



JTPV

海南凯迪新能源科技股份有限公司

Hainan凯迪 New Energy Technology Co., Ltd.

海南凯迪新能源科技股份有限公司 2026 年中期报告

股票代码: 100014

2026

Interim Report

CONTENTS

CORPORATE INFORMATION	2
DEFINITIONS	4
FINANCIAL SUMMARY	8
MANAGEMENT DISCUSSION AND ANALYSIS	9
OTHER INFORMATION	25
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	32
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	34
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	36
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	37
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	38



CORPORATE INFORMATION

REGISTERED OFFICE

Hainan Drinda Building
Haikou Free Trade Zone
No. 168 Nanhai Avenue
Haikou
Hainan
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

15/F, GCL Plaza
99 Si'an Street
Suzhou Industrial Park
Suzhou
Jiangsu
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

COMPANY'S WEBSITE

www.jietaisolar.com

BOARD OF DIRECTORS

Executive Directors

Mr. Lu Xuyang (陸徐楊) (Chairperson)
Mr. Zhang Manliang (張滿良)
Mr. Zheng Hongwei (鄭洪偉)

Non-executive Directors

Mr. Xu Xiaoping (徐曉平)
Mr. Xu Yong (徐勇)

Employee Representative Director

Ms. Zheng Hong (鄭虹)

Independent Non-executive Directors

Dr. Shen Wenzhong (沈文忠)
Dr. Mao Xiaoying (茆曉穎)
Mr. Ma Shuli (馬樹立)
Mr. Zhang Liang (張亮)

JOINT COMPANY SECRETARIES

Ms. Liu Shuang (劉雙) (appointed on June 26, 2026)
Ms. Fung Sin Ting Karin (馮羨婷)
(appointed on June 26, 2026)
Ms. Zheng Tong (鄭彤) (resigned on June 26, 2026)
Ms. Yu Wing Sze (余詠詩) (ACG, HKACG)
(resigned on June 26, 2026)

AUTHORIZED REPRESENTATIVES

Mr. Zheng Hongwei (鄭洪偉) (appointed on June 26, 2026)
Ms. Fung Sin Ting Karin (馮羨婷)
(appointed on June 26, 2026)
Ms. Zheng Tong (鄭彤) (resigned on June 26, 2026)
Ms. Yu Wing Sze (余詠詩) (resigned on June 26, 2026)

AUDIT COMMITTEE

Dr. Mao Xiaoying (茆曉穎) (Chairperson)
Mr. Xu Yong (徐勇)
Mr. Ma Shuli (馬樹立)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Ma Shuli (馬樹立) (Chairperson)
Mr. Zhang Liang (張亮)
Mr. Zheng Hongwei (鄭洪偉)

NOMINATION COMMITTEE

Dr. Shen Wenzhong (沈文忠) (Chairperson)
Mr. Zheng Hongwei (鄭洪偉)
Dr. Mao Xiaoying (茆曉穎)

STRATEGY COMMITTEE

Mr. Lu Xuyang (陸徐楊) (Chairperson)
Mr. Zhang Manliang (張滿良)
Dr. Shen Wenzhong (沈文忠)

ESG COMMITTEE

Mr. Zhang Manliang (張滿良) (Chairperson)
Mr. Zheng Hongwei (鄭洪偉)
Ms. Zheng Hong (鄭虹)

CORPORATE INFORMATION

HONG KONG LEGAL ADVISER

Han Kun Law Offices LLP
Rooms 4301–10, 43/F
Gloucester Tower, The Landmark
15 Queen's Road Central
Hong Kong

MAINLAND CHINA LEGAL ADVISER

Tian Yuan Law Firm
Unit 509, Tower A
Corporate Square
35 Financial Street
Xicheng District
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PRC

OVERSEAS AUDITOR

ZHONGHUI ANDA CPA Limited

Certified Public Accountants
Registered Public Interest Entity Auditor
23/F, Tower 2
Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay
Hong Kong

DOMESTIC AUDITOR

Zhonghui Certified Public Accountants LLP

6th Floor, Tower A
UDC Times Building
No. 8 Xinye Road
Qianjiang New City
Hangzhou
Zhejiang
PRC

COMPLIANCE ADVISER

Somerley Capital Limited
20th Floor, China Building
29 Queen's Road Central
Hong Kong

HONG KONG SHARE REGISTRAR

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

DEFINITIONS

“A Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange
“A Shareholder(s)”	holder(s) of the A Share(s)
“Acting-in-Concert Agreement”	the acting-in-concert agreement entered into among Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Xiaoping (徐曉平), Ms. Lu Xiaohong (陸小紅), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文) on November 30, 2013, as supplemented on April 23, 2020 and April 23, 2023, pursuant to which the above parties agreed and would continue to act in concert by aligning their votes when exercising their voting rights at the shareholders’ meetings in the Group and as further supplemented on April 23, 2026, pursuant to which the interests held by Ms. Lu Huifen (陸惠芬) under the acting-in-concert agreement shall be distributed internally among the members of Yang Family following the passing of Ms. Lu Huifen (陸惠芬)
“Articles of Association”	the articles of association of the Company as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“China” or “the PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Company”	Hainan Drinda New Energy Technology Co., Ltd. (海南鈞達新能源科技股份有限公司) (formerly known as Hainan Drinda Automotive Trim Co., Ltd. (海南鈞達汽車飾件股份有限公司)), a limited liability company incorporated in the PRC on April 3, 2003, which was converted into a joint stock company with limited liability on August 21, 2012, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002865.SZ) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2865.HK)
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Employee Incentive Schemes”	collectively, Employee Incentive Scheme 2021, Employee Incentive Scheme 2022, Employee Incentive Scheme 2023-A and Employee Incentive Scheme 2023-B, the principal terms of which are set out in “Statutory and General Information – Employee Incentive Schemes” in Appendix VI to the Prospectus

DEFINITIONS

“ESG”	environmental, social and governance
“ESG Committee”	the ESG committee of the Board
“Fuyao Xinghe”	Shanghai Fuyao Xinghe Aerospace Technology Co., Ltd. (上海復遙星河航天科技有限公司), a limited liability company established in the PRC on October 11, 2025
“Global Offering”	the global offering of H Shares, details of which were disclosed in the Prospectus
“Group”	the Company and all of its subsidiaries, or any one of them as the context may require
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in Hong Kong dollars and is/are listed on the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hainan Jindi”	Hainan Jindi Technology Investment Co., Ltd. (海南錦迪科技投資有限公司), a limited liability company established in the PRC on December 3, 2010 whose equity interest was owned as to 80% by Yang Family Investment as of June 30, 2026 and is a member of the Single Largest Group of Shareholders
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Independent Third Party(ies)”	any person(s) or entity(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not a connected person of the Company within the meaning of the Hong Kong Listing Rules
“Jietai Aerospace”	Shangrao Jietai Aerospace Space Technology Co., Ltd. (上饒捷泰航天空間科技有限公司), a limited liability company established in the PRC on January 23, 2026
“Jietai Technology”	Shangrao Jietai New Energy Technology Co., Ltd. (上饒捷泰新能源科技有限公司), a limited liability company established in the PRC on December 6, 2019 and a wholly-owned subsidiary of the Company

DEFINITIONS

“Listing”	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	May 8, 2025, the date on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Overseas Plant”	the construction of an overseas PV cell production plant with an annualized production capacity of approximately 5GW
“Placing”	the placing of a total of 18,682,000 new H Shares completed on February 2, 2026, pursuant to the placing agreement entered into by the Company and the placing agents on January 21, 2026
“PPE”	property, plant and equipment
“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company dated April 28, 2025
“PV”	Photovoltaic
“R&D”	research and development
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Reporting Period”	six months from January 1, 2026 to June 30, 2026
“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 capital of the Company with a nominal value of RMB1.00 each, including both A Shares and H Shares

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Single Largest Group of Shareholders”	Yang Family, Yang Family Investment and Hainan Jindi
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax
“Xingyi Xinneng”	Shanghai Xingyi Xinneng Technology Co., Ltd. (上海星翼芯能科技有限公司), a limited liability company established in the PRC on January 6, 2026
“Xuntian Qianhe”	Shanghai Xuntian Qianhe Space Technology Co., Ltd. (上海巡天千河空間技術有限公司), a limited liability company established in the PRC on August 16, 2024
“Yang Family”	Ms. Lu, Mr. Xu and their family members including: Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文), each of them is a member of the Single Largest Group of Shareholders
“Yang Family Investment”	Hainan Yang Family Technology Investment Co., Ltd. (海南楊氏家族科技投資有限公司), a limited liability company established in the PRC on November 4, 2010 whose equity interest was wholly owned by Yang Family as of June 30, 2026 and is a member of the Single Largest Group of Shareholders
“Yen”	Japanese Yen, the lawful currency of Japan
“%”	percent

Certain amounts and percentage figures included in this interim report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including the subsidiaries) have been included in this interim report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

FINANCIAL SUMMARY

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3,150,751	3,655,550
Loss before tax	(319,305)	(315,610)
Loss for the period	(256,257)	(263,655)
Total comprehensive expenses for the period	(260,752)	(263,707)

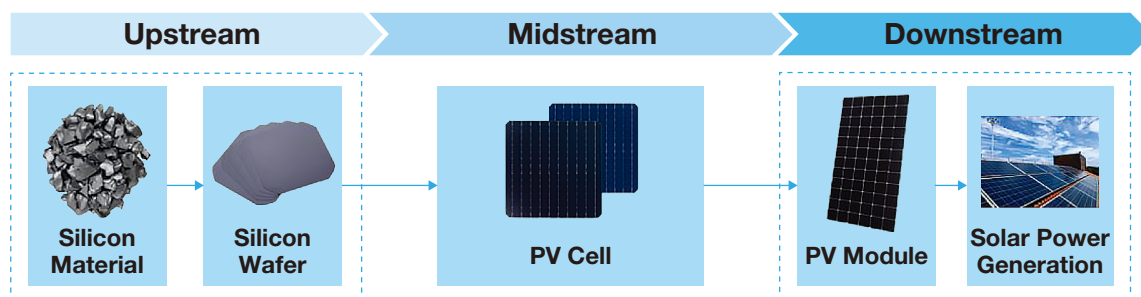
	As of June 30, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
Assets		
Non-current assets	9,072,120	8,995,217
Current assets	8,024,404	7,407,249
Total assets	17,096,524	16,402,466
Equity and liabilities		
Total equity	3,848,999	3,659,828
Non-current liabilities	5,238,562	5,578,662
Current liabilities	8,008,963	7,163,976
Total liabilities	13,247,525	12,742,638
Total equity and liabilities	17,096,524	16,402,466

MANAGEMENT DISCUSSION AND ANALYSIS

I. PRINCIPAL BUSINESS THE COMPANY ENGAGED IN DURING THE REPORTING PERIOD

(I) Our Industry

The PV industry chain encompasses the core aspects of silicon material, ingot casting (crystal pulling), wafer slicing, PV cells, PV modules and application systems, among others. The Company focuses its business on the R&D, production and sales of PV cells. It sources silicon wafers from upstream suppliers, processes them into PV cells, and sells them to downstream module manufacturers. These manufacturers interconnect and encapsulate the cells into PV modules for end-user applications.



