continued)

The Jiangsu Company CGU recoverable amount calculations have used the following key assumptions as at 31 December 2025:

Key assumptions

Sales volume – Attainment of long-term annual sales volume	Gradually attaining 36 GWh in FY2027 and kept the same to FY2030
Discount rate (post-tax) - Reflect current market assessment of time value of money and the risks specific to the CGU	10.5%

The following unfavourable change in key assumptions (individually and while holding others unchanged) would remove the headroom such that the carrying amount of CGU would exceed the recoverable amounts as at 31 December 2025:

Change in key assumptions

Sales volume	Expected annual sales volume reduced by 1.5 GWh for all years across the forecast period
Discount rate (post-tax)	Increase of discount rate of 0.4%

Management believes that any reasonably possible change in the key assumptions on which the Jiangsu Company CGU's recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount. The headroom, expressed as a percentage of the CGU's recoverable amount is approximately 4% as at 31 December 2025.

22. Intangible Assets (Continued)

The Wuhan Company CGU recoverable amount calculations have used the following key assumptions at 31 December 2025:

Key assumptions

Sales volume – Attainment of long-term annual sales volume	Gradually attaining 38.5 GWh in FY2027 and kept the same to FY2030
Discount rate (post-tax) - Reflect current market assessment of time value of money and the risks specific to the CGU	11.7%

The following unfavourable change in key assumptions (individually and while holding others unchanged) would remove the headroom such that the carrying amount of CGU would exceed the recoverable amounts as at 31 December 2025:

Change in key assumptions

Sales volume	Expected annual sales volume reduced by 1.2 GWh for all years across the forecast period
Discount rate (post-tax)	Increase of discount rate of 0.4%

Management believes that any reasonably possible change in the key assumptions on which the Wuhan CGU's recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount. The headroom, expressed as a percentage of the CGU's recoverable amount is approximately 4% as at 31 December 2025.

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22. Intangible Assets (Continued)

The Chengdu Company CGU recoverable amount calculations have used the following key assumptions as at 31 December 2025:

Key assumptions

Sales volume – Attainment of long-term annual sales volume	Gradually attaining 38 GWh in FY2028 and kept the same to FY2030
Discount rate (post-tax) - Reflect current market assessment of time value of money and the risks specific to the CGU	12.0%

The following unfavourable change in key assumptions (individually and while holding others unchanged) would remove the headroom such that the carrying amount of CGU would exceed the recoverable amounts as at 31 December 2025:

Change in key assumptions

Sales volume	Expected annual sales volume reduced by 4.2 GWh for all years across the forecast period
Discount rate (post-tax)	Increase of discount rate of 1.5%

Management believes that any reasonably possible change in the key assumptions on which the Chengdu Company CGU's recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount. The headroom, expressed as a percentage of the CGU's recoverable amount is approximately 17% as at 31 December 2025.

23. Investments in Subsidiaries

The following table shows information on the subsidiaries that have non-controlling interests (“**NCI**”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Chengdu Company	
	2025	2024
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	49%/49%	49%/49%
	RMB'000	RMB'000
At 31 December:		
Non-current assets	10,736,339	10,346,891
Current assets	7,221,487	4,711,882
Non-current liabilities	(5,331,153)	(5,234,143)
Current liabilities	<u>(7,175,081)</u>	<u>(5,099,146)</u>
Net assets	<u>5,451,592</u>	<u>4,725,484</u>
Accumulated NCI	<u>2,612,499</u>	<u>2,315,487</u>

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23. Investments in Subsidiaries (Continued)

	2025 RMB'000	2024 RMB'000
Year ended 31 December:		
Revenue	9,747,474	6,743,486
Cost of sales	(8,759,301)	(6,032,007)
Gross profit	988,173	711,479
Profit before tax	236,918	184,090
Profit for the year	218,108	181,412
Total comprehensive income	<u>218,108</u>	<u>181,412</u>
Profit allocated to NCI	<u>98,759</u>	<u>86,478</u>
Net cash generated from operating activities	270,288	1,469,930
Net cash used in investing activities	(1,324,665)	(3,377,754)
Net cash generated from financing activities	1,041,428	2,225,064
Effect of foreign exchange rate changes	<u>(934)</u>	<u>574</u>
Net (decrease)/increase in cash and cash equivalents	<u>(13,883)</u>	<u>317,814</u>

Name	Wuhan Company	
	2025	2024
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	40.68%/40.68%	49%/49%

	RMB'000	RMB'000
At 31 December:		
Non-current assets	15,392,703	12,765,346
Current assets	6,450,477	5,475,214
Non-current liabilities	(5,565,417)	(4,428,631)
Current liabilities	<u>(8,920,867)</u>	<u>(6,934,760)</u>
Net assets	<u>7,356,896</u>	<u>6,877,169</u>
Accumulated NCI	<u>2,784,818</u>	<u>3,269,853</u>

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23. Investments in Subsidiaries (Continued)

	2025 RMB'000	2024 RMB'000
Year ended 31 December:		
Revenue	12,027,961	6,552,940
Cost of sales	(10,669,148)	(5,363,666)
Gross profit	1,358,813	1,189,274
Profit before tax	408,093	296,101
Profit for the year	395,727	296,035
Total comprehensive income	<u>395,727</u>	<u>296,035</u>
Profit allocated to NCI	<u>166,918</u>	<u>143,159</u>
Net cash generated from/(used in) operating activities	1,135,898	(122,320)
Net cash used in investing activities	(3,220,464)	(3,544,688)
Net cash generated from financing activities	2,156,802	3,509,104
Effect of foreign exchange rate changes	<u>-</u>	<u>1,175</u>
Net increase/(decrease) in cash and cash equivalents	<u>72,236</u>	<u>(156,729)</u>

Name	Hefei Company	
	2025	2024
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	70.61%/39.61%	70.61%/39.61%

	RMB'000	RMB'000
At 31 December:		
Non-current assets	9,971,233	8,400,693
Current assets	3,639,227	3,036,582
Non-current liabilities	(4,769,131)	(3,952,559)
Current liabilities	<u>(4,414,591)</u>	<u>(3,539,381)</u>
Net assets	<u>4,426,738</u>	<u>3,945,335</u>
Accumulated NCI	<u>3,018,349</u>	<u>3,005,476</u>

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23. Investments in Subsidiaries (Continued)

	2025	2024
	RMB'000	RMB'000
Year ended 31 December:		
Revenue	5,423,128	3,227,777
Cost of sales	(4,905,998)	(2,776,323)
Gross profit	517,130	451,454
Loss before tax	(19,965)	(54,157)
Profit/(loss) for the year	12,144	(26,252)
Total comprehensive income/(expense)	<u>12,144</u>	<u>(26,252)</u>
Profit/(loss) allocated to NCI	<u>11,412</u>	<u>(14,521)</u>
Net cash used in operating activities	(274,841)	(569,945)
Net cash used in investing activities	(2,149,515)	(1,148,371)
Net cash generated from financing activities	1,923,425	2,092,611
Effect of foreign exchange rate changes	<u>(585)</u>	<u>1,854</u>
Net (decrease)/increase in cash and cash equivalents	<u>(501,516)</u>	<u>376,149</u>

Name	Fujian Company	
	2025	2024
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	49%/49%	49%/49%

	RMB'000	RMB'000
At 31 December:		
Non-current assets	4,813,927	2,958,692
Current assets	3,529,300	3,545,032
Non-current liabilities	(1,573,901)	(1,370,198)
Current liabilities	<u>(2,446,349)</u>	<u>(2,509,985)</u>
Net assets	<u>4,322,977</u>	<u>2,623,541</u>
Accumulated NCI	<u>2,118,259</u>	<u>1,285,535</u>

23. Investments in Subsidiaries (Continued)

	2025 RMB'000	2024 RMB'000
Year ended 31 December:		
Revenue	2,206,948	2,742,581
Cost of sales	(1,620,897)	(2,315,928)
Gross profit	586,051	426,653
Profit before tax	359,516	33,518
Profit for the year	299,437	49,567
Total comprehensive income	<u>299,437</u>	<u>49,567</u>
Profit allocated to NCI	<u>145,505</u>	<u>23,079</u>
Net cash (used in)/generated from operating activities	(235,351)	420,302
Net cash used in investing activities	(1,446,414)	(773,386)
Net cash generated from financing activities	1,618,829	989,742
Effect of foreign exchange rate changes	<u>(157)</u>	<u>37</u>
Net (decrease)/increase in cash and cash equivalents	<u>(63,093)</u>	<u>636,695</u>

Name	Jiangmen Company	
	2025	2024
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	36.3%/36.3%	36.3%/36.3%

	RMB'000	RMB'000
At 31 December:		
Non-current assets	9,314,395	6,241,772
Current assets	4,877,621	2,771,851
Non-current liabilities	(4,001,435)	(2,080,818)
Current liabilities	<u>(4,660,182)</u>	<u>(2,253,574)</u>
Net assets	<u>5,530,399</u>	<u>4,679,231</u>
Accumulated NCI	<u>1,738,505</u>	<u>1,702,742</u>

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23. Investments in Subsidiaries (Continued)

	2025 RMB'000	2024 RMB'000
Year ended 31 December:		
Revenue	4,942,429	3,536,076
Cost of sales	(4,078,330)	(3,077,039)
Gross profit	864,099	459,037
Profit before tax	288,062	143,935
Profit for the year	171,168	161,483
Total comprehensive income	<u>171,168</u>	<u>161,483</u>
Profit allocated to NCI	<u>34,943</u>	<u>57,518</u>
Net cash generated from/(used in) operating activities	735,174	(1,236,440)
Net cash used in investing activities	(3,659,580)	(1,219,732)
Net cash generated from financing activities	3,273,915	2,258,556
Effect of foreign exchange rate changes	<u>(695)</u>	<u>(16)</u>
Net increase/(decrease) in cash and cash equivalents	<u>348,814</u>	<u>(197,632)</u>

Name	Sichuan Company	
	2025	2024
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	49%/49%	49%/49%

	RMB'000	RMB'000
At 31 December:		
Non-current assets	5,324,387	4,233,749
Current assets	1,475,047	1,675,308
Non-current liabilities	(419,910)	(848,278)
Current liabilities	<u>(3,063,545)</u>	<u>(2,217,948)</u>
Net assets	<u>3,315,979</u>	<u>2,842,831</u>
Accumulated NCI	<u>1,510,295</u>	<u>1,290,988</u>

23. Investments in Subsidiaries (Continued)

	2025	2024
	RMB'000	RMB'000
Year ended 31 December:		
Revenue	1,998,923	1,599,827
Cost of sales	(1,260,916)	(1,606,283)
Gross profit/(loss)	738,007	(6,456)
Profit/(loss) before tax	548,102	(108,035)
Profit/(loss) for the year	473,148	(86,160)
Total comprehensive income/(expense)	<u>473,148</u>	<u>(86,160)</u>
Profit/(loss) allocated to NCI	<u>218,953</u>	<u>(43,283)</u>
Net cash generated from/(used in) operating activities	1,314,940	(24,326)
Net cash used in investing activities	(1,109,417)	(578,363)
Net cash generated from financing activities	31,534	449,976
Effect of foreign exchange rate changes	<u>(198)</u>	<u>(18)</u>
Net increase/(decrease) in cash and cash equivalents	<u>236,859</u>	<u>(152,731)</u>

Name	Olive Sensors 2025
Principal place of business/country of incorporation	PRC
% of ownership interests/voting rights held by NCI	89.06%/69.59%

	RMB'000
At 31 December:	
Non-current assets	1,457,113
Current assets	2,994,895
Non-current liabilities	(237,164)
Current liabilities	<u>(1,382,872)</u>
Net assets	<u>2,831,972</u>
Accumulated NCI	<u>2,824,119</u>

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23. Investments in Subsidiaries (Continued)

	From 21 November 2025 to 31 December 2025 RMB'000
Year ended 31 December:	
Revenue	179,847
Cost of sales	(147,087)
Gross profit	32,760
Profit before tax	7,489
Profit for the year	6,454
Total comprehensive income	<u>6,454</u>
Profit allocated to NCI	<u>1,281</u>
Net cash generated from operating activities	202,932
Net cash used in investing activities	(76,444)
Net cash used in financing activities	(50,984)
Effect of foreign exchange rate changes	<u>(1,408)</u>
Net increase in cash and cash equivalents	<u>74,096</u>

24. Investments in Associates

	2025 RMB'000	2024 RMB'000
Unlisted investments:		
Share of net assets	<u>359,959</u>	<u>16,109</u>

24. Investments in Associates (Continued)

Details of the Group's associates at 31 December 2025 are as follows:

Name	Place of incorporation and operations	Particulars of registered capital	Ownership interest attributable to the Group	Voting power	Profit sharing	Principal activities
凱博(湖北)私募基金管理有限公司 Kaibo (Hainan) Private Equity Fund Management Co., Ltd. *	The PRC	Registered capital of RMB10,000,000	30%	30%	30%	Private equity fund management
江蘇動力及儲能電池創新中心有限公司 Jiangsu Power and Energy Storage Battery Innovation Center Co., Ltd. *	The PRC	Registered capital of RMB30,000,000	48%	48%	48%	Engineering and technical research and experimental development
凱博(四川)智慧能源科技有限公司 Kaibo (Sichuan) Smart Energy Technology Co., Ltd. *	The PRC	Registered capital of RMB200,000,000	49.6%	49.6%	49.6%	Energy storage, solar power and wind power technology services and energy management services
安徽奧力威科技有限公司 Anhui Olive Technology Co., Ltd. *#	The PRC	Registered capital of RMB150,000,000	30%	30%	30%	Manufacturing and sales of automotive parts and accessories
Schürholz GmbH #	Germany	Registered capital of EUR30,000	32%	32%	32%	Investment holding
Schürholz GmbH & Co. KG Stanztechnik #	Germany	Registered capital of EUR5,000,000	32%	32%	32%	Metal stamping and forming and production of automotive and electrical parts
Schürholz Polska Sp Z Oo. #	Poland	Registered capital of PLN6,260,000	32.01%	32.01%	32.01%	Forging, pressing, stamping and forming of metal components

* The English translation name is for identification purpose only. The official name of the entity is in Chinese.

These entities are held by Olive Sensors, which is non-wholly owned subsidiary of the Company.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

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24. Investments in Associates (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2025 RMB'000	2024 RMB'000
Carrying amounts of interests	<u>359,959</u>	<u>16,109</u>

	2025 RMB'000	2024 RMB'000
Loss for the year, net	(819)	(85)
Other comprehensive income	<u>(5,626)</u>	<u>–</u>
Total comprehensive income	<u>(6,445)</u>	<u>(85)</u>

The bank and cash balances of the Group's associates in the PRC denominated in RMB amounted to RMB38,155,000 (2024: RMB26,729,000). Conversion of the mentioned balances from RMB into foreign currencies and from foreign currencies into RMB is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. Inventories

	2025 RMB'000	2024 RMB'000
Raw materials	1,221,330	748,800
Work in progress	3,258,110	2,495,694
Finished goods	<u>2,684,111</u>	<u>2,018,941</u>
	<u>7,163,551</u>	<u>5,263,435</u>

26. Trade and Bills Receivables

	2025 RMB'000	2024 RMB'000
Trade receivables		
Receivables from third parties	13,223,407	7,172,546
Due from related parties (note 28)	43,645	16,564
Allowance for doubtful debts	<u>(273,413)</u>	<u>(179,697)</u>
	<u>12,993,639</u>	<u>7,009,413</u>
Bills receivables	1,971,525	1,404,887
Allowance for doubtful debts	<u>(509)</u>	<u>–</u>
	<u>1,971,016</u>	<u>1,404,887</u>
	<u>14,964,655</u>	<u>8,414,300</u>

The credit terms, being granted to independent third parties, are generally within 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	2025 RMB'000	2024 RMB'000
0 to 180 days	12,053,397	6,345,783
181 to 365 days	696,696	299,671
1 – 2 years	172,595	284,651
Over 2 years	<u>70,951</u>	<u>79,308</u>
	<u>12,993,639</u>	<u>7,009,413</u>

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26. Trade and Bills Receivables (Continued)

Reconciliation of allowance for trade and bills receivables:

	2025 RMB'000	2024 RMB'000
At 1 January	179,697	88,639
Acquisition of subsidiaries	98,176	–
(Reversal)/allowance for the year, net	<u>(3,951)</u>	<u>91,058</u>
At 31 December	<u>273,922</u>	<u>179,697</u>

The fair values of trade and bills receivables of the Group approximated to their carrying amounts.

Bills receivables mainly represent short-term bank acceptance bills receivables that entitle the Group to receive the full-face amount from the banks at maturity, which generally ranges from 3 to 6 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivables. The Group from time to time endorses bank acceptance bills to suppliers in order to settle trade payables and discounts bank acceptance bills to banks in order to obtain working capital.

The Group endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than 6 months from the end of the reporting period. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivables under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is remote. The Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, is amounted to RMB4,750,194,000 (2024: RMB1,831,848,000).

The Group discounted certain bank acceptance bills to banks for obtaining working capital and has derecognised these bank acceptance bills in their entirety. These discounted bank acceptance bills had a maturity date of less than 6 months from the end of the Reporting Period. In the opinion of the Directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and the Group has minimum exposure in respect of the settlement obligation of these bills under the commercial practice in the PRC, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and chance of non-settlement of these bills by the issuing banks on maturity date is remote. The Group's maximum exposure to loss and undiscounted cash outflow, should the issuing banks fail to settle the bills on maturity date, is amounted to RMB14,479,225,000 (2024: RMB8,981,927,000).

26. Trade and Bills Receivables (Continued)

The Group discounted certain bank acceptance bills with recourse to banks. Since the risks and rewards of ownership had not been substantially transferred respectively, the discounted bills of RMB9,325,000 (2024: RMB100,000,000) were not derecognised.