PV cells are the core technological component of the PV industry chain. Their photoelectric conversion efficiency directly determines the power generation efficiency of PV modules, thereby affecting the electricity output from terminal power stations and hence investment returns. In recent years, benefiting from the continuous iteration and advancement of PV technology, PV cell conversion efficiency has steadily improved, driving down the costs of PV electricity. At present, solar power generation has become one of the lowest-cost forms of electricity generation globally. Against the backdrop of global energy transition, the technological upgrading of PV cells constitutes not only a core driver for PV industry development but also a key support for sustained reductions in PV electricity costs. As such, the PV cell segment is gaining increasing significance.

The Company is principally engaged in the R&D, production and sales of PV cells, with a focus on the new-generation N-type solar cells, the product performance of which has reached internationally advanced standards. As a leading enterprise in the PV cell industry, the Company has built solid market competitiveness by leveraging its core strengths, including continuous R&D innovation capabilities, large-scale production capacity and a well-established overseas market presence. With over a decade of intensive industry cultivation, the Company has consistently focused on the R&D of core PV cell technologies. Adhering to its corporate mission of “Focusing on Solar Energy, Leading the Energy Revolution, and Building a World-class Photovoltaic Technology Company”, the Company persistently facilitates the development and application of solar clean energy globally.

(II) Industry Developments

1. *Solar power generation costs continue to decline, while demand faces periodic pressure but remains positive in the long term*

In recent years, solar power generation costs have continued to decline, making solar power one of the most cost-competitive forms of clean energy globally and providing strong support for the rapid growth of global PV installations over the long term. During the first half of 2026, global demand showed divergent trends. In overseas markets, emerging markets such as the Middle East, Africa and India maintained relatively high growth rates, benefiting from the accelerated energy transition and the cost advantages of solar power generation. In Mainland China, PV installation demand experienced a periodic decline

MANAGEMENT DISCUSSION AND ANALYSIS

due to factors including adjustments to electricity tariff policies, which, however, did not alter the positive long-term trend. In July 2026, the National Development and Reform Commission and the National Energy Administration jointly issued the “15th Five-Year Plan for Renewable Energy Development”, which proposed that the aggregate installed capacity of wind and solar power should exceed 2,800GW by 2030 and the proportion of installed capacity in the national total installed power generation capacity will exceed 50%, providing strong support for the medium- to long-term development of the PV industry. Overall, with the accelerated construction of global AI computing power infrastructure, the large-scale emergence of the energy storage industry and the continuous expansion of PV application scenarios, the PV industry continues to enjoy broad market potential globally and is expected to achieve sustained growth.

2. China's global leadership in PV technologies is facilitating high-quality development through continuous innovation

As a major nation in new energy, China has sustained its position as the global leader in annual additions of PV installations for 13 consecutive years, with cumulative installed capacity ranking first globally. Relying on a comprehensive industry chain support system and accumulated technological expertise and talent resources, the PV industry has become one of China's most internationally competitive advantageous industries. China's PV industry has transitioned from an extensive growth stage driven by capacity expansion into a high-quality development stage centered on technological innovation. In the new round of industry competition, Chinese PV companies are focusing more on core PV technology R&D and product quality enhancement, continuing to lead technological upgrades across the global PV industry. During the first half of 2026, core technologies continued to achieve breakthroughs, with multiple domestic research institutions repeatedly breaking cell efficiency records. The penetration rate of N-type cells in mass production exceeded 90%, making them the mainstream technological route in the industry and further consolidating the global technological leadership of China's PV industry.

3. Localization initiatives for overseas PV modules are catalysing robust overseas demand for PV cells

As solar power accounts for an increasing proportion of the global energy mix, overseas PV demand has remained strong. Traditional markets in Europe and North America have developed steadily, while emerging markets such as the Middle East, Africa and India have gradually risen in prominence. Driven by energy security considerations, countries worldwide are accelerating the construction of local PV industry chains and expanding module production capacity. However, due to the relatively high technological barriers associated with PV cells, overseas cell production capacity generally remains insufficient, creating a significant capacity gap. During the first half of 2026, the total export value of China's PV products amounted to approximately US\$17.183 billion, representing a year-on-year increase of 24.3%. The export volume of PV cells increased by 36.8% year-on-year, significantly outpacing silicon wafers (down by 0.6% year-on-year) and modules (down by 2.5% year-on-year), making PV cells the segment with the most significant export growth across the industry chain. Domestic cell manufacturers can seize this opportunity. On one hand, they can serve global module customers by exporting cell products, driving sustained growth in overseas sales. On the other hand, by establishing advanced overseas cell production capacity, they can integrate into local overseas industry chains.

4. Industry overcapacity rationalization cycle is entering its latter stage, with policy standards accelerating the elimination of outdated production capacity

Constrained by the industry chain expansion driven by previous high global PV demand growth, China's PV industry entered an overcapacity rationalization cycle starting from the second half of 2023. Following nearly three years of market-driven consolidation, a large number of small and medium-sized enterprises and outdated production capacity have gradually exited the market. However, the supply-demand dynamics across various segments of the PV industry have yet to achieve substantial improvement, prices across the industry chain remain at low levels, and overall industry profitability continues to be under pressure. Against this backdrop, multiple national authorities have continued to advance initiatives to "counter involution", curbing disruptive low-price competition and promoting the exit of outdated production capacity through market-based and law-based means. In 2026, governance of the PV industry entered a critical stage. The Ministry of Industry and Information Technology and other authorities successively issued the "Safety Requirements for PV Modules", the "Nameplate Marking Requirements for PV Modules" and three mandatory national standards on energy consumption and energy efficiency. Meanwhile, the group standard regulating industry cost accounting, the "General Principles for Cost Accounting Models in the PV Industry", was also formally issued. With the implementation of the above standards, supply and demand across the industry chain are expected to gradually return to equilibrium, and overall industry profitability is expected to recover.

5. Application scenarios continue to expand, with cross-industry integration unlocking growth potential

The Ministry of Industry and Information Technology has explicitly stated that the "15th Five-Year Plan" period will promote the intelligent, green and integrated development of the manufacturing industry, charting the course for the PV sector. Against the backdrop of deepening global energy transition, PV, as one of the most economical forms of clean energy power generation, will see its future growth momentum focused on the expansion of application scenarios and cross-industry integration. Integrated development of the industry is specifically reflected in leveraging the synergistic advantages of "PV+" to establish an integrated energy ecosystem in which PV complements energy storage, hydrogen energy and other forms of energy; actively expanding new application scenarios such as space-based PV, vehicle-mounted PV, consumer electronics and power-computing coordination; and linking with green industries such as hydrogen production, ammonia and methanol to enrich non-electricity applications. Simultaneously, leveraging platforms such as "desert, Gobi and barren" bases, direct green power connection and zero-carbon industrial parks, the industry will deepen its integration with the power system, explore integrated solar-storage models, participate in electricity market trading, stimulate industrial vitality and promote high-quality development of the PV industry through cross-industry integration.

MANAGEMENT DISCUSSION AND ANALYSIS

II. ANALYSIS OF CORE COMPETITIVE STRENGTHS

As a specialized PV cell manufacturer, the Company focuses on the R&D, production and sales of PV cells. Through years of dedicated development, it has evolved into a globally recognized leader in the PV cell industry. Specifically, its core competitive strengths are as follows:

(I) A rare specialized PV cell manufacturer in the industry, focusing on the core PV cell segment

The PV industry has transitioned from an extensive growth stage driven by capacity expansion to an innovation-driven, intensive development phase. Coupled with the accelerated localization of overseas module production capacity, the core value of specialized cell manufacturers is becoming increasingly prominent. As a rare specialized PV cell manufacturer in the industry, the Company focuses on the core segments of PV cell R&D, production and sales. It has consistently adhered to a specialized development trajectory, concentrating resources on technological innovation and continuously optimizing manufacturing efficiency, thereby establishing unique competitive barriers through its specialized development model.

Through years of specialized dedication, the Company has maintained an industry-leading position across successive key technological iteration cycles. By the end of 2022, it took the industry lead in achieving large-scale mass production of N-type cells and had completed the comprehensive technological upgrade and iteration of N-type technology. At the current stage, the Company focuses on improving the quality and efficiency of its existing production capacity, adhering to rational development without blindly expanding its capacity scale. Meanwhile, leveraging its specialized operational advantages, the Company is well positioned to engage in in-depth joint venture cooperation with overseas module customers, advance the establishment of overseas production capacity in an orderly manner, fill the gap in overseas cell production capacity, seize overseas market development opportunities and continuously consolidate its competitive position in the industry.

(II) Innovation-led development, driven by the dual engines of technology and talent

The Company adheres to an innovation-driven development strategy and possesses mature industrialization capabilities in N-type cell technologies as well as continuous capabilities in improving efficiency and reducing costs. In the face of common industry challenges such as fluctuations in supply and demand, declining prices and hindered cost transmission in the PV industry, the Company leverages its technological foundation to enhance operational resilience and mitigate the impact of industry cycles on its operations. The Company adopts an R&D management strategy of “mass-producing one generation, reserving one generation and researching multiple generations”, and has established a technical management team and core talent pipeline guided by the philosophy of “technology leadership, specialized expertise empowerment, and efficient cross-functional collaboration”. It continuously iterates and optimizes N-type cell production processes, with the mass production efficiency of its principal cell products remaining in the industry’s first tier, continuously consolidating its core technological competitive barriers.

At the mass production level, the Company continues to improve the mass production efficiency of N-type cells and reduce non-silicon costs per watt, laying a solid practical foundation for cost reduction, efficiency enhancement and profitability improvement. Meanwhile, the Company closely monitors cutting-edge technological developments in the industry, increases its R&D reserves for next-generation high-efficiency cell technologies, deepens industry-academia-research collaboration, actively expands diversified application scenarios for PV technology and promotes the industrial transformation of cutting-edge technologies, thereby consolidating its industry-leading competitive position.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Leading production capacity scale, continuously consolidating the foundation for global expansion

Capitalizing on the rapidly growing demand in overseas PV markets, the Company adheres to its globalization development strategy and continuously improves its global sales and service network by fully leveraging its technological and product advantages. It possesses relatively mature global customer service capabilities, with its market share of PV cell products ranking among the industry leaders. The Company has established a global production capacity synergy model of “stable domestic production + overseas expansion” to better serve global market demand. Its two major domestic production bases in Chuzhou and Huai’an have a combined production capacity exceeding 40GW, which can fully support rapid delivery requirements from global customers. Meanwhile, the Company continues to explore and plan the establishment of overseas high-efficiency cell production capacity through diversified models such as technological cooperation, capacity construction and investment cooperation. At present, the cell production base in Turkey in which the Company holds an equity interest has successfully commenced cell production, with capacity ramp-up progressing steadily. In future, it aims to achieve “local production, local delivery”, which will help mitigate international trade barriers, reduce cross-border logistics costs, enhance global supply efficiency and promote the Company’s deeper integration into local overseas PV industry chains, thereby responding to the continued growth in overseas market demand.