The Group entered into a trade receivable factoring arrangement and transferred certain trade receivables of RMBNil (2024: RMB1,200,000,000) to a bank without recourse. In the opinion of the Directors, the Group has transferred substantially all the risks and rewards of ownership of these receivables and the Group has minimum exposure in respect of the settlement obligation of these receivables under the commercial practice in the PRC. Thus, the Group derecognised these receivables subsequent to the transfer and the funds received.

The carrying amounts of the Group's trade and bills receivables are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	14,743,615	8,298,076
USD	158,629	98,828
THB	48,608	15,172
EUR	13,803	2,224
	<u>14,964,655</u>	<u>8,414,300</u>

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27. Prepayments, Deposits and Other Receivables

	2025 RMB'000	2024 RMB'000
Deposits paid for acquisition of property, plant and equipment	1,142,603	993,795
Prepayments	2,824,010	1,703,276
Other tax receivables	4,682,751	4,276,055
Government grants and subsidies receivable	500,000	1,410,323
Other deposits	27,579	40,367
Other receivables	61,631	25,575
Consideration receivables (note 45(a))	80,000	–
	<u>9,318,574</u>	<u>8,449,391</u>
Analysed as:		
Non-current assets	1,142,603	993,795
Current assets	<u>8,175,971</u>	<u>7,455,596</u>
	<u>9,318,574</u>	<u>8,449,391</u>

Reconciliation of allowances for prepayments, deposits and other receivables:

	2025 RMB'000	2024 RMB'000
At 1 January	47,943	6,956
Acquisition of subsidiaries	1,978	–
(Reversal)/allowance for the year, net	<u>(32,320)</u>	<u>40,987</u>
At 31 December	<u>17,601</u>	<u>47,943</u>

27. Prepayments, Deposits and Other Receivables (Continued)

The carrying amounts of the Group's prepayments, deposits and other receivables are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	9,173,765	8,153,734
EUR	136,378	36,446
THB	5,731	5,068
JPY	1,162	251,913
USD	720	–
HKD	593	2,230
KRW	225	–
	<u>9,318,574</u>	<u>8,449,391</u>

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28. Balances with Related Parties

	Note	2025 RMB'000	2024 RMB'000
Trade receivables			
– 中航鋰電(洛陽)有限公司 China Lithium Battery Technology (Luoyang) Co., Ltd.* (“ Luoyang Company ”)	26	43,645	16,564
Amounts due from related parties			
Trade-related:			
– Luoyang Company	(iii)	–	201,399
		–	201,399
Allowance for doubtful debts		–	–
		–	201,399
Trade payables			
– 常州江環能源科技有限公司 Changzhou Jianghuan Energy Technology Co., Ltd.* (“ Jianghuan Energy ”)		5,697	1,607
– Luoyang Company		211,552	–
	31	217,249	1,607
Amounts due to related parties			
Non-trade related:			
– 江蘇城東建設工程有限公司 Jiangsu Chengdong Construction Projects Co., Ltd.* (“ Jiangsu Chengdong Construction ”)		24,797	17,844
– Luoyang Company		821	9,266
– 常州華科工程建設有限公司 Changzhou Huake Engineering Construction Co., Ltd.* (“ Huake Engineering ”)		40	140
		25,658	27,250
Total amounts due to related parties		25,658	27,250
Less: Amounts due to related parties – current portion		(25,658)	(27,250)
Total amount due to related parties – non-current portion		–	–

* The official names of these entities are in Chinese. The English translation of the names are for identification purpose only.

28. Balances with Related Parties (Continued)

Notes:

- (i) The trade-related outstanding balances with related parties are unsecured, non-interest bearing and repayable within credit term of 180 days.
- (ii) The non-trade related balances with related parties are unsecured, non-interest bearing and repayable on demand.
- (iii) The balance represents the prepayment for the purchase of goods in accordance with the contractual term.

29. Other Financial Asset

(a) Financial assets at FVTPL

	2025 RMB'000	2024 RMB'000
Investment in a listed equity security, at fair value (i)	78,272	54,963
Investment in unlisted debt instruments, at fair value (ii)	1,304,733	243,528
Investment in unlisted equity securities, at fair value (iii)	43,334	–
Wealth management investments, at fair value (iv)	507,478	180,627
	<u>1,933,817</u>	<u>479,118</u>
Analysed as:		
Current assets	585,750	235,590
Non-current assets	1,348,067	243,528
	<u>1,933,817</u>	<u>479,118</u>

- (i) The Group invested RMB100 million in a company incorporated in the PRC and listed on the Shenzhen Stock Exchange and owned approximately 0.5% equity interests in the company. The fair value of the investment is based on current bid price.
- (ii) The Group invested RMB954.3 million in four limited liability partnerships (“LLP”) set up in the PRC and being a limited partner. The LLPs have definite investment period. Such investments are debt instruments, and the fair value of such investments is based on the net assets value of each LLP.

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29. Other Financial Asset (Continued)

(a) Financial assets at FVTPL (Continued)

- (iii) The Group invested RMB58.3 million in three companies incorporated in the PRC. The fair value of the investment is based on the market approach model valued by a third-party valuer.
- (iv) The Group invested in certain wealth management products in the PRC and Singapore. The principals of investments were not guaranteed under normal circumstances. Such investments are held for trading in a short-term period.

The carrying amount of the above financial assets are mandatorily measured at FVTPL in accordance with IFRS 9.

The investment in a listed equity security offers the Group's the opportunity for return through dividend income and fair value gains. It has no fixed maturity or coupon rate.

The carrying amounts of the Group's financial assets at FVTPL are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	1,933,817	298,491
USD	—	180,627
	<u>1,933,817</u>	<u>479,118</u>

29. Other Financial Asset (Continued)

(b) Financial assets at FVTOCI

	2025 RMB'000	2024 RMB'000
Certificate of deposit (i)	4,484,050	1,598,926
Investment in listed equity securities, at fair value (ii)	342,830	98,164
Investment in unlisted equity securities, at fair value (iii)	500,466	487,460
	<u>5,327,346</u>	<u>2,184,550</u>
Analysed as:		
Current assets	4,433,489	1,598,926
Non-current assets	893,857	585,624
	<u>5,327,346</u>	<u>2,184,550</u>

- (i) The Group invested in "6-month to 3-year certificate of deposit" offered by bank in the PRC with the terms that the Group could not withdraw the deposits in advance but could sell them to others. The annual interest rates are fixed in the range of 1.20% p.a. to 3.30% p.a. (2024: 1.55% p.a. to 3.45% p.a.). As the Group managed the above financial product with the objective of both the collection of contractual cash flows and sale, it was recognised as financial assets at FVTOCI in the consolidated financial statements.
- (ii) The Group respectively invested approximately HKD392.5 million and HKD153.8 million in two companies incorporated in the PRC and dually listed on the main board of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange and respectively owned approximately 0.3% and 0.4% equity interests in such companies. Such investments are not held for trading and the Group has irrevocably elected at initial recognition to recognise in this category. They are strategic investments and the Group considers this classification to be more relevant.
- (iii) The Group invested HKD360 million in a limited partnership fund ("LPF") set up in Hong Kong. The investment period for the LPF is indefinite. Such investment is not held for trading and the Group has irrevocably elected at initial recognition to recognise in this category. The fair value of such investment is based on the net assets value of the LPF.

The Group invested certain amount in private companies incorporated in Singapore, the PRC and Hong Kong. Such investments are not held for trading and the Group has irrevocably elected at initial reconciliation to recognise in this category. The fair value of such investments is based on the price change model valued by a third-party valuer or the net assets value of the companies.

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29. Other Financial Asset (Continued)

(b) Financial assets at FVTOCI (Continued)

The carrying amounts of the Group's financial assets at FVTOCI are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	4,487,050	1,598,926
HKD	651,807	405,687
USD	188,489	179,937
	<u>5,327,346</u>	<u>2,184,550</u>

30. Pledged Bank Deposits, Restricted Bank Balances and Bank and Cash Balance

(a) Pledged bank deposits

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group for issuance of bank acceptance bills, letter of guarantee and letter of credit. The amounts were denominated in RMB and EUR.

Conversion of the above balances from RMB into foreign currencies and from foreign currencies into RMB is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

(b) Restricted bank balances

The Group's restricted bank balances represented bank balances restricted for construction of lithium-ion battery manufacturing plant. The amount was denominated in RMB and EUR.

Conversion of the above balances from RMB into foreign currencies and from foreign currencies into RMB is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

30. Pledged Bank Deposits, Restricted Bank Balances and Bank and Cash Balance (Continued)

(c) Bank and cash balances

Bank and cash balances of the Group and denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	8,668,869	8,453,354
USD	826,535	337,295
EUR	73,137	211,247
HKD	39,888	49,877
THB	28,501	6,508
AUD	283	272
KRW	486	–
	<u>9,637,699</u>	<u>9,058,553</u>

Conversion of the above balances from RMB into foreign currencies and from foreign currencies into RMB is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

31. Trade and Bills Payables

	2025 RMB'000	2024 RMB'000
Trade payables		
Payables to third parties	12,850,143	7,947,258
Due to related parties (note 28)	217,249	1,607
Bills payables	<u>13,969,256</u>	<u>11,537,671</u>
	<u>27,036,648</u>	<u>19,486,536</u>

Bills payables were secured by bills receivables of RMBNil (2024: RMB14,000) and pledged bank deposits of RMB2,488,420,000 (2024: RMB3,315,497,000) (note 30(a)).

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31. Trade and Bills Payables (Continued)

The aging analysis of trade payables, based on the date of receipt of goods is as follows:

	2025 RMB'000	2024 RMB'000
0 to 180 days	13,009,765	7,922,962
181 – 365 days	50,805	22,907
1 – 2 years	4,306	2,996
Over 2 years	2,516	–
	<u>13,067,392</u>	<u>7,948,865</u>

The carrying amounts of the Group's trade and bills payables are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	27,030,869	19,485,130
EUR	4,323	1,406
JPY	880	–
USD	576	–
	<u>27,036,648</u>	<u>19,486,536</u>

32. Accruals and Other Payables

	2025 RMB'000	2024 RMB'000
Deposits received	443,344	437,659
Accrued salaries	326,332	242,210
Accrued expenses	536,978	368,455
Payable for property, plant and equipment	5,250,709	5,600,010
Other tax payables	255,098	72,083
Other payables	54,448	59,544
	<u>6,866,909</u>	<u>6,779,961</u>

32. Accruals and Other Payables (Continued)

The carrying amounts of the Group's accruals and other payables are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	6,795,905	6,688,901
EUR	36,719	14,241
JPY	20,797	50,082
THB	12,704	26,395
HKD	557	321
USD	227	–
SGD	–	21
	<u>6,866,909</u>	<u>6,779,961</u>

33. Contract Liabilities

Contract liabilities are mainly advance payments from customers. The amounts are expected to be recognised as revenue within 1 year from the end of the reporting period.

	2025 RMB'000	2024 RMB'000
Billings in advance of performance obligation – arising from sales of products	<u>329,736</u>	<u>141,294</u>

Movements in contract liabilities:

	2025 RMB'000	2024 RMB'000
Balance at beginning of year	141,294	616,955
Increase in contract liabilities as a result of billings in advance of sales	319,265	141,294
Decrease in contract liabilities as a result of recognising revenue during the year	(175,771)	(616,955)
Acquisition of subsidiaries	<u>44,948</u>	<u>–</u>
Balance at end of year	<u>329,736</u>	<u>141,294</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. Bond Payable

- (i) On 13 May 2025, the Group issued 3-year medium-term note with total value of RMB500,000,000. The coupon rate is 2.20% per annum. The medium-term note will be fully repaid on 15 May 2028.
- (ii) On 27 October 2025, the Group issued 3-year medium-term note with total value of RMB700,000,000. The coupon rate is 2.25% per annum. The medium-term note will be fully repaid on 29 October 2028.
- (iii) On 24 November 2025, the Group issued 3-year medium-term note with total value of RMB700,000,000. The coupon rate is 2.20% per annum. The medium-term note will be fully repaid on 25 November 2028.

35. Deferred Income

	2025 RMB'000	2024 RMB'000
Government grants	<u>338,124</u>	<u>297,907</u>
Analysed as:		
Non-current liabilities	<u>338,124</u>	<u>297,907</u>

Government grants received for which related activities/expenditure have not yet been undertaken/incurred are included in deferred income in the consolidated statement of financial position.

Government grants related to assets are deducted from cost of related non-current assets (note 19) and are recognised in profit or loss over the life of the depreciable assets as a reduced depreciation expense.

36. Lease Liabilities

	Minimum lease payments		Present value of minimum lease payments	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	410,379	34,872	385,519	31,463
In the second to fifth years, inclusive	667,013	74,857	648,596	69,137
	1,077,392	109,729	1,034,115	100,600
Less: Future finance charges	(43,277)	(9,129)	N/A	N/A
Present value of lease obligations	1,034,115	100,600	1,034,115	100,600
Less: Amount due for settlement within 12 months (shown under current liabilities)			(385,519)	(31,463)
Amount due for settlement after 12 months			648,596	69,137

The weighted average incremental borrowing rate applied to lease liabilities is 2.82% (2024: 4.65%).

The carrying amount of the Group's lease liabilities are denominated in the following currencies:

	2025	2024
	RMB'000	RMB'000
RMB	1,017,205	78,949
HKD	5,879	7,954
THB	11,031	13,697
	1,034,115	100,600

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. Bank Borrowings

	2025 RMB'000	2024 RMB'000
Bank loans	53,818,605	45,890,817
Bank loans – supplier finance arrangements (note (f))	<u>1,536,545</u>	<u>225,563</u>
	<u>55,355,150</u>	<u>46,116,380</u>

(a) The analysis of the repayment schedule of borrowings is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	25,108,122	18,960,089
More than one year, but not exceeding two years	8,034,075	5,545,273
More than two years, but not more than five years	17,874,823	17,532,054
More than five years	<u>4,338,130</u>	<u>4,078,964</u>
	<u>55,355,150</u>	<u>46,116,380</u>

37. Bank Borrowings (Continued)

- (b) The carrying amounts of the Group's bank borrowings are denominated in RMB.
- (c) The average interest rates of the Group's bank borrowings at 31 December were as follows:

	2025	2024
Bank loans	2.85%	3.17%
Bank loans – supplier finance arrangements	N/a	N/a

Bank borrowings of RMB9,077,150,000 (2024: RMB1,690,010,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

- (d) The details of pledged assets and collaterals to the Group's bank borrowings are as follows:

Bank loans of RMB30,885,719,000 (2024: RMB28,456,572,000) are secured by the Group's property, plant and equipment of RMB16,155,207,000 (2024: RMB9,614,624,000) (note 19) and right-of-use assets of RMB863,609,000 (2024: RMB819,876,000) (note 20).

- (e) The details of loan covenants of the Group's bank borrowing are as follows:

Certain Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related borrowings would become payable on demand.

The Group has complied with the financial covenants of its borrowing facilities during the year ended 31 December 2025. Further details of the covenants and the Group's management of liquidity risk are set out in note 6(c).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. Bank Borrowings (Continued)

(f) Bank loans arising from supplier finance arrangements:

The Group has entered into certain reverse factoring arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers.

Under these arrangements, the bank pay suppliers the amounts owed by the Group on the original due dates, which are normally 30 to 90 days after the invoice date for the comparable trade payables that are not part of the supplier finance arrangement within the same business line. The Group then settles with the banks between 180 to 300 days after the original due dates with suppliers, with interest.

In the consolidated financial statement of financial position, the Group has presented the payables to the banks under these arrangements as "bank borrowings", in view of the nature and function of such liabilities when compared with the Group's trade payables. As at 31 December 2025, the carrying amount of financial liabilities under these arrangements amounted to RMB1,536,545,000 of which suppliers have received payments from the banks.

In the consolidated statement of cash flows, payments to the banks are included within financing cash flows based on the nature of the arrangements, and payments to the suppliers by the bank amounting to RMB1,536,545,000 are non-cash transactions.

(g) Capital and liability management:

Saved as disclosed in share capital (note 42), the Group also monitors capital and liability management by using the liability-to-asset ratio (i.e. total liabilities divided by total assets). The liability-to-asset ratio of the Group as at 31 December 2025 was 64.0% (2024: 60.8%).

38. Provisions

	Warranties RMB'000 (note a)	Litigations RMB'000 (note b)	Others RMB'000	Total RMB'000
At 1 January 2024	969,966	240	23,758	993,964
Additional provisions	529,026	7,915	–	536,941
Provisions used	(105,128)	–	–	(105,128)
At 31 December 2024 and 1 January 2025	1,393,864	8,155	23,758	1,425,777
Acquisition of subsidiaries	8,339	–	737	9,076
Additional provisions	639,292	–	–	639,292
Provisions used	(209,713)	–	(23,758)	(233,471)
Reversal	–	(8,155)	–	(8,155)
At 31 December 2025	<u>1,831,782</u>	<u>–</u>	<u>737</u>	<u>1,832,519</u>
Analysed as:				
Current liabilities	311,608	–	–	311,608
Non-current liabilities	<u>1,520,911</u>	<u>–</u>	<u>–</u>	<u>1,520,911</u>
	<u>1,832,519</u>	<u>–</u>	<u>–</u>	<u>1,832,519</u>

- (a) A provision for warranties is recognised when the underlying products are sold. Under the terms of the Group's sales agreements, the Group will rectify any product defects arising within predominantly 3 to 8 years from the date of sale. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of products sold which are still within the warranty period. The amount of provision takes into account the Group's recent claim experience, historical warranty data and a weighting of all possible outcomes against their associated probabilities.
- (b) Based on the latest developments, Directors assessed the prior years' outstanding intellectual property infringement claims (the "Claims") in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and is of opinion that the Claims can be reversed, since the possibility of any transfer of economic benefits in settlement is remote.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. Deferred Tax