In terms of customer cooperation, the Company has established long-term and stable cooperative relationships with the world’s leading PV module manufacturers and continues to expand its overseas customer base. By providing stable and reliable product supply, customized technological solutions and comprehensive localized services, customer loyalty continues to deepen. Meanwhile, together with the gradual implementation of its overseas production capacity, the Company is expected to further expand into high value-added overseas markets and establish a global synergistic development advantage linking “capacity-customer-market”.

(IV) Empowerment by dual capital platform, continuously demonstrating global competitiveness

The Company has successfully established an A+H dual capital platform. While leveraging capital strength to consolidate its global development advantages and support the implementation of its global strategy, it also relies on capital empowerment to explore and cultivate a second growth curve, broadening pathways and injecting impetus for the Company’s long-term, high-quality development. As the first company in the industry to achieve an A+H share listing, the dual capital platform has fully opened up domestic and international financing channels, effectively reduced financing costs and provided solid financial support for overseas capacity construction, R&D investment, industry chain integration and new business development, becoming one of the Company’s core competitive strengths.

At the same time, the A+H dual capital platform has significantly enhanced the Company’s international brand influence, facilitating the aggregation of high-quality global industry resources and supporting overseas market expansion and international industry cooperation. With capital empowerment, the Company can accelerate the implementation of overseas production capacity and cutting-edge technology R&D, further capitalize on its advantages in specialization and globalization, and continuously enhance its overall competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS

III. PRINCIPAL OPERATIONS ANALYSIS

Constrained by the industry chain expansion driven by previous high global PV demand growth, China's PV industry experienced periodic overcapacity and entered an overcapacity rationalization cycle starting from the second half of 2023, with prices across the PV industry chain generally declining. During the first half of 2026, the PV industry was affected by multiple factors, including adjustments to electricity tariff policies, declines in domestic installations and overseas trade restrictions. The supply-demand dynamics across various segments of the PV industry have yet to achieve substantial improvement, and prices across the industry chain have not shown significant recovery, affecting the Company's operating results. In response to the industry situation, the Company has consistently adhered to its development path as a specialized cell manufacturer. Centering on the needs of global module customers, it continued to expand domestic and overseas markets, launched cost-effective PV cell products, strengthened refined management, implemented multiple measures for cost reduction and efficiency enhancement, made every effort to improve the profitability of its principal business and actively explored new application scenarios for PV technologies. During the Reporting Period, the Company recorded operating revenue of RMB3,150.8 million, representing a year-on-year decrease of 13.8%; and a net loss attributable to the parent company of RMB253.0 million, with the loss narrowing by 4.0% year-on-year. The details are as follows:

(I) Maintaining its leading position in cost optimization through R&D with continuous upgrading in N-type technology

During the first half of 2026, the Company continued to delve into the core technologies of PV cells, focusing on the iterative upgrading of N-type cell processes. It carried out technological innovation in multiple areas centered on efficiency enhancement and cost optimization, deploying technologies such as multi-cut edge passivation, photoresist poly-finger and silver-coated copper metallization, resulting in steady improvements in mass production conversion efficiency and continuous reductions in non-silicon costs per watt, further consolidating its technological barriers. In terms of technology readiness, the Company proactively positioned itself for next-generation high-efficiency cell technologies. Key technology verification for perovskite tandem cells progressed well and remained at an industry-leading level. Meanwhile, the Company maintained in-depth cooperation with multiple well-known domestic and overseas research institutions, established a multi-level R&D system and continuously strengthened its capabilities in technological innovation and the transformation of R&D achievements, ensuring that the Company remains at the forefront of the PV cell technology field.

(II) Steadily expanding overseas sales while continuously enhancing global service capabilities

During the first half of 2026, the Company's market share in key regional markets such as India, Turkey and Europe ranked among the industry leaders. It continuously enhanced its competitiveness in overseas markets by participating in international exhibitions and exchanges and improving its global product certification system. Apart from cell exports, the Company methodically established overseas high-efficiency cell production capacity through diversified models such as technological cooperation and capacity construction. The cell production base in Turkey in which the Company holds an equity interest has successfully commenced cell production, with capacity ramp-up progressing steadily. Affected by the complex and volatile international trade environment and tariff policies, as well as increasing geopolitical uncertainty in the Middle East, the implementation of the Company's originally planned 5GW annual production capacity cell production base project in Oman was affected. The Company is actively seeking other investors and partners to explore feasible solutions for jointly advancing the project, and will dynamically optimize the project plan based on actual conditions and prudently advance its implementation.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Completion of H Share placing financing, with the dual capital platform supporting global development

During the first half of 2026, the Company fully leveraged the advantages of its A+H dual capital platform and completed an H Share placing in February 2026, raising net proceeds of approximately HK\$397.7 million. This further strengthened the Company's capital base and provided financial support for the expansion of new businesses and the implementation of its globalization strategy. As the first company in the PV industry to achieve dual listings on both A-share and H-share markets, the Company will continue to leverage the unique advantages of its dual capital operation platform to effectively integrate various domestic and overseas shareholder resources, fully connect with high-quality resources in the international capital markets, further enhance its international brand influence and global market recognition, and provide comprehensive and multi-level support for its global expansion and long-term development.

(IV) Deployment of new businesses through investments and acquisitions, with continued advancement of business development

In January 2026, the Company acquired an equity interest in Xingyi Xinneng to strengthen its R&D capabilities in perovskite-crystalline silicon tandem cells and CPI (colourless polyimide) film materials. In the same month, the Company and Xingyi Xinneng jointly established Jietai Aerospace, a controlled subsidiary, to explore the commercialization of space-based PV solutions. In February 2026, the Company acquired a controlling interest in Fuyao Xinghe, thereby indirectly obtaining control of Xuntian Qianhe, a whole-satellite R&D and manufacturing company, venturing into new frontiers in the commercial aerospace sector. The relevant emerging businesses are currently in the early stages of commercial development, facing multiple challenges such as ongoing technological iteration, market expansion, and the execution of mass production projects. There is great uncertainty in their development, and the conditions for large-scale production cannot be met in the short term, making a relatively small contribution to the Company's overall operating revenue and operating profit at the current stage.

(V) Practicing ESG governance concepts and enhancing brand influence

During the first half of 2026, the Company published its "2025 Sustainability Report", actively practiced ESG development concepts and continuously improved its ESG information disclosure system. The Company's Wind ESG rating remained at A and its QuantData ESG rating remained at AA, both ranking among the industry leaders. The Chuzhou and Huai'an bases of Jietai Technology have fully obtained the international certifications for the ISO 50001:2018 Energy Management System and SA8000:2014 Social Accountability Management System, with their green operations and social responsibility management reaching internationally advanced standards.

During the Reporting Period, the Company's brand influence and comprehensive strengths continued to improve. It was once again awarded the title of the "Solar Energy Leader – Outstanding PV Cell/Module Enterprise", received the dual honours of the "PVBL2026 Most Influential Material Technology Innovation Enterprise in the Global Solar & Storage Industry" and the "PVBL2026 Global Solar & Storage Brand Top 100", and also won the Outstanding Investor Relations Management Team Award at the 17th "Tianma Awards" and the Hong Kong-listed Company Investor Relations Management Tianma Award. The Company's brand position in the PV industry and recognition in the capital markets continued to increase.

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

The Group primarily derived revenue from sales of PV cells. The Group recorded revenue of RMB3,150.8 million for the six months ended June 30, 2026, representing a decrease of approximately 13.8% from RMB3,655.6 million for the same period in 2025, which was primarily due to international trade frictions leading to a decrease in overseas sales, partially offset by an increase in domestic sales revenue.

The table below sets out the breakdown of the Group's revenue by region for the periods indicated:

	For the six months ended June 30,			
	2026		2025	
Region	RMB'000	%	RMB'000	%
Mainland China	1,885,851	59.9	1,755,392	48.0
Outside Mainland China	1,264,900	40.1	1,900,158	52.0
Total	3,150,751	100.0	3,655,550	100.0

COST OF REVENUE

The cost of revenue primarily consists of raw materials, overhead, direct labor costs and impairment loss of inventory. Cost of revenue of the Group decreased by approximately 15.9% from RMB3,654.6 million for the six months ended June 30, 2025 to RMB3,071.9 million for the same period in 2026, primarily due to the decreased sales volume of PV cells.

GROSS PROFIT

The Group recorded a gross profit of RMB78.9 million for the six months ended June 30, 2026, as compared to a gross profit of RMB0.9 million for the same period in 2025. Such increase was primarily attributable to (i) a year-on-year increase in the average selling price of PV cells and (ii) the Group's ongoing optimization of production processes during the Reporting Period.

OTHER INCOME

Other income of the Group primarily consists of (i) bank interest income, (ii) extra deduction of input VAT, (iii) government grants, and (iv) sales of materials and other services. For the six months ended June 30, 2026, other income of the Group increased by approximately 222.8% from RMB42.7 million for the six months ended June 30, 2025 to RMB137.9 million for the same period in 2026, primarily attributable to an increase in extra deduction of input VAT.

OTHER GAINS AND LOSSES

Other gains and losses of the Group primarily consist of (i) loss on disposals of PPE, (ii) net foreign exchange losses, (iii) fair value changes on financial instruments at fair value through profit or loss ("FVTPL"), (iv) share of loss of an associate, and (v) others.

For the six months ended June 30, 2026, other gains and losses of the Group turned from a gain of RMB21.2 million for the six months ended June 30, 2025 to a loss of RMB176.0 million for the same period in 2026, primarily attributable to an increase in net foreign exchange losses due to the decline in the US dollar exchange rate and an increase in losses on financial instruments at FVTPL.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCE COSTS

The finance costs include (i) interest on bank and other borrowings, (ii) expense on discounting bills receivables at fair value through other comprehensive income ("FVOCI"), (iii) interest on lease liabilities, (iv) interest on payables for acquisition of PPE, and (v) interest on payables for acquisition of intangible assets. The Group's finance costs increased by 13.1% from RMB127.4 million for the six months ended June 30, 2025 to RMB144.1 million for the same period in 2026, mainly due to an increase in interest on bank and other borrowings.

LOSS FOR THE PERIOD

As a result of the foregoing, the Group recorded a loss of RMB256.3 million for the six months ended June 30, 2026, as compared to a loss of RMB263.7 million for the same period in 2025.

PROPERTY, PLANT AND EQUIPMENT

The Group's PPE primarily consists of buildings, plant, machinery, office equipment, motor vehicles, and construction in progress. PPE of the Group decreased by approximately 3.9% from RMB7,503.9 million as of December 31, 2025 to RMB7,210.1 million as of June 30, 2026, primarily due to regular depreciation charges.

INVENTORIES

The Group's inventories consist of raw materials, work-in-progress, finished goods, goods in transit and contract fulfilment costs. The Group's inventories increased by approximately 25.6% from RMB638.0 million as of December 31, 2025 to RMB801.4 million as of June 30, 2026, primarily due to an increase in goods in transit.

TRADE, BILLS AND OTHER RECEIVABLES

Trade, bills and other receivables of the Group increased by approximately 30.3% from RMB823.3 million as of December 31, 2025 to RMB1,073.0 million as of June 30, 2026, primarily due to an increase in accounts receivable within settlement cycles.

FINANCIAL ASSETS AT FVTPL

During the Reporting Period, in line with the liquidity management policies of the Group, the Group purchased investments which are managed by licensed financial institutions in the PRC and principally allocated to bonds, trusts, cash, and stocks of listed companies. Financial assets at FVTPL of the Group decreased by approximately 11.6% from RMB629.9 million as of December 31, 2025 to RMB557.0 million as of June 30, 2026, primarily due to a decrease in equity investments.

RESTRICTED BANK DEPOSITS

The restricted bank deposits were mainly used as deposits for bank borrowings, bills payable and letters of credit. Restricted bank deposits of the Group decreased by approximately 11.1% from RMB1,460.9 million as of December 31, 2025 to RMB1,298.4 million as of June 30, 2026, primarily due to the settlement of bills upon maturity.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADE, BILLS AND OTHER PAYABLES

Trade, bills and other payables of the Group decreased by approximately 16.6% from RMB6,836.5 million as of December 31, 2025 to RMB5,704.0 million as of June 30, 2026, primarily due to the settlement of bills upon maturity.

CAPITAL STRUCTURE

The total assets of the Group increased by approximately 4.2% from RMB16,402.5 million as of December 31, 2025 to RMB17,096.5 million as of June 30, 2026. The total liabilities of the Group increased by approximately 4.0% from RMB12,742.6 million as of December 31, 2025 to RMB13,247.5 million as of June 30, 2026. Liabilities-to-assets ratio decreased from approximately 77.7% as of December 31, 2025 to approximately 77.5% as of June 30, 2026.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group mainly used RMB to hold cash and cash equivalents. The cash and cash equivalents of the Group decreased by approximately 11.7% from RMB2,993.0 million as of December 31, 2025 to RMB2,642.1 million as of June 30, 2026, primarily due to the acquisition of Fuyao Xinghe as a subsidiary of the Company.

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. The primary uses of cash are to satisfy its working capital, capital expenditure and investment needs. For the Reporting Period, the Group financed its operations primarily through cash flows from operating activities, available bank loans and banking facilities, net proceeds from the Global Offering of the H Shares and net proceeds from the Placing.

The Group manages and monitors the exposure of liquidity risk to ensure appropriate measures are implemented in a timely and effective manner. The Group regularly monitors the liquidity requirements and compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and long term. During the Reporting Period, the Group used foreign exchange hedging instruments; however, exchange losses and risks still existed. Apart from the foreign exchange hedging instruments to hedge against foreign currency exchange risks, the Group did not use any other financial instruments for hedging purposes, did not have any other outstanding hedging instruments and did not consider necessary to hedge in order to manage the liquidity and capital resources.

To manage the idle cash on hand, the Group purchases and redeems wealth management products from licensed bank in the PRC. The Directors are of the view that the subscriptions of wealth management products will enhance capital efficiency and maximize the return from the working capital of the Group. The Group has implemented adequate measures to monitor and manage the performance of the wealth management products closely and effectively and will continue to review and assess the impact of the subscriptions of wealth management products on the operation and working capital of the Group.

Gearing ratio is calculated using total debt (including bank and other borrowings, and lease liabilities) divided by total equity as of the respective date. The gearing ratio of the Group increased from approximately 157.6% as of December 31, 2025 to approximately 182.8% as of June 30, 2026, which was primarily due to an increase in short-term borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of June 30, 2026 RMB'000	As of December 31, 2025 RMB'000
Bank and other borrowings		
Non-current	2,363,420	2,655,707
Current	4,664,658	3,105,326
Total bank and other borrowings	7,028,078	5,761,033
Lease liabilities		
Non-current	5,147	3,904
Current	2,250	1,622
Total lease liabilities	7,397	5,526
Payables for acquisition of property, plant and equipment	3,719,650	3,934,129
Payables for acquisition of intangible assets	53,527	65,718
Total	10,808,652	9,766,406

(a) Bank and other borrowings

The Group's borrowing requirements are not subject to significant seasonal fluctuations. As of June 30, 2026, the Group had total bank and other borrowings of RMB7,028.1 million, representing an increase of approximately 22.0% as compared to RMB5,761.0 million as of December 31, 2025. As of June 30, 2026, approximately 38.3% of the Group's total bank and other borrowings were at fixed interest rates, while the remainder were at variable interest rate. During the Reporting Period, the borrowings of the Group are made in either RMB or Yen.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the maturity structure of bank and other borrowings of the Group as of June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
	Balance RMB'000	Percentage %	Balance RMB'000	Percentage %
Within one year	4,664,658	66.4	3,105,326	53.9
1 year to 2 years	1,684,465	24.0	1,178,669	20.5
2 to 5 years	678,955	9.6	1,477,038	25.6
	7,028,078	100.0	5,761,033	100.0

As of June 30, 2026, the Group had committed unutilized banking facilities of RMB2,761.5 million (as of December 31, 2025: RMB4,050.3 million).

(b) Lease liabilities

As of June 30, 2026, the Group had total lease liabilities of RMB7.4 million, representing an increase of approximately 33.9% as compared to RMB5.5 million as of December 31, 2025.

EMPLOYEE AND REMUNERATION

As of June 30, 2026, the Group had 2,822 employees. Total staff costs (including Directors and chief executives), including but not limited to wages, salaries and bonuses, retirement benefit expenses, social security costs, housing benefits and other employee benefits, were RMB229.1 million for the Reporting Period, representing a decrease of approximately 14.1% from RMB266.6 million for the six months ended June 30, 2025. Such decrease was primarily due to a decrease in personnel.

The remuneration of employees was based on their performance, skills, knowledge, experience and market benchmark. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance. The Group provides training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

CONTINGENT LIABILITIES

As of June 30, 2026, the Group did not have any material contingent liabilities, guarantees, any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the business, financial condition or results of operations.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL EXPENDITURES

The Group's capital expenditures represent payment for purchases of and prepayment for acquisition of PPE. The Group finances its capital expenditures primarily through cash generated from operations, bank loans, the net proceeds from the Global Offering and the Placing. The capital expenditures decreased by approximately 74.2% from RMB172.5 million for the six months ended June 30, 2025 to RMB44.5 million for the six months ended June 30, 2026, primarily due to most of the production line investments having been completed in 2024, with related disbursements made in 2025, after which expenditures in the Reporting Period were limited to routine upgrades and renovations.

PLEDGE OF OR RESTRICTION OF ASSETS

As of June 30, 2026, the PPE of the Group with carrying amounts of RMB917.7 million were pledged as collateral for sale and leaseback financing and mortgage loans (as of December 31, 2025: RMB863.8 million).

As of June 30, 2026, the right-of-use assets of the Group with carrying amounts of RMB119.7 million were pledged for government agency construction-payment arrangement (as of December 31, 2025: RMB121.0 million).

As of June 30, 2026, the bills receivables of the Group in the amount of RMB17.1 million were pledged as collateral for bank acceptance bills endorsed but not yet matured (as of December 31, 2025: RMB1.1 million).

As of June 30, 2026, the restricted bank deposits of the Group in the amount of RMB1,298.4 million were pledged as collateral for bank acceptance bills and letter of credit guarantees (as of December 31, 2025: RMB1,460.9 million).

As of June 30, 2026, the refundable deposits of the Group in the amount of RMB30.7 million were paid as margin of the financial investment products of the Group (as of December 31, 2025: RMB38.8 million).

Save as disclosed above, the Group had no other pledged or restricted assets as of June 30, 2026.

FOREIGN EXCHANGE RISK AND HEDGING

The primary economic environment which the principal subsidiaries of the Company operate is the PRC and their functional currency is RMB. However, the Group derives a portion of the sales from international customers. Therefore, certain transactions of the principal subsidiaries including sales of goods are denominated in foreign currencies, particularly USD. As a result, the Group faces risks resulting from currency exchange rate fluctuations, particularly between RMB and USD. As of the date of this interim report, the Group uses currency forward contracts to hedge against its exposure to foreign currency exchange risks. The Group will closely monitor the foreign exchange risks and will utilize appropriate financial instruments for hedging purposes when necessary to help reduce foreign exchange risks.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no significant investment (including any investment in an investee company with a value of 5% or more of the Company's total assets as of June 30, 2026), material acquisition and disposal of subsidiaries, associates and joint ventures by the Group during the Reporting Period. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus and business development plans by using the proceeds from Placing as disclosed in the announcements of the Company dated January 21, 2026 and February 2, 2026, there was no specific plan authorized by the Board for other material investments or acquisition of capital assets as of the date of this interim report. However, the Group will continue to identify new opportunities for business development.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE HONG KONG LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Hong Kong Stock Exchange on May 8, 2025. The net proceeds from the Global Offering amounted to approximately HKD1,291.67 million. The issue price per H Share and the net price per H Share offered under the Global Offering were HK\$22.15 and approximately HK\$20.36, respectively.

The Company intends to use the net proceeds in the same manner and proportion as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus and there has been no change in the intended use of the net proceeds and the expected timeline. The following table sets forth the status of the use of the net proceeds from the Global Offering as of June 30, 2026:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds ⁽¹⁾ from the Global Offering (In HKD millions)	Amount utilized as of June 30, 2026 (In HKD millions)	Amount unutilized as of June 30, 2026 (In HKD millions)	Expected timeline of full utilization of the net proceeds
Construction of Overseas Plant	75.0	968.75	5.98	962.77	By December 31, 2026
R&D of advanced technologies	8.0	103.33	103.33	–	–
Establishment and enhancement of overseas sales operation and distribution channels	7.0	90.42	41.91	48.51	By December 31, 2027
Working capital and general corporate purposes	10.0	129.17	129.17	–	–
Total	100.0	1,291.67	280.39	1,011.28	

Note:

(1) The figures in the table are approximate figures.

The current expected timeframe for utilizing the remaining unused net proceeds in full are based on the best estimate by the Directors barring any unforeseen circumstances and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fund raising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Hong Kong Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM PLACING

References are made to the announcements of the Company dated January 21, 2026 and February 2, 2026 (“**Placing Announcements**”). On January 21, 2026, to strengthen the financial position of the Group and expand the Group’s presence in the commercial aerospace sector, the Company entered into the placing agreement with GET NICE SECURITIES LIMITED (結好證券有限公司), VICTORY SECURITIES COMPANY LIMITED (勝利證券有限公司) and PATRONS SECURITIES LIMITED (百惠證券有限公司) (collectively, the “**Placing Agents**”), pursuant to which, the Company has agreed to appoint the Placing Agents, and the Placing Agents have conditionally agreed to procure, on a best effort basis, not less than six placees who, together with their respective ultimate beneficial owners, are Independent Third Parties, to purchase up to an aggregate of 18,682,000 new H Shares at the placing price of HK\$22.00 per H Share (the “**Placing**”). The closing price as quoted on the Hong Kong Stock Exchange on January 21, 2026, being the date of the placing agreement, was HK\$22.24 per H Share. The net placing price, after deducting all fees, costs and expenses incurred by the Company in connection with the Placing including the commission and levies, was therefore approximately HK\$21.29 per H Share. Completion of the Placing took place on February 2, 2026 in accordance with the terms and conditions of the placing agreement.