Deferred tax assets and liabilities are netted off when the taxes relate to the same tax authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	763,521	793,450
Deferred tax liabilities	<u>(153,560)</u>	<u>(8,705)</u>
	<u>609,961</u>	<u>784,745</u>

The gross movement on the deferred tax account is as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	784,745	556,151
Acquisition of subsidiaries	(116,580)	–
(Charge)/credit to profit or loss (note 13)	(40,394)	213,540
(Charge)/credit to other comprehensive income	<u>(17,810)</u>	<u>15,054</u>
Balance at 31 December	<u>609,961</u>	<u>784,745</u>

39. Deferred Tax (Continued)

Deferred tax liabilities (prior to offset)

	Accelerated depreciation RMB'000	Right-of-use assets RMB'000	Revaluation of assets RMB'000	Fair value changes of financial assets at FVTPL RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	114,858	11,319	-	-	-	126,177
Charge/(credit) to profit or loss for the year (note 13)	113,952	(2,803)	-	-	-	111,149
At 31 December 2024 and 1 January 2025	228,810	8,516	-	-	-	237,326
Acquisition of subsidiaries	15,729	4,171	134,250	2,797	26	156,973
Charge/(credit) to profit or loss for the year (note 13)	202,697	(1,729)	(1,027)	28,929	3,890	232,760
At 31 December 2025	447,236	10,958	133,223	31,726	3,916	627,059

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. Deferred Tax (Continued)

Deferred tax assets (prior to offset)

	Tax losses	Allowance on inventory	Allowance on trade receivables	Deferred income	Provisions	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	276,810	84,680	13,423	52,747	187,527	11,680	55,461	682,328
(Charge)/credit to profit or loss for the year (note 13)	294,851	(48,850)	13,531	(16,597)	76,634	(1,865)	6,985	324,689
Credit to other comprehensive income for the year	—	—	—	—	—	—	15,054	15,054
At 31 December 2024 and 1 January 2025	571,661	35,830	26,954	36,150	264,161	9,815	77,500	1,022,071
Acquisition of subsidiaries	1,231	3,553	14,602	9,351	1,424	4,005	6,227	40,393
Credit/(charge) to profit or loss for the year (note 13)	54,161	30,376	47	52,046	64,642	2,322	(11,228)	192,366
Charge to other comprehensive income for the year	—	—	—	—	—	—	(17,810)	(17,810)
At 31 December 2025	<u>627,053</u>	<u>69,759</u>	<u>41,603</u>	<u>97,547</u>	<u>330,227</u>	<u>16,142</u>	<u>54,689</u>	<u>1,237,020</u>

As at 31 December 2025, deferred tax asset of RMB627,053,000 (2024: RMB571,661,000) was recognised in respect of unused tax losses of RMB3,705,571,000 (2024: RMB3,490,156,000). According to financial forecast, the Directors have exercised their judgement to assess that there will be sufficient future taxable profits available to offset against the unused tax losses. These tax losses are expected to expire after 5 to 10 years from the year of assessment they related to.

No deferred tax asset has been recognised in respect of tax losses amounted to RMB1,213,293,000 (2024: RMB1,158,514,000) due to the unpredictability of future profit streams.

40. Financial Guarantees

The Company has provided guarantees in respect of bank loans and banking facilities granted to the Company's subsidiaries. Pursuant to the terms of guarantees, if there are any defaults on the loans or similar balances, the Company is responsible to repay the outstanding principal together with accrued interests and other costs owed by the defaulting subsidiaries to the banks.

The maximum potential liability of the Company at 31 December 2025 in respect of the amount of bank loans drawn and other banking facilities utilised by the subsidiaries under the guarantees at that date is approximately RMB730 million (2024: RMB880 million).

The Company also has provided guarantees in respect of finance lease agreements and bank loans entered into by the investees companies measured at FVTPL. Pursuant to the terms of guarantees, if there are any defaults on the finance lease, the Company is responsible to repay the outstanding principal together with accrued interests and other costs owed by the defaulting investees to the lessors.

The maximum potential liability of the Company at 31 December 2025 in respect of the amount of finance lease agreements and bank loans entered into by the investees under the guarantees at that date is approximately RMB1,219 million (2024: RMB230 million).

41. Share-Based Payments

2019 Share-based Payments

During the year ended 31 December 2019, the Company approved and adopted a share incentive scheme ("**2019 Share Incentive Scheme**") involving 6 senior management, namely, Liu Jingyu, Dr. Pan Fangfang, Dai Ying, Geng Yan'an, Wang Xiaoqiang and He Fan (collectively, the "**Six Senior Management**"). The purposes of the 2019 Share Incentive Scheme are to stimulate the enthusiasm and creativity of the Six Senior Management, enhance their sense of responsibility and mission of achieving the Company's long-term sustainable and healthy development, and ensure the realization of the Company's strategic goals.

The Six Senior Management have formed a limited company, Xiamen Lihang Equity Investment ("**Share Incentive Vehicle**"). A limited partnership company, Lihang Jinzhi ("**Partnership**") was formed, and the Share Incentive Vehicle and a related entity of a government shareholder of the Company ("**Xiamen Industrial Investment**") were required to contribute RMB10 million and RMB1,500 million, respectively, to the Partnership. After that, the Partnership has subscribed for registered capital of the Company.

Notes to the Consolidated Financial Statements

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41. Share-Based Payments (Continued)

2019 Share-based Payments (Continued)

The Partnership has a prescribed operation period of 10 years, and all investment proceeds of it (after deducting expenses and tax), including all distribution, interest and dividend from the Company will be distributed to the Share Incentive Vehicle and the Xiamen Industrial Investment in the following manner:

- (a) Distribute to the Share Incentive Vehicle and the Xiamen Industrial Investment proportionally to their capital contribution of the Partnership until they fully recover their capital contributions to it;
- (b) Any investment proceeds in excess of (a) above will be firstly distributed to the Xiamen Industrial Investment in an amount that represent 6% annual return to its capital contribution to the Partnership;
- (c) 2 years after all legal and regulatory requirements for freely disposing the Partnership's equity interest in the Company are fulfilled, and after the distributions in (a) and (b) above, the Partnership shall dispose of all its equity interest in the Company. 20% of the net proceeds from the disposal will be distributed to the Share Incentive Vehicle and the remaining 80% will be distributed to the Xiamen Industrial Investment.

The manner of distribution above enables the Six Senior Management to receive possible future cash proceeds, through the Share Incentive Vehicle, that are disproportionate to their share of capital injections into the Partnership and the amount of such future cash proceeds to be received by the Share Incentive Vehicle will depend on many factors including future price of the Company's equity, vesting date and other factors.

The awards of the 2019 Share Incentive Scheme have been accounted for as equity-settled share-based payment. The management estimate the fair value of the awards and the length of the vesting period at grant date. The date of vesting will need to be re-estimated at each reporting date. The share-based payment expense will be recognised over the vesting period with a corresponding credit to equity of the consolidated statement of financial position as a capital contribution from government shareholder of the Company.

Independent professional valuer was engaged to assist the management to determine the grant date fair value of the awards by binomial tree method with the following assumptions and inputs:

Vesting date initially estimated	30 July 2027
Price per each registered capital of the Company	RMB1.02
Risk free rate	3.69%
Dividend yield	Nil
Estimated volatility of return of the Company's equity	53.72%

41. Share-Based Payments (Continued)

2019 Share-based Payments (Continued)

The fair value of the awards at grant date is estimated to be approximately RMB163 million. The following table set out the estimated vesting date adopted at each reporting date and the share-based payment expense charged to the consolidated profit and loss of the Group.

	Share-based payment expense RMB'000
For the year ended 31 December 2025	–
For the year ended 31 December 2024	23,599

2024 Share-based Payments

In 2024, senior management of the Company purchased approximately 1,125,000 domestic shares at a consideration of RMB10.95 per share from the 2020 Employee Shareholding Platforms. Since the purchase price was lower than the market price when the transactions occurred, the unidentifiable consideration (i.e. the difference between the market price and the purchase price) shall be accounted for as equity-settled share-based payment. The unidentifiable consideration of approximately RMB2,551,000 was recognised in profit or loss in 2024.

Olive Sensors' equity-settled share-based payments

Pursuant to the 2022 Restricted Stock Incentive Plan (Draft) of Olive Sensors, Olive Sensors granted 12,850,000 restricted shares to 48 incentive participants. The grant date was 9 December 2022. Details are set out in Olive Sensors' announcements and annual reports.