The Company plans to allocate the net proceeds of approximately HK\$397.70 million from the Placing in the same manner and proportion as set out in the Placing Announcements and as of the date of this interim report, the Company has no intention of changing its intended use and the expected timeline of full utilization of the net proceeds from the Placing. The following table sets forth the status of the use of the net proceeds from the Placing as of June 30, 2026:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds ⁽¹⁾ from the Placing (In HKD millions)	Amount utilized as of June 30, 2026 (In HKD millions)	Amount unutilized as of June 30, 2026 (In HKD millions)	Expected timeline of full utilization of the net proceeds
Research, development and production of space photovoltaic battery-related products	45.0	178.97	26.86	152.11	By December 31, 2027
Equity investment and cooperation in the commercial aerospace sector	45.0	178.97	178.97	–	By December 31, 2026
Replenishment of the working capital	10.0	39.76	39.76	–	By December 31, 2026
Total	100.0	397.70	245.59	152.11	

Note:

- (1) The figures in the table are approximate figures.
- (2) Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

MANAGEMENT DISCUSSION AND ANALYSIS

The current expected timeframe for utilizing the remaining unused net proceeds in full are based on the best estimate by the Directors barring any unforeseen circumstances and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fund raising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Hong Kong Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There was no significant event which could have a material impact on the operating and financial performance of the Group from the end of the Reporting Period to the date of this interim report that is required to be disclosed by the Company.

NO MATERIAL CHANGE

Save as the business development plans of the Group to expand into the space-based photovoltaic and commercial satellite sectors disclosed in the Placing Announcements, during the Reporting Period and up to the date of this interim report, there has been no material change in the nature of the Company's principal activities.

INTERIM DIVIDEND

The Board did not declare the payment of any interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

OTHER INFORMATION

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

During the Reporting Period, except for the Placing, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sales of treasury shares) of the Company in both the Hong Kong Stock Exchange and Shenzhen Stock Exchange. As of June 30, 2026 and up to the date of this interim report, the Company did not hold any H Shares as treasury shares (as defined in the Hong Kong Listing Rules).

EMPLOYEE INCENTIVE SCHEMES

To improve the Group's incentive mechanism and incentivize the Group's management and key employees to achieve a sustained and healthy development of the Group, the Company's Employee Incentive Schemes, under which an aggregate of 14,030,500 A Shares were granted as awards to Eligible Participants (as defined in the Prospectus) at the determination of the Board. The Employee Incentive Schemes are implemented to align the interests of the Shareholders with the interests of the Group and employees which will benefit the sustained development of the Group. Given no further share options will be granted under the Employee Incentive Schemes after the Global Offering, the terms of the Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

During the six months ended June 30, 2026, the Company did not grant any options under the Employee Incentive Schemes and pursuant to the Employee Incentive Schemes, no other option would be granted. Hence, the number of options available for grant under the scheme mandate at the beginning and the end of the Reporting Period are both zero. As no options were granted during the Reporting Period, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Reporting Period is not available. As of June 30, 2026, there are no outstanding options granted under the Employee Incentive Schemes. Further details of the Employee Incentive Schemes are set out in the sections headed "Statutory and General Information – Employee Incentive Schemes" in Appendix VI in the Prospectus.

Details of the number of underlying A Shares of the outstanding options granted to the Directors, members of senior management and/or connected persons, five highest paid individuals and other employees of the Company under the Employee Incentive Schemes during the six months ended June 30, 2026 are set out below:

Name of the grantees	Position	Outstanding as of January 1, 2026	Options granted during the Reporting Period	Date of grant	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of A Shares underlying the outstanding options granted as of June 30, 2026	Exercise price (RMB per Share)	Vesting period	Exercise period	Approximate % of Share capital of the Company as of June 30, 2026
<i>Directors, members of senior management and/or Connected Persons</i>												
Mr. Zhang Manliang (張滿良)	Executive Director and general manager	127,504	-	February 2, 2023	-	127,504	-	-	104.98 ⁽⁴⁾	See Note (1)	See Note (1)	-
Mr. Zheng Hongwei (鄭洪偉)	Executive Director and deputy general manager	125,826	-	February 2, 2023	-	125,826	-	-	104.98 ⁽⁴⁾	See Note (1)	See Note (1)	-
Subtotal		253,330	-		-	253,330	-	-				-

OTHER INFORMATION

Name of the grantees	Position	Outstanding as of January 1, 2026	Options granted during the Reporting Period	Date of grant	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of A Shares underlying the outstanding options granted as of June 30, 2026	Exercise price (RMB per Share)	Vesting period	Exercise period	Approximate % of Share capital of the Company as of June 30, 2026
<i>Five highest paid individuals</i>												
		-	-		-	-	-	-				-
<i>Subtotal</i>												
		-	-		-	-	-	-				-
<i>Other employees of the Company</i>												
		665,709	-	February 2, 2023	-	665,709	-	-	104.98 ^(A)	See Note (1)	See Note (1)	-
		321,900	-	March 15, 2024	-	321,900	-	-	59.48 ^(B)	See Note (2)	See Note (2)	-
<i>Subtotal</i>												
		987,609	-		-	987,609	-	-				-
<i>Total</i>												
		1,240,939 (See Note (3))	-		-	1,240,939	-	-				-

(A) Employee Incentive Scheme 2023-A

(B) Employee Incentive Scheme 2023-B

Notes:

- (1) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2023-A will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.
- (2) 50% and 50% of the share options granted under the Employee Incentive Scheme 2023-B will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.
- (3) The 1,240,939 A Shares underlying the outstanding options granted as of January 1, 2026 represent (i) the options that were granted to grantees who were no longer employees of the Group as of January 1, 2026 and no longer eligible to the options; or (ii) the options where the relevant performance conditions for the year ended December 31, 2025 were not met and no longer exercisable. Such options were subsequently cancelled upon approval from the Board and the completion of the relevant procedures as disclosed in the announcements of the Company published on April 15, 2026.

CHANGES IN DIRECTORS' INFORMATION

There was no change to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Listing Rules during the Reporting Period.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(i) Interest in our Company

As of June 30, 2026, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of the Company's associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Name of Director or chief executive	Nature of interest	Class	Number of Shares	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽¹⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽¹⁾
Mr. Lu Xuyang (陸徐楊) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Mr. Xu Xiaoping (徐曉平) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Mr. Xu Yong (徐勇) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Mr. Zhang Manliang (張滿良)	Beneficial owner	A Shares	184,546	0.08%	0.06%
Mr. Zheng Hongwei (鄭洪偉)	Beneficial owner	A Shares	167,770	0.07%	0.05%
Ms. Zheng Hong (鄭虹)	Beneficial owner	A Shares	4,200	0.00%	0.00%

Notes:

(1) The calculation is based on the total number of 229,151,752 A Shares in issue and 82,114,300 H Shares in issue as of June 30, 2026.

(2) As of June 30, 2026, 80% equity interest of Hainan Jindi was owned by Yang Family Investment which was controlled by Yang Family pursuant to the Acting-in-Concert Agreement. Mr. Xu Xiaoping (徐曉平) ("Mr. Xu") is the spouse of Ms. Lu Xiaohong (陸小紅) ("Ms. Lu"). Mr. Xu Yong (徐勇) is the spouse of Ms. Lu's sister. As such, Mr. Xu and Mr. Xu Yong (徐勇) were deemed to be interested in the 37,796,558 A Shares held by Hainan Jindi and 5,286,803 A Shares held by Ms. Lu.

Save as disclosed above, as of June 30, 2026, so far as the Directors are aware, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

OTHER INFORMATION

(ii) Interests in Associated Corporation

Name of Director or chief executive	Nature of interests	Associated corporation	Approximate percentage of shareholding in associated corporations
Mr. Zheng Hongwei (鄭洪偉)	Beneficial owner	Fuyao Xinghe	2.32%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2026, to the best knowledge of the Directors, the following persons, other than Directors or chief executives of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Shareholder	Nature of interest	Class	Number of Shares	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽¹⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽¹⁾
Ms. Lu Xiaohong (陸小紅) ⁽²⁾	Beneficial owner	A Shares	5,286,803	2.31%	1.70%
	Interest in controlled corporations	A Shares	37,796,558	16.49%	12.14%
Hainan Jindi ⁽²⁾	Beneficial owner	A Shares	37,796,558	16.49%	12.14%
Yang Family Investment ⁽²⁾	Interest of controlled corporation	A Shares	37,796,558	16.49%	12.14%
Mr. Yang Renyuan (楊仁元) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Mr. Xu Weidong (徐衛東) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Ms. Lu Yuhong (陸玉紅) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Ms. Lu Xiaowen (陸小文) ⁽²⁾	Interest in persons acting in concert	A Shares	43,083,361	18.80%	13.84%
Shangrao Economic and Technological Development Zone Industrial Development Investment Co., Ltd. (上饒經濟技術開發區產業發展投資有限公司) ("Shangrao Development Zone") ⁽³⁾	Beneficial owner	A Shares	22,244,267	9.71%	7.15%
Shangrao Economic Development Zone Talent Attraction Group Co., Ltd. (上饒經濟開發區招才引資集團有限公司) ("Shangrao Talent") ⁽³⁾	Interest in controlled corporations	A Shares	22,244,267	9.71%	7.15%
Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會) ("Development Zone Committee") ⁽³⁾	Interest in controlled corporations	A Shares	22,244,267	9.71%	7.15%

Notes:

- (1) The calculation is based on the total number of 229,151,752 A Shares in issue and 82,114,300 H Shares in issue as of June 30, 2026.
- (2) As of June 30, 2026, 80% equity interest of Hainan Jindi was owned by Yang Family Investment which was controlled by Yang Family pursuant to the Acting-in-Concert Agreement.

Mr. Yang Renyuan (楊仁元) is the father of Ms. Lu Xiaohong (陸小紅) ("Ms. Lu"). Ms. Lu Yuhong (陸玉紅) and Ms. Lu Xiaowen (陸小文) are the sisters of Ms. Lu. Mr. Xu Yong (徐勇) is the spouse of Ms. Lu Xiaowen (陸小文). Mr. Xu Weidong (徐衛東) is the spouse of Ms. Lu Yuhong (陸玉紅).

As such, each of Hainan Jindi, Yang Family Investment, Mr. Yang Renyuan (楊仁元), Ms. Lu Yuhong (陸玉紅), Ms. Lu Xiaowen (陸小文), Mr. Xu Weidong (徐衛東) and Mr. Xu Yong (徐勇) were deemed to be interested in the 37,796,558 A Shares held by Hainan Jindi and 5,286,803 A Shares held by Ms. Lu.

As of June 30, 2026, to secure the obligations under certain financial loans provided by certain commercial banks to Yang Family's business other than the Group, Hainan Jindi pledged 15,834,325 A Shares in the Company in favour of respective commercial banks (the "Share Pledge"). The Share Pledge will be released upon the repayment of relevant financial loans. The Company has obtained an undertaking from Hainan Jindi and Yang Family Investment to repay the relevant financial loans in the event that the lender is unable to repay.