Notes to the Consolidated Financial Statements

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42. Share Capital

Registered and paid-in capital:	2025		2024	
	Number of Shares	Amount RMB'000	Number of Shares	Amount RMB'000
Ordinary shares of RMB1 each	<u>1,772,301,858</u>	<u>1,772,302</u>	<u>1,772,301,858</u>	<u>1,772,302</u>

Class and structure of shares:	2025		2024	
	Number of Shares	Nominal value per share RMB	Number of Shares	Nominal value per share RMB
Domestic shares	1,010,802,463	1	1,160,633,753	1
H-shares	<u>761,499,395</u>	1	<u>611,668,105</u>	1
At end of the year	<u>1,772,301,858</u>		<u>1,772,301,858</u>	

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt divided by total equity including non-controlling interests. Net debt includes bond payables, lease liabilities, interest-bearing bank and other borrowings and financial guarantee, less cash and cash equivalents.

The Group adopted a policy of keeping a higher but manageable debt-to-equity ratio. The policy aims to meet the increased liquidity needs of its ongoing operations and to ensure the timely completion of its new production facilities.

42. Share Capital (Continued)

The debt-to-equity ratio at the end of reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Bond payables	1,911,441	–
Lease liabilities	1,034,115	100,600
Bank borrowings	55,355,150	46,116,380
Financial guarantee	143,567	34,563
Amounts due to related parties (non-trade in nature)	–	27,250
	<u>58,444,273</u>	<u>46,278,793</u>
Less: Cash and cash equivalents	<u>(9,637,699)</u>	<u>(9,058,553)</u>
Net debt	<u>48,806,574</u>	<u>37,220,240</u>
Total equity including non-controlling interests	<u>53,456,609</u>	<u>48,053,925</u>
Debt-to-equity ratio	<u>91.3%</u>	<u>77.5%</u>

The increase in the debt-to-equity ratio during 2025 resulted primarily from increase of bank borrowings and issuance of bonds.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange, the minimum public float of the H-shares of the Company shall be the higher of 13.08% of the total issued share capital of the Company, and the percentage of H-shares held by public immediately following the completion of the Global Offering and the exercise of the Over-allotment Option; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. Statement of Financial Position and Reserve Movement of the Company

(a) Statement of financial position of the Company

	2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	30,354	9,142
Right-of-use assets	17,254	18,077
Intangible assets	265,650	274,080
Investments in subsidiaries	30,359,056	26,647,894
Investments in an associate	66,071	9,602
Other financial assets	1,681,566	521,629
Deposits paid for acquisition of property, plant and equipment	7,467	252,236
Amount due from related parties	2,741,699	–
Deferred tax assets	62,546	150,211
	<u>35,231,663</u>	<u>27,882,871</u>
Current assets		
Inventories	5,992	25,751
Trade and bills receivables	25,232,387	21,633,598
Prepayments, deposits and other receivables	1,755,087	1,425,839
Amounts due from related parties	1,493,410	2,322,885
Other financial assets	2,658,309	1,399,369
Current tax assets	10	–
Pledged bank deposits	374,063	1,039,013
Restricted bank balances	502	252
Bank and cash balances	4,946,377	4,329,938
	<u>36,466,137</u>	<u>32,176,645</u>
Current liabilities		
Trade and bills payables	25,477,814	20,372,851
Accruals and other payables	576,528	470,969
Bond payables	11,441	–
Contract liabilities	280,878	138,375
Amounts due to related parties	1,077,755	265,246
Lease liabilities	466	450
Bank borrowings	3,679,928	3,163,980
Provisions	11,570	9,324
Financial guarantees	157,212	52,730
	<u>31,273,592</u>	<u>24,473,925</u>
Net current assets	<u>5,192,545</u>	<u>7,702,720</u>
Total assets less current liabilities	<u>40,424,208</u>	<u>35,585,591</u>

43. Statement of Financial Position and Reserve Movement of the Company (Continued)

(a) Statement of financial position of the Company (Continued)

	2025 RMB'000	2024 RMB'000
Non-current liabilities		
Bond payables	1,900,000	–
Deferred income	413	4,277
Lease liabilities	281	747
Provisions	55,495	128,539
Bank borrowing	<u>3,857,499</u>	<u>1,382,500</u>
	<u>5,813,688</u>	<u>1,516,063</u>
NET ASSETS	<u>34,610,520</u>	<u>34,069,528</u>
Capital and reserves		
Share capital	1,772,302	1,772,302
Reserves	<u>32,838,218</u>	<u>32,297,226</u>
TOTAL EQUITY	<u>34,610,520</u>	<u>34,069,528</u>

Approved by the Board of Directors on 27 March 2026 and are signed on its behalf by:

LIU Jingyu

DAI Ying

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. Statement of Financial Position and Reserve Movement of the Company (Continued)

(b) Reserve movement of the Company

	Capital reserve RMB'000	Contribution from shareholder RMB'000	Put option reserve RMB'000	Financial assets at FVTOCI reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	32,416,497	139,611	(261,157)	(121,081)	165,543	32,339,413
Total comprehensive income for the year	-	-	-	(80,662)	12,325	(68,337)
Share-based payments (note 41)	-	26,150	-	-	-	26,150
Changes in equity for the year	-	26,150	-	(80,662)	12,325	(42,187)
At 31 December 2024	32,416,497	165,761	(261,157)	(201,743)	177,868	32,297,226

	Capital reserve RMB'000	Contribution from shareholder RMB'000	Put option reserve RMB'000	Financial assets at FVTOCI reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2025	32,416,497	165,761	(261,157)	(201,743)	-	177,868	32,297,226
Total comprehensive income for the year	-	-	-	100,921	-	440,071	540,992
Appropriation of statutory reserve	-	-	-	-	38,419	(38,419)	-
Changes in equity for the year	-	-	-	100,921	38,419	401,652	540,992
At 31 December 2025	32,416,497	165,761	(261,157)	(100,822)	38,419	579,520	32,838,218

44. Reserves

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity.

(b) Nature and purpose of reserves

(i) Capital reserve

Under PRC rules and regulations, capital reserve is non-distributable other than in liquidation and may be utilised for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders.

(ii) Merger reserve

Merger reserve represents the difference of consideration paid and the carrying amount of net assets acquired in a combination under common control.

(iii) Safety production fund

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a legal reserve at different rates ranging from 0.05% to 2.35% of the total revenue recognised for the previous year. The reserve can be utilised for improvements of safety on the manufacturing work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and at the same time the corresponding amounts of safety reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

(iv) Contribution from shareholder

The share-based payments as set out in note 41 are credited as contribution from shareholder.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with accounting policies set out in note 4(f) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. Reserves (Continued)

(b) Nature and purpose of reserves (Continued)

(vi) Put Option reserve

The Company has entered into investment agreements with non-controlling shareholders of its subsidiaries, granting them the put option to request the repurchase of their equity interests within specified periods at predetermined prices ("**Written Put Options**"). These Written Put Options have been recognised as financial liabilities with a corresponding debit entry to equity under reserve. According to the investment agreements, if the Company completes a listing of the Company's shares on any domestic or foreign stock exchange, the Written Put Options will lapse automatically and at that time the related liabilities would be transferred to equity of the Company.

On 6 October 2022, the Company completed its Initial Public Offering ("**IPO**") on the Main Board of The Stock Exchange of Hong Kong Limited. Upon the Listing, the financial liabilities of Written Put Options have been automatically converted into equity of the Company.

(vii) Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(n) to the consolidated financial statements.

(viii) Statutory reserve

Pursuant to PRC Company Law, the Company is required to appropriate at least 10% of its profit after tax each year to the statutory reserve until the cumulative balance reaches 50% of its registered capital.

45. Notes to the Consolidated Statement of Cash Flows

(a) Acquisition of subsidiaries

On 21 November 2025, the Company acquired 10.94% equity interest in Olive Sensors, a joint stock company incorporated in PRC and listed on the Shenzhen Stock Exchange. Olive Sensors is principally engaged in manufacturing and sales of automotive parts and accessories. The acquisition is for the purpose of fully realising synergies in each area, further enhancing the value creation capability of the industry chain and promoting overall industry progress.

The fair value of the identifiable assets and liabilities of Olive Sensors acquired as at the date of acquisition is as follows:

Net assets acquired:	RMB'000
Property, plant and equipment	763,688
Right-of-use assets	116,817
Intangible assets	480,448
Investment in associates	294,294
Deferred tax assets	40,393
Other financial assets	1,082,481
Prepayments, deposits and other receivables	138,571
Inventory	275,850
Trade and bills receivables	1,468,946
Pledged bank deposits	62,716
Bank and cash balances	139,484
Trade and bills payables	(983,966)
Contract liabilities	(44,948)
Accruals and other payables	(73,123)
Lease liabilities	(18,234)
Bank borrowings	(391,300)
Current tax liabilities	(7,200)
Provisions	(9,076)
Deferred income	(63,126)
Deferred tax liabilities	(156,973)
	3,115,742
Non-controlling interests	(2,822,871)
Consideration receivables	80,000
Goodwill	137,956
	510,827
Satisfied by:	
Cash	510,827
Net cash outflow arising on acquisition:	
Cash consideration paid	(510,827)
Cash and cash equivalents acquired	139,484
	(371,343)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. Notes to the Consolidated Statement of Cash Flows (Continued)

(a) Acquisition of subsidiaries (Continued)

The fair value of trade and bills receivables and prepayments, deposits and other receivables acquired is approximately RMB1,468,946,000 and RMB138,571,000 respectively. All of the contract cash flows are expected to be collected in full.