Ms. Lu Huifen (陸惠芬) passed away in 2025, and the Yang Family Investment has not yet undergone the industrial and commercial change registration. On April 23, 2026, members of Yang Family entered into a supplemental agreement to the Acting-in-Concert Agreement, pursuant to which the interests held by Ms. Lu Huifen (陸惠芬) under the acting-in-concert agreement shall be distributed internally among the members of Yang Family following the passing of Ms. Lu Huifen (陸惠芬).

- (3) As of June 30, 2026, 60% equity interest of Shangrao Development Zone was owned by Shangrao Talent, which was a wholly-owned subsidiary of Development Zone Committee. The remaining 40% equity interests in Shangrao Development Zone were held by several other wholly-owned subsidiaries of Development Zone Committee. As such, each of Shangrao Talent and Development Zone Committee was deemed to be interested in the 22,244,267 A Shares held by Shangrao Development Zone.

Save as disclosed above, as of June 30, 2026, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

EMOLUMENT POLICY

The Company recognizes that the employees are prominent assets for the long-term development and places great emphasis on attracting and recruiting qualified employees. The Company adopts a fair treatment for the employees to ensure that they enjoy fair opportunities and conditions. For emolument policy, the Company provides the employees with remuneration packages covering matters including wages, employee benefits, safety and sanitary conditions in the workplace. The Company also enters into standard confidentiality agreements with all of the employees. The Board will review and determine the remuneration and compensation packages of the Directors and senior management. The remuneration of the Directors and senior management of the Company is determined after taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management and performance of the Group. As required by PRC law, the Group participates in various social security plans for the employees including housing provident fund, pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance.

OTHER INFORMATION

The Remuneration and Appraisal Committee has been established by the Group to review the policy and structure of the remuneration for the Directors and senior management and make recommendations on the remuneration packages of individual Directors and senior management. Particulars on the compensation paid during the Reporting Period or payable to key management personnel (including chief executive officer of the Company and Directors and other senior executives of the Group) for employee services are set out in note 24 to the unaudited condensed consolidated financial statements in this interim report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles set out in the CG Code and has also adopted certain recommended best practices as set out in the CG Code.

The Company has fully complied with the code provisions set out in the CG Code throughout the Reporting Period. For the purposes of complying with the CG Code and maintaining a high standard of corporate governance of the Company, the Board will continue to review and monitor the corporate governance status of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry with all the Directors, all the Directors confirmed that they have strictly complied with the Model Code throughout the Reporting Period.

The Board has also established written guidelines on terms no less exacting than the Model Code (the "Guidelines") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES AND EQUITY-LINKED AGREEMENTS

Reference is made to the overseas regulatory announcement of the Company dated April 9, 2026. Mr. Zheng Hongwei ("Mr. Zheng"), the executive Director and deputy general manager of the Company, entered into an investment agreement with a non-wholly owned subsidiary of the Company, Fuyao Xinghe, in April 2026, pursuant to which, he contributed RMB14 million in cash to subscribe for the increased registered capital of Fuyao Xinghe. As of June 30, 2026, Mr. Zheng's total interest in Fuyao Xinghe was approximately 2.32%.

Save as disclosed above and disclosed under the sections headed "Employee Incentive Schemes" in this interim report, at no time during the six months ended June 30, 2026 was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

As of the date of this interim report, the Audit Committee comprises two independent non-executive Directors, namely Dr. Mao Xiaoying and Mr. Ma Shuli and one non-executive Director, namely Mr. Xu Yong. Dr. Mao Xiaoying is the chairperson of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules.

The Audit Committee and the Company's management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting, including a review of the interim results of the Group for the six months ended June 30, 2026. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Group.

The interim results of the Group for the six months ended June 30, 2026 had not been audited or reviewed by the external auditor of the Company.

CHANGE OF OVERSEAS AUDITOR

At the 11th meeting of the 5th session of the Board held on April 30, 2026, the Board, having considered the recommendation of the Audit Committee, resolved to propose (i) the appointment of ZHONGHUI ANDA CPA Limited as the overseas auditor of the Company for the year of 2026; and (ii) the re-appointment of Zhonghui Certified Public Accountants LLP as the domestic auditor of the Company for the year of 2026. The relevant resolution was approved at the 2025 annual general meeting of the Company. For further details, please refer to the announcements of the Company dated April 30, 2026 and May 12, 2026 and the circular of the Company dated April 30, 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	NOTES	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	6	3,150,751	3,655,550
Cost of revenue		(3,071,859)	(3,654,607)
Gross profit		78,892	943
Other income	7	137,927	42,730
Other gains and losses	8	(176,047)	21,186
Selling and marketing expenses		(14,278)	(19,440)
Administrative expenses		(129,826)	(159,192)
Listing expenses		–	(1,319)
Research and development expenses		(46,848)	(74,458)
Net impairment losses under expected credit loss model		(12,821)	1,406
Other expenses		(12,184)	(21)
Finance costs	9	(144,120)	(127,445)
Loss before tax		(319,305)	(315,610)
Income tax credit	10	63,048	51,955
Loss for the period	11	(256,257)	(263,655)
Other comprehensive expenses:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(4,495)	(52)
Other comprehensive expenses for the period, net of tax		(4,495)	(52)
Total comprehensive expenses for the period		(260,752)	(263,707)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
NOTES		2026	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Loss for the period attributable to:			
Owners of the Company		(253,036)	(263,655)
Non-controlling interests		(3,221)	–
		(256,257)	(263,655)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(257,531)	(263,707)
Non-controlling interests		(3,221)	–
		(260,752)	(263,707)
Loss per share (RMB)			
– Basic and diluted	13	(0.83)	(1.07)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	14	7,210,107	7,503,935
Right-of-use assets	14	161,617	162,173
Intangible assets	14	177,348	124,739
Goodwill		1,067,564	802,215
Equity investments at fair value through other comprehensive income		88,882	93,154
Interests in an associate		29,296	—
Deferred tax assets		320,991	278,660
Prepayments for acquisition of property, plant and equipment		16,315	30,341
		9,072,120	8,995,217
Current assets			
Inventories		801,421	637,982
Trade, bills and other receivables	15	1,073,002	823,292
Contract assets		1,723	—
Receivables at fair value through other comprehensive income	16	977,515	138,796
Value-added tax recoverable		644,942	685,807
Income tax recoverable		28,300	37,654
Financial assets at fair value through profit or loss		556,971	629,857
Restricted bank deposits		1,298,413	1,460,901
Cash and cash equivalents		2,642,117	2,992,960
		8,024,404	7,407,249
Current liabilities			
Trade, bills and other payables	17	2,897,880	3,990,582
Contract liabilities		415,260	63,531
Bank and other borrowings	18	4,664,658	3,105,326
Lease liabilities		2,250	1,622
Financial liabilities at fair value through profit or loss		28,915	2,915
		8,008,963	7,163,976
Net current assets		15,441	243,273
Total assets less current liabilities		9,087,561	9,238,490

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current liabilities			
Other payables	17	2,806,157	2,845,936
Bank and other borrowings	18	2,363,420	2,655,707
Lease liabilities		5,147	3,904
Deferred income	19	14,682	21,074
Deferred tax liabilities		49,156	52,041
		5,238,562	5,578,662
Net assets		3,848,999	3,659,828
EQUITY AND LIABILITIES			
Equity			
Share capital	20	311,266	292,584
Treasury shares		(100,956)	(100,956)
Reserves		3,570,229	3,468,200
		3,780,539	3,659,828
Equity attributable to owners of the company		68,460	—
Non-controlling interests			
Total equity		3,848,999	3,659,828

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	(Unaudited) Attributable to owners of the Company										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital surplus reserve RMB'000 <i>(note)</i>	Translation reserve RMB'000	Share-based payments reserve RMB'000	Other reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	229,152	(100,956)	2,941,889	12,324	23	60,762	30,148	713,655	3,886,997	–	3,886,997
Loss and total comprehensive (expenses)/income for the period	–	–	–	–	(52)	–	–	(263,655)	(263,707)	–	(263,707)
Issuance of new shares upon global offering of H shares <i>(note 20)</i>	63,432	–	1,241,956	–	–	–	–	–	1,305,388	–	1,305,388
Transaction costs attributable to issue of new shares	–	–	(98,585)	–	–	–	–	–	(98,585)	–	(98,585)
Reversal of equity-settled share-based payment <i>(note 21)</i>	–	–	–	–	–	(17,832)	–	–	(17,832)	–	(17,832)
At 30 June 2025 (unaudited)	292,584	(100,956)	4,085,260	12,324	(29)	42,930	30,148	450,000	4,812,261	–	4,812,261
At 1 January 2026 (audited)	292,584	(100,956)	4,085,260	12,324	(329)	42,930	30,148	(702,133)	3,659,828	–	3,659,828
Loss and total comprehensive expenses for the period	–	–	–	–	(4,495)	–	–	(253,036)	(257,531)	(3,221)	(260,752)
Issuance of new shares upon placement of H shares <i>(note 20)</i>	18,682	–	348,135	–	–	–	–	–	366,817	–	366,817
Transaction costs attributable to issue of new shares	–	–	(11,893)	–	–	–	–	–	(11,893)	–	(11,893)
Acquisition of subsidiaries <i>(note 22)</i>	–	–	–	–	–	–	–	–	–	42,499	42,499
Transactions with non-controlling interests	–	–	23,318	–	–	–	–	–	23,318	29,182	52,500
At 30 June 2026 (unaudited)	311,266	(100,956)	4,444,820	12,324	(4,824)	42,930	30,148	(955,169)	3,780,539	68,460	3,848,999

Note: In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC"), the subsidiaries are required to transfer at least 10% of their profit after tax in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC before any distribution of dividends to owners each year to capital surplus reserve until the reserve reaches 50% of their respective registered capital. The capital surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Net cash (used in)/generated from operating activities	(54,657)	1,031,897
Cash flows from investing activities		
Withdrawal of restricted bank deposits	41,008	198,481
Placement of restricted bank deposits	(640,018)	(1,224,694)
Purchases and deposits paid for property, plant and equipment	(44,459)	(172,549)
Proceeds from disposals of property, plant and equipment	829	367
Interest received	34,123	20,318
Receipt of government grants related to property, plant and equipment	–	45,661
Purchases of financial instrument at fair value through profit or loss	(1,375,309)	(8,244,600)
Settlement of financial instrument at fair value through profit or loss	1,405,713	6,340,367
Net cash outflow on acquisition of subsidiaries	(266,050)	–
Purchase of an associate	(30,000)	–
Net cash used in investing activities	(874,163)	(3,036,649)
Cash flows from financing activities		
New bank and other borrowings raised	1,933,800	2,574,000
Repayment of bank and other borrowings	(1,592,491)	(910,988)
Repayment of an independent third party	–	(20,000)
Interest paid	(103,340)	(139,591)
Purchases of other intangible assets	(14,022)	(14,376)
Purchase of property, plant and equipment	–	(76,401)
Proceeds on issuance of ordinary shares	366,817	1,304,294
Payments of lease liabilities	(1,159)	(910)
Payments of issue costs	(11,893)	(67,809)
Transactions with non-controlling interests	53,769	–
Net cash generated from financing activities	631,481	2,648,219
Net (decrease)/increase in cash and cash equivalents	(297,339)	643,467
Effect of foreign exchange rate changes	(53,504)	(6,663)
Cash and cash equivalents at beginning of the period	2,992,960	2,616,276
Cash and cash equivalents at end of the period	2,642,117	3,253,080
Analysis of cash and cash equivalents		
Cash and bank balances	2,642,117	3,253,080

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. General information

Hainan Drinda New Energy Technology Co., Ltd. (the “Company”) was incorporated and registered in the PRC on 3 April 2003 as a limited liability company. In August 2012, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. In April 2017 and May 2025, the Company was listed on the Shenzhen Stock Exchange and the Main Board of Hong Kong Stock Exchange, respectively. The addresses of the registered office and the principal place of business of the Company is Hainan Drinda Building, Haikou Free Trade Zone, No. 168 Nanhai Avenue, Haikou, the PRC and 15/F, GCL Plaza, 99 Si'an Street, Suzhou Industrial Park, Suzhou, Jiangsu, the PRC, respectively.

The Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the research and development, manufacturing and sales of photovoltaic cells.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

3. Adoption of new and revised IFRS Accounting Standards

In the current period, the Company and its subsidiaries (collectively referred as the “Group”) has adopted all the new and revised IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. IFRS Accounting Standards comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. 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.

Except as disclosed in note 4 to the condensed consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(a) Disclosures of level in fair value hierarchy at:

Description	Fair value measurements at 30 June 2026 using:			
	Level 1	Level 2	Level 3	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Recurring fair value measurements:				
Equity investments at fair value through other comprehensive income	-	-	88,882	88,882
Receivables at fair value through other comprehensive income	-	977,515	-	977,515
Financial assets at fair value through profit or loss				
– Financial products	-	465,000	-	465,000
– Equity investments	87,562	-	-	87,562
– Others	-	-	4,409	4,409
	87,562	1,442,515	93,291	1,623,368
Financial liabilities at fair value through profit or loss				
– Listed derivatives	(28,915)	-	-	(28,915)
	(28,915)	-	-	(28,915)
Total recurring fair value measurements	58,647	1,442,515	93,291	1,594,453

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. Fair value measurements (Continued)

(a) Disclosures of level in fair value hierarchy at: (Continued)

Description	Fair value measurements at 31 December 2025 using:			
	Level 1	Level 2	Level 3	Total
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Recurring fair value measurements:				
Equity investments at fair value through other comprehensive income	–	–	93,154	93,154
Receivables at fair value through other comprehensive income	–	138,796	–	138,796
Financial assets at fair value through profit or loss				
– Financial products	–	450,000	–	450,000
– Equity investments	174,295	–	–	174,295
– Others	–	–	5,562	5,562
	174,295	588,796	98,716	861,807

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

Description	Equity investments at fair value through other comprehensive income RMB'000 (unaudited)
At 1 January 2026	93,154
Currency translation differences	(4,272)
At 30 June 2026	88,882

There is no movements for material assets and liabilities measured at fair value based on level 3 measurement for the six months ended 30 June 2025.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. Fair value measurements (Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2026:

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the valuation methodology and major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

Level 2 fair value measurements

Description	Valuation technique	Inputs	Fair value at 30 June 2026 RMB'000 (unaudited)
Receivables at fair value through other comprehensive income	Income approach	Discount rate	977,515
Financial assets at fair value through profit or loss – Financial products	Discounted cash flow model	Discount rate	465,000

Description	Valuation technique	Inputs	Fair value at 31 December 2025 RMB'000 (audited)
Receivables at fair value through other comprehensive income	Income approach	Discount rate	138,796
Financial assets at fair value through profit or loss – Financial products	Discounted cash flow model	Discount rate	450,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. Fair value measurements (Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2026: (Continued)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value at 30 June 2026 RMB'000 (unaudited)
Equity investments at fair value through other comprehensive income	Share of net assets	N/A	N/A	N/A	88,882
Financial assets at fair value through profit or loss					
– Others	Share of net assets	N/A	N/A	N/A	4,409

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value at 31 December 2025 RMB'000 (audited)
Equity investments at fair value through other comprehensive income	Share of net assets	N/A	N/A	N/A	93,154
Financial assets at fair value through profit or loss					
– Others	Share of net assets	N/A	N/A	N/A	5,562

During the two periods, there were no changes in the valuation techniques used.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. Segment information

For the purpose of resource allocation and assessment of segment performance, the executive Directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

The Group's non-current assets are all located in the PRC. The geographical information of the Group's revenue, determined based on geographical location of the registered office of the immediate customers, during the period is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Mainland China	1,885,851	1,755,392
Outside Mainland China	1,264,900	1,900,158
	3,150,751	3,655,550

6. Revenue

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Disaggregation of revenue from contracts with customers:		
Sale of photovoltaic cell products and related services	3,134,548	3,655,550
Others	16,203	–
	3,150,751	3,655,550

Timing of revenue recognition

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
At a point of time	3,150,751	3,655,550

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

6. Revenue (Continued)

Sale of photovoltaic cell products and related services

Revenue arising from sales of photovoltaic cell products is recognised at a point in time when the goods are delivered to the customers at the specified location. Revenue arising from the related manufacturing services is recognised upon completion of the services contracts, since only by that time the Group passes control of the services to the customers.

7. Other income

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Bank interest income	34,141	25,218
Extra deduction of input VAT (note a)	64,199	–
Government grants (note b)	9,647	9,754
Sales of materials and other services	29,940	7,758
	137,927	42,730

Notes:

- (a) Effective from 1 January 2023 to 31 December 2027, the net VAT payables amount has been reduced by an additional 5% of VAT on purchases, pursuant to the announcements jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC on 3 September 2023.
- (b) The amount represents unconditional government grants received from local government in connection with the enterprise development support and innovation capability incentives.

8. Other gains and losses

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Loss on disposals of property, plant and equipment	(10,312)	(22)
Net foreign exchange losses	(70,164)	(154)
Fair value changes on financial instruments at fair value through profit or loss	(96,107)	24,519
Share of loss of an associate	(704)	–
Others	1,240	(3,157)
	(176,047)	21,186

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

9. Finance costs

Six months ended 30 June	
2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest on lease liabilities	144
Expense on discounting bills receivables and receivables at FVTOCI	548
Interest on bank and other borrowings	80,584
Interest on payables for acquisition of property, plant and equipment	45,171
Interest on payables for acquisition of intangible assets	998
144,120	127,445

10. Income tax expense/(credit)

Six months ended 30 June	
2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Current tax	
– PRC Enterprise Income Tax (“EIT”)	9,697
– Under-provision in prior years	4,777
Deferred tax	(66,429)
(63,051)	(51,955)

(a) EIT

The income tax provision of the Group in respect of operations in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for the six months ended 30 June 2026 and 2025, based on the existing legislation, interpretations and practices in respect thereof.

Chuzhou Jietai and Huai'an Jietai obtained the “High Technology Enterprise” certification in October 2023 and November 2024, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification.

(b) Hong Kong Profits Tax

Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2 million of assessable profits of qualifying group entity will be taxed at 8.25%, and assessable profits above HKD2 million will be taxed at 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No provision of Hong Kong Profits Tax was made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax during the six months ended 30 June 2026 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. Loss for the period

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

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Depreciation of property, plant and equipment	362,049	370,613
Depreciation of right-of-use assets	3,093	2,626
Amortisation of intangible assets	21,290	18,213
	386,432	391,452
Capitalised in inventories	(347,489)	(337,267)
Total depreciation and amortisation charged to profit or loss	38,943	54,185
Cost of inventories recognised as cost of sales	2,992,088	3,587,909
Write-down of inventories	84,183	57,340
Research and development expenditure		
– Staff costs	23,290	43,720
– Depreciation and amortization	1,595	3,255
– Materials consumed	17,629	18,015
– Others	4,334	9,468
	46,848	74,458
Government grants directly recognized in profit or loss in		
– other income	(9,647)	(9,754)
– cost of revenue	(322,651)	(294,782)
– finance costs	(4,995)	(30,217)
	(337,293)	(334,753)
Provision/(reversal) of loss allowance for trade receivables	7,464	(2,083)
Provision of loss allowance for other receivables	5,357	677
Directors' and supervisors' remuneration	2,489	(2,043)
Staff costs excluding directors' emoluments		
– Wages, salaries and bonuses	212,140	270,209
– Retirement benefit scheme contributions	14,484	10,578
– Share-based payments expenses	–	(12,159)
Total staff costs	229,113	266,585
Capitalised in inventories	(160,910)	(159,911)
Capitalised in construction in progress	–	(6,378)
Total staff costs charged to profit or loss	68,203	100,296

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. Dividends

No dividends were paid, declared or proposed during the six months ended 30 June 2025 and 2026.

13. Loss per share

The calculation of the basic and diluted loss per share is based on the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	(253,036)	(263,655)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic loss per share	306,227	246,340

The computation of diluted loss per share for the six months ended 30 June 2026 and 2025 did not assume the exercise of share options since their assumed exercise would be anti-dilutive.

14. Property, plant and equipment/right-of-use assets/intangible assets

During the six months ended 30 June 2026, the Group purchased property, plant and equipment of RMB78,630,000 (six months ended 30 June 2025: RMB144,862,000) and intangible assets of RMB2,868,000 (six months ended 30 June 2025: nil). The Group recognised right-of-use assets of RMB558,000 (six months ended 30 June 2025: nil).

During the six months ended 30 June 2026, the additions to property, plant and equipment of RMB3,515,000 (six months ended 30 June 2025: nil), intangible assets of RMB71,031,000 (six months ended 30 June 2025: nil) and right-of-use assets of RMB1,979,000 (six months ended 30 June 2025: nil) by the Group through acquisition of subsidiaries.

During the six months ended 30 June 2026, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB14,583,000 (six months ended 30 June 2025: RMB388,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. Trade, bills and other receivables

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade and bills receivables		
Trade receivables	401,841	72,504
Bills receivables (<i>note i</i>)	295,432	571,442
	697,273	643,946
Less: Impairment loss allowance for trade and bills receivables	(18,804)	(11,462)
	678,469	632,484
Other receivables and prepayments		
Advances to suppliers	132,640	69,086
Government grant receivables	177,164	54,650
Other receivables	68,633	37,491
Refundable deposits	30,686	38,797
	409,123	200,024
Less: Impairment loss allowance for other receivables	(14,590)	(9,216)
	394,533	190,808
	1,073,002	823,292

Note:

- (i) At 30 June 2026, bills receivables of RMB17,314,000 (2025: RMB1,120,000) had been discounted to banks to obtain bank loans or endorsed to suppliers for settlement of trade payables on a full recourse basis. If these bills are not paid on maturity, the banks or suppliers have the right to request the Group to pay the unsettled balance. For these bills receivables discounted to banks or endorsed to suppliers on a full recourse basis, as the Group has not transferred the significant risks and rewards as these bills receivables were not issued or guaranteed by reputable banks, it continues to recognise the full carrying amount of these bills receivables and has recognised the discounted amounts received as bank and other borrowings.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. Trade, bills and other receivables (Continued)

The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on revenue recognition date at the end of each reporting period.

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 1 year	385,582	66,044
1 year to 2 years	26	101
More than 2 years	383	611
	385,991	66,756

The following is an aged analysis of bills receivables, net of impairment loss allowance, presented based on the issue dates of bills receivables

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 to 180 days	292,478	565,728

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

16. Receivables at fair value through other comprehensive income

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Receivables at fair value through other comprehensive income		
Bills receivables	977,515	138,796

The Group's receivables at fair value through other comprehensive income are bills receivables which have maturity dates at the end of the reporting period as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 to 180 days	977,515	138,796

Transfer of financial assets

At 30 June 2026, the Group had derecognised bills discounted to banks or endorsed to suppliers on a full recourse basis amounting to RMB1,472,367,000 (31 December 2025: RMB1,805,053,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group has retained continuing involvement in these bills.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. Trade, bills and other payables

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade and bills payables		
Trade payables	974,062	746,059
Bills payables	575,301	1,714,316
	1,549,363	2,460,375
Accruals and other payables		
Payables for acquisition of property, plant and equipment (<i>note i</i>)	3,719,650	3,934,129
Payables for acquisition of intangible assets	53,527	65,718
Deposits received from customers (<i>note ii</i>)	44,659	47,299
Accrued payroll and welfare	28,948	52,104
Other taxes payables	31,167	22,071
Accrued issue costs and listing expenses	–	5,344
Other payables	276,723	249,478
	4,154,674	4,376,143
	5,704,037	6,836,518
Analysed as:		
Current	2,897,880	3,990,582
Non-current	2,806,157	2,845,936
	5,704,037	6,836,518

Notes:

- (i) Amount includes RMB2,770,973,000 (31 December 2025: RMB2,798,180,000) which bears interest of 3.5% (2025: ranging from 3.5% to 3.6%) per annum as at 30 June 2026 payable to the respective local governments as the Group's Chuzhou and Huai'an plants and their related ancillary buildings were constructed by the local governments on the Group's behalf. Pursuant to the investment cooperation agreements entered into with the respective local governments, the Group is entitled to lease the aforementioned buildings for a period of 6 years free of charge upon their completion and the Group is required to buy them back in the following 3 years.
- (ii) Amount represents earnest deposits received by the Group in relation to framework agreements entered into with customers. These earnest deposits received with no specific purchase orders placed will either be offset with future purchase order transaction price or refunded to the customers upon maturity of the framework agreement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. Trade, bills and other payables (Continued)

The following is an aged analysis of trade payables, presented based on the invoice dates, at the end of each reporting period:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Within 1 year	942,639	720,171
1 year to 2 years	20,153	20,354
More than 2 years	11,270	5,534
	974,062	746,059

The following is an aged analysis of bills payables presented based on issue dates at the end of the reporting period:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 to 180 days	575,301	1,684,316
Over 180 days	–	30,000
	575,301	1,714,316

The bills payables have maturity dates at the end of the reporting period as follows:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
0 to 180 days	575,301	1,714,316

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

18. Bank and other borrowings

During the six months ended 30 June 2026, the Group obtained new bank and other loans amounting to RMB2,841,412,000 (six months ended 30 June 2025: RMB2,574,000,000). The loans carry fixed interest rates ranging from 2.15% to 7.18% per annum or variable interest rate ranging from Loan Prime Rate ("LPR")-89 basis points to LPR+60 basis points per annum and are repayable in instalments over a period within 12 months to 7 years.

19. Deferred income

During six months ended 30 June 2026, the Group received government subsidies of RMB1,750,000 (six months ended 30 June 2025: RMB50,411,000) whose primary condition is that the Group should purchase, construct, acquire non-current assets and undertake research and development projects. No amount (six months ended 30 June 2025: RMB46,948,000) has been deducted from the carrying amount of the relevant assets. These amounts are transferred to profit or loss in the form of other income, reduction of finance costs or reduced depreciation charges over the useful lives of the relevant assets. At 30 June 2026, an amount of RMB14,682,000 (31 December 2025: RMB21,074,000) was recorded as deferred income as such government subsidies were received, but the Group had not yet met the relevant conditions and/or purchased, constructed or otherwise acquired the related non-current assets.

20. Share capital

	Notes	Domestic listed A shares RMB'000	Overseas listed H shares RMB'000	Total RMB'000	Number of shares '000
Ordinary shares at par value of RMB1					
At 1 January 2025 (audited)		229,152	–	229,152	229,152
Issuance of new shares upon global offering of H shares	(i)	–	63,432	63,432	63,432
At 31 December 2025 (audited), and 1 January 2026 (audited)		229,152	63,432	292,584	292,584
Issuance of new shares upon placing of H shares	(ii)	–	18,682	18,682	18,682
At 30 June 2026 (unaudited)		229,152	82,114	311,266	311,266

Notes:

- (i) In connection with the global offering of H shares, 63,432,300 ordinary shares of RMB1 par value each were issued at HK\$22.15 per share on 8 May 2025 with gross cash proceeds of HK\$1,405,025,000 (equivalent to RMB1,305,388,000), of which RMB63,432,000 was recognised in share capital and RMB1,241,956,000 was recognised in share premium.
- (ii) In connection with the placing of H shares, 18,682,000 ordinary shares of RMB1 par value each were issued at HK\$22 per share on 2 February 2026 with gross cash proceeds of HK\$411,004,000 (equivalent to RMB366,817,000), of which RMB18,682,000 was recognised in share capital and RMB348,135,000 was recognised in share premium.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. Share-based payments

Equity-settled share option scheme of the Company

The Company's 2021, 2022 and 2023 share incentive plans were adopted pursuant to resolutions passed on 16 November 2021, 28 May 2022, and 16 January 2023, respectively (the "2021 Incentive Plan", "2022 Incentive Plan" and "2023 Incentive Plan"). The primary purpose of these incentive plans is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward employees and directors and to further link the eligible persons' interests with those of the Company's shareholders generally.

The vesting of the share options granted is subject to the eligible person remaining at all times after the date of granting and on the vesting date an eligible person of these incentive plans. Share options granted under these incentive plans consist of first-granted share options and reserved share options, and the validity period of the share options of 2021 Incentive Plan, 2022 Incentive Plan and 2023 Incentive Plan shall be maximum 4 years, 6 years and 4 years from the date of grant and the share options shall lapse at the expiry of the validity period, respectively, of different batches. The share options shall have the vesting periods based on the achievement level of the performance target of each relevant grantee set by the board of directors of the Company for different batches as follows:

- (i) 30%, 30% and 40% of the share options shall vest each time on the first, second and third anniversary of the vesting commencement date;
- (ii) 50% and 50% of the share options shall vest each time on the first and second anniversary of the vesting commencement date;
- (iii) 50% and 50% of the share options shall vest each time on the fifth and sixth anniversary of the vesting commencement date.

A share option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to such share option.

In April 2024, the Company declared cash dividend. Accordingly, the management of the Group adjusted the exercise price and numbers of all outstanding options in 2023 and the exercise price in 2024, respectively, on a pro rata basis to the share options granted under 2021, 2022 and 2023 Incentive Plan, which is in accordance with the Management Measures for Equity Incentives of Listed Companies (上市公司股權激勵管理辦法) and the terms of the respective incentive plans.

The table below discloses movements of the share options held by grantees under 2021, 2022 and 2023 Incentive Plans:

There were no movements in share options for the six months ended 30 June 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. Share-based payments (Continued)

For the six months ended 30 June 2025

Option	Name of grantee	Date of grant	Exercise price after adjustment in 2024	Outstanding at 1 January 2025	Lapsed during the period	Forfeited during the period	Outstanding at 30 June 2025
Option B	Employees	13 June 2022	RMB42.40	55,106	(55,106)	–	–
Option B	Directors	13 June 2022	RMB42.40	25,166	(25,166)	–	–
Option C	Employees	15 July 2022	RMB62.88	246,210	(57,889)	–	188,321
Option E	Employees and key management	2 February 2023	RMB104.98	1,214,905	(486,277)	(137,574)	591,054
Option E	Directors	2 February 2023	RMB104.98	443,330	(190,000)	–	253,330
Option G	Employees	12 October 2023	RMB74.24	1,021,350	–	(110,590)	910,760
Option H	Employees	14 March 2024	RMB59.48	316,200	–	(74,800)	241,400
				3,322,267	(814,438)	(322,964)	2,184,865
Exercisable at the end of the period							1,099,081
Weighted average exercise price				RMB86.57	RMB95.82	RMB83.92	RMB83.51

For the six months ended 30 June 2026, the Group's total share-based payment expenses reversed in the condensed consolidated statement of profit or loss and other comprehensive income in relation to share options granted by the Company is nil (six months ended 30 June 2025: reversal of RMB17,832,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

22. Acquisition of subsidiaries

On 3 February 2026, the Group acquired 60% of the issued share capital of Shanghai Fuyao Xinghe Aerospace Technology Co., Ltd. ("Shanghai Fuyao") for a cash consideration of RMB330,000,000.

The fair value of the identifiable assets and liabilities of Shanghai Fuyao acquired as at its date of acquisition is as follows:

Net assets acquired:	RMB'000
Property, plant and equipment	3,515
Right-of-use assets	1,979
Intangible assets	71,031
Inventories	24,272
Trade, bills and other receivables	56,206
Value-added tax recoverable	82
Income tax recoverable	7
Cash and cash equivalents	13,950
Trade, bills and other payables	(28,273)
Contract liabilities	(16,468)
Lease liabilities	(2,379)
Deferred tax liabilities	(17,674)
	106,248
Non-controlling interest	(42,499)
Goodwill	266,251
	330,000
Satisfied by:	
Cash consideration not yet paid included in other payables	50,000
Cash and total consideration transferred	280,000
	330,000
Net cash outflow arising on acquisition:	
Cash and total consideration transferred	280,000
Cash and cash equivalents acquired	(13,950)
	266,050

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

23. Capital commitments

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the condensed consolidated financial statements	99,056	117,352

24. Related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions and balances with its related parties:

(a) Transactions with its related parties

	30 June 2026 RMB'000 (unaudited)	30 June 2025 RMB'000 (unaudited)
Rental payable to Hainan Xinsu Mould Plastic Industrial Trade Co., Ltd.* (海南新蘇模塑工貿有限公司) ("Hainan Xinsu")	72	140

(b) Balances with its related parties

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Payable to Hainan Xinsu (included in trade, bills and other payables)	36	108

Note: Hainan Xinsu is an entity controlled by Hainan Yang Family Technology Investment Co., Ltd.* (海南楊氏家族科技投資有限公司), a shareholder of the Company.

* English name is for identification purpose

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

24. Related party transactions (Continued)

(c) Compensation of key management personnel

	30 June 2026 RMB'000 (unaudited)	30 June 2025 RMB'000 (unaudited)
Salaries, allowances and bonuses	3,369	4,406
Retirement benefits scheme contributions	64	76
Share-based payments	–	(5,673)
	3,433	(1,191)