The consideration receivables of RMB80,000,000 are recognised based on the capped compensation amount stipulated in the share transfer agreement.

The goodwill arising on the acquisition of Olive Sensors is attributable to the anticipated future operating synergies from the combination.

Olive Sensors contributed approximately RMB179,847,000 to the Group's revenue for the year for the period between the date of acquisition and the end of the reporting period. Olive Sensors contributed profit of approximately RMB6,454,000 to the Group's profit for the year for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2025, the revenue contributed to the Group for the year would have been RMB2,294,484,000, and the profit contributed to the Group for the year would have been RMB172,997,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is intended to be a projection of future results.

45. Notes to the Consolidated Statement of Cash Flows (Continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2025 RMB'000	Cash flows RMB'000	Inception of leases RMB'000	Interest expenses (note 12) RMB'000	Payments to suppliers by the bank under supplier finance arrangement RMB'000	Acquisition of subsidiaries RMB'000	31 December 2025 RMB'000
Lease liabilities (note 36)	100,600	903,744	1,359	10,178	–	18,234	1,034,115
Bank borrowing (note 37)	46,116,380	6,097,032	–	1,213,893	1,536,545	391,300	55,355,150
Bond payables (note 34)	–	1,900,000	–	11,441	–	–	1,911,441
	<u>46,216,980</u>	<u>8,900,776</u>	<u>1,359</u>	<u>1,235,512</u>	<u>1,536,545</u>	<u>409,534</u>	<u>58,300,706</u>

	1 January 2024 RMB'000	Cash flows RMB'000	Inception of leases RMB'000	Interest expenses (note 12) RMB'000	Payments to suppliers by the bank under supplier finance arrangement RMB'000	Effect of lease modification RMB'000	31 December 2024 RMB'000
Lease liabilities (note 36)	82,801	(8,420)	26,478	3,860	–	(4,119)	100,600
Bank borrowing (note 37)	29,170,734	15,492,351	–	1,227,732	225,563	–	46,116,380
	<u>29,253,535</u>	<u>15,483,931</u>	<u>26,478</u>	<u>1,231,592</u>	<u>225,563</u>	<u>(4,119)</u>	<u>46,216,980</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. Notes to the Consolidated Statement of Cash Flows (Continued)

(c) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	66,578	67,654
Within investing cash flows	662,288	–
Within financing cash flows	86,078	4,560
	<u>814,944</u>	<u>72,214</u>

These amounts relate to the following:

	2025 RMB'000	2024 RMB'000
Lease rental paid	152,656	72,214
Payments for right-of-use assets	662,288	–
	<u>814,944</u>	<u>72,214</u>

46. Contingent Liabilities

Based on the latest developments, Directors assessed the Claims as described in note 38(b) in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and is of opinion that there is no need to disclose the Claims as contingent liabilities, since the possibility of any transfer of economic benefits in settlement is remote.

47. Capital Commitments

Commitments contracted for at the end of the respective reporting period but not yet incurred are as follows:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	10,010,776	14,297,738
Intangible assets	16,837	37,845
Leasehold lands	697,654	–
Capital contribution to partnership funds	568,395	283,200
Capital contribution to share subscription	3,300	1,300
	<u>11,296,962</u>	<u>14,620,083</u>

48. Operating Lease Arrangements

The Group as lessee

The Group regularly entered into short-term leases for office equipment, staff quarters, office premise, factories, motor vehicles and warehouses. As at 31 December 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20.

As at 31 December 2024 and 2025, the outstanding lease commitments relating to these short-term leases are RMB27,553,000 and RMB30,081,000 respectively.

The Group as lessor

Operating leases relate to property owned by the Group with lease terms of 1 year. The lessee does not have an option to purchase the property at the expiry of the lease period.

As at 31 December 2024 and 2025, there were no minimum lease payments receivable on leases.

The following table presents the amounts reported in profit or loss:

	2025 RMB'000	2024 RMB'000
Lease income on operating leases	6,841	8,970

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

49. Related Party Transactions

- (a) Names and relationships of the related parties that had material transactions and balances with the Group during the year:

Name of party	Relationship
常州華科工程建設有限公司 Changzhou Huake Engineering Construction Co., Ltd.* (“ Huake Engineering ”)	Shareholder
中航鋰電(洛陽)有限公司 China Lithium Battery Technology (Luoyang) Co., Ltd.* (“ Luoyang Company ”)	Entity controlled by shareholders of the Company
江蘇城東建設工程有限公司 Jiangsu Chengdong Construction Projects Co., Ltd.* (“ Jiangsu Chengdong Construction ”)	Entity controlled by shareholders of the Company
廈門金圓投資集團有限公司 Xiamen Jinyuan Industry Investment Group Company Limited* (“ Jinyuan Investment ”)	Shareholder
常州江環能源科技有限公司 Changzhou Jianghuan Energy Technology Co., Ltd.* (“ Jianghuan Energy ”)	Entity controlled by shareholders of the Company [#]

* The official names of these entities are in Chinese. The English translation of the names is for identification purpose only.

[#] Jianghuan Energy became an entity controlled by shareholders of the Company in 2024.

49. Related Party Transactions (Continued)

(b) The Group had the following material transactions with its related parties during the year:

	2025 RMB'000	2024 RMB'000
Revenue from sales of goods to		
– Luoyang Company	1,351,629	1,245,564
Entrusted processing services from		
– Luoyang Company	3,575,803	2,858,909
Purchase of goods and services from		
– Jianghuan Energy	11,539	3,058
Purchase of property, plant and equipment from		
– Luoyang Company	–	8,345
Disposal of property, plant and equipment to		
– Luoyang Company	–	165
Rental fee income from		
– Huake Engineering	4,404	4,404
Rental fee charged by		
– Huake Engineering	–	14
Transportation and miscellaneous fee paid on behalf by		
– Luoyang Company	–	32
Construction fees charged by		
– Jiangsu Chengdong Construction and its subsidiary	<u>161,257</u>	<u>383,340</u>

Since March 2021, Jinyuan Investment has been providing financial guarantee to a subsidiary of the Group, Xiamen Company in favour of a group of 6 banks, to guarantee the payment obligation of 80% principal amount (being RMB2,000 million) of a loan in the principal amount of RMB2,500 million for a term of 8 years. The guarantee period of Jinyuan Investment took effective from the date of entering into the guarantee agreement to three years after the expiration of repayment obligation by Xiamen Company under the loan agreement.

Since January 2022, Jinyuan Investment has been providing another financial guarantee to Xiamen Company, in favour of a group of 6 banks to guarantee the payment obligation of 80% principal amount (being RMB2,000 million) of a loan in the principal amount of RMB2,500 million for a term of 8 years. The guarantee period of Jinyuan Investment took effective from the date of entering into the guarantee agreement to three years after the expiration of repayment obligation by Xiamen Company under the loan agreement.

(c) Balances with related parties

Details of the Group's balances with related parties at the end of reporting period are disclosed in note 28.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

49. Related Party Transactions (Continued)

- (d) The remuneration of directors, supervisors and other members of senior management during the year was as follows:

	2025 RMB'000	2024 RMB'000
Fees	720	720
Salaries and allowances	11,789	9,714
Discretionary bonus	27,082	20,851
Equity-settled share-based payments	–	26,150
Retirement benefit scheme contributions	439	394
	<u>40,030</u>	<u>57,829</u>

Notes:

The amounts disclosed above represent remuneration paid or payable to the directors and other members of senior management of the Company as key management personnel of the Group's entities.

50. Events After the Reporting Period

The Group had no material event after the reporting period as at 31 December 2025.

Financial Summary

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000 (Re-presented)
Revenue	44,400,067	27,751,526	27,005,885	20,374,942	6,817,115
Cost of sales	(36,988,116)	(23,341,632)	(23,494,367)	(18,271,422)	(6,306,165)
Gross profit	7,411,951	4,409,894	3,511,518	2,103,520	510,950
Investment and other income	333,611	357,560	200,492	208,849	256,564
Other losses, net	(251,616)	(139,021)	(877,052)	(62,872)	(89,541)
Selling expenses	(777,434)	(615,974)	(343,162)	(288,264)	(149,167)
Administrative expenses	(1,484,457)	(1,257,403)	(675,753)	(590,974)	(334,419)
Research and development expenses	(2,142,560)	(1,417,611)	(991,961)	(664,758)	(222,523)
Gain on disposal of subsidiaries	-	-	-	-	347,240
Impairment loss on investment in associates	-	-	-	-	(178,700)
Reversal of impairment loss/(Impairment loss) on trade and bill receivables	3,951	(91,058)	(60,763)	9,315	(26,600)
Reversal of impairment loss/(Impairment loss) on prepayments, deposits and other receivables	32,320	(40,987)	880	(3,157)	(682)
Profit from operations	3,125,766	1,205,400	764,199	711,659	113,122
Finance costs	(854,596)	(415,116)	(330,439)	(65,217)	(24,975)
Share of losses of associates	(819)	(85)	(157)	(815)	(24,714)
Profit before tax	2,270,351	790,199	433,603	645,627	63,433
Income tax (expense)/credit	(175,128)	53,427	3,560	47,910	48,107
Profit for the year	2,095,223	843,626	437,163	693,537	111,540
Attributable to:					
Owners of the Company	1,475,632	591,196	294,377	691,626	140,029
Non – controlling interests	619,591	252,430	142,786	1,911	(28,489)
	2,095,223	843,626	437,163	693,537	111,540
Non – current assets	101,037,639	86,867,996	73,318,005	53,101,171	20,034,407
Current assets	47,517,489	35,605,387	32,111,020	37,359,447	18,586,078
Total assets	148,555,128	122,473,383	105,429,025	90,460,618	38,620,485
Current liabilities	60,290,300	45,584,301	36,821,461	32,774,951	9,890,350
Non – current liabilities	34,808,219	28,835,157	22,221,774	16,110,208	3,744,011
Total liabilities	95,098,519	74,419,458	59,043,235	48,885,159	13,634,361

Definitions and Glossary

“Articles of Association”	the Articles of Association of the Company currently in force
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Chengdu Company”	CALB (Chengdu) Co., Ltd.*(中創新航科技(成都)有限公司), a company established under the laws of the PRC with limited liability on 29 May 2021 and owned as to 51% by our Company and 49% by Chengdu Heavy Industry Longjin, a direct non-wholly owned subsidiary of our Company
“Company”, “CALB”, “we” or “us”	CALB Group Co., Ltd.(中創新航科技集團股份有限公司), H Shares of which are listed on the Stock Exchange with stock code of 3931
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Fujian Company”	CALB (Fujian) Co., Ltd.*(中創新航科技(福建)有限公司), a company established under the laws of the PRC with limited liability on 22 February 2022 and owned as to 51% by our Company and 49% by Xiamen Industrial Investment, a direct non-wholly owned subsidiary of our Company
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“H Share Shareholder(s)”	holder(s) of H Shares

“Hefei Company”	CALB (Hefei) Co., Ltd.* (中創新航科技(合肥)有限公司), a company established under the laws of the PRC with limited liability on 25 September 2021 in which our Company is entitled to exercise more than 50% of the voting rights, a direct non wholly-owned subsidiary of our Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) who, to the best of the knowledge, information and belief of the Directors, is/are not a connected person(s) of the Company within the meaning ascribed thereto under the Listing Rules
“Jiangmen Company”	CALB (Jiangmen) Co., Ltd.* (中創新航科技(江門)有限公司), a company established under the laws of the PRC with limited liability on 23 February 2022 and owned as to 63.7% by our Company and 36.3% by Jiangmen City Haina New Energy Investment Partnership (Limited Partnership)* (江門市海納新能源投資合夥企業(有限合夥)), a direct non-wholly owned subsidiary of our Company
“Jiangsu Company”	CALB (Jiangsu) Co., Ltd.* (中創新航科技(江蘇)有限公司), a company established under the laws of the PRC with limited liability on 23 June 2021, a direct wholly owned subsidiary of our Company
“Jiangsu Research Institute”	CALB Technology Co., Ltd.* (中創新航技術研究院(江蘇)有限公司), a company established under the laws of the PRC with limited liability on 11 November 2016, a direct wholly-owned subsidiary of our Company
“Jincheng Technology”	Jiangsu Jintan Jincheng Technology Industry Development Co., Ltd.* (江蘇金壇金城科技產業發展有限公司), a company established under the laws of the PRC with limited liability on 7 December 2015 and wholly owned by Jintan Holding, a connected person of the Company
“Jinhang Holding”	Jiangsu Jinhang Holding Co., Ltd.* (江蘇金航控股有限公司), a company established under the laws of the PRC with limited liability on 2 March 2022, which is owned as to 40% by Jincheng Technology, 30% by Cai Dongze (蔡東澤), an Independent Third Party, 12.5% by Nanjing Ruiguan Enterprise Management Centre (Limited Partnership)* (南京瑞冠企業管理中心(有限合夥)), 12.5% by Wuxi Fengshenghui Enterprise Management Partnership Business (Limited Partnership)* (無錫豐晟匯企業管理合夥企業(有限合夥))and 5% by Jiangsu Fengchuang Environmental Energy Co., Ltd.* (江蘇楓創環保能源有限公司), an Independent Third Party. Jinhang Holding is a connected person of our Company

Definitions and Glossary

“Jinsha Investment”	Changzhou Jinsha Technology Investment Co., Ltd.*(常州金沙科技投資有限公司), a company established under the laws of the PRC with limited liability on 4 May 2008 and wholly owned by Jintan Holding
“Jintan Group”	namely Jinsha Investment, Huake Engineering, Huake Investment, Jintan International, Jintan Hualuogeng and Jintan Holding
“Jintan Holding”	Jiangsu Jintan Investment Holding Co., Ltd.*(江蘇金壇投資控股有限公司), a company established under the laws of the PRC with limited liability on 16 September 2014 and wholly owned by the Government of Jintan District, a connected person of the Company
“Jintan Hualuogeng”	Jiangsu Jintan Hualuogeng Technology Industry Development Co., Ltd.*(江蘇金壇華羅庚科技產業發展有限公司), a company established under the laws of the PRC with limited liability on 12 December 2014 and owned as to 90% by Jintan Holding and 10% by Changzhou Investment Group Co., Ltd.*(常州投資集團有限公司), respectively, a connected person of the Company
“Jintan International”	Jiangsu Jintan National Development International Investment Development Co., Ltd.*(江蘇金壇國發國際投資發展有限公司), a company established under the laws of the PRC with limited liability on 16 December 2010 and exercising its voting rights in our Shares in accordance with the instructions of Jintan Holding, a connected person of our Company
“Jinyuan Investment”	Xiamen Jinyuan Investment Group Co., Ltd.*(廈門金圓投資集團有限公司), a company established under the laws of the PRC with limited liability on 13 July 2011 and wholly owned by Finance Bureau of Xiamen City*(廈門市財政局), one of our Pre-IPO Investors and Substantial Shareholders
“Lihang Jinzhi”	Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership)*(廈門鯉航金智股權投資合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on 29 July 2019 whose general partner is Xiamen Lihang Equity Investment, one of our Pre-IPO Investors, a connected person of our Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luoyang Company”	China Lithium Battery Technology (Luoyang) Co., Ltd.*(中航鋰電(洛陽)有限公司), a company established under the laws of the PRC with limited liability on 14 September 2009, which is owned as to 51% by Jincheng Technology and 49% by Jinhang Holding, and a connected person of our Company

“Materials Company”	Li Ding Materials (Sichuan) Co., Ltd.* (立鼎材料科技(四川)有限公司) (formerly known as CALB Materials (Sichuan) Co., Ltd.* (中創新航材料科技(四川)有限公司), and renamed Li Ding Materials (Sichuan) Co., Ltd.* (立鼎材料科技(四川)有限公司) on 17 March 2026), a company established under the laws of the PRC with limited liability on 26 January 2022, a direct wholly-owned subsidiary of our Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 23 September 2022
“Reporting Period”	from 1 January 2025 to 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the 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 issued capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
“Shareholder(s)”	shareholders of the Company
“Shenzhen Research Institute”	CALB Technology (Shenzhen) Co., Ltd.*(中創新航技術研究中心(深圳)有限公司), a company established under the laws of the PRC with limited liability on 28 May 2021, a direct wholly-owned subsidiary of our Company
“Sichuan Company”	CALB (Sichuan) Co., Ltd.*(中創新航科技(四川)有限公司), a company established under the laws of the PRC on 2 April 2022 and owned as to 63.5% by our Company and 36.5% by Meishan City Industrial Development Investment Guidance Fund Center (Limited Partnership)*(眉山市產業發展投資引導基金中心(有限合夥))
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“treasury shares”	has the meaning ascribed to it under the Listing Rules

Definitions and Glossary

“Wuhan Company”	CALB (Wuhan) Co., Ltd.*(中創新航科技(武漢)有限公司), a company established under the laws of the PRC with limited liability on 15 July 2021 and owned as to 59.3155% by our Company and 40.6845% by Wuhan Jingkai Investment Co., Ltd., a direct non-wholly owned subsidiary of our Company
“Xiamen Company”	CALB (Xiamen) Co., Ltd.*(中創新航新能源(廈門)有限公司), a company established under the laws of the PRC with limited liability on 15 July 2019 and a direct wholly-owned subsidiary of our Company
“Xiamen Industrial Investment”	Xiamen Industrial Investment Co., Ltd.* (廈門市產業投資有限公司), a company established under the laws of the PRC with limited liability on 13 August 2014 and wholly owned by Jinyuan Investment, one of our Pre-IPO Investors and Substantial Shareholders
“%”	percent

CALB

中創新航科技集團股份有限公司
CALB Group Co., Ltd.