CNGR

中偉新材料股份有限公司
CNGR Advanced Material Co., Ltd.

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

Stock Code : 2579

2026
INTERIM REPORT

CONTENTS

Definitions

In this interim report, unless otherwise indicated in the context, the following expressions have the meanings set out below:

"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed on the Shenzhen Stock Exchange and domestic share(s) traded in RMB
"A Shareholder(s)"	holder(s) of the A Share(s)
"Articles of Association"	the articles of association of the Company, as amended from time to time
"ATL"	Amperex Technology Limited (寧德新能源科技有限公司) and its subsidiaries
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CAM"	active materials used in the cathode of new energy batteries, responsible for storing and releasing electrical energy during charge and discharge cycles
"cathode materials"	one of the main components of a lithium-ion battery, the performance of the cathode material directly affects various performance indicators of the battery. Specifically, these include ternary cathode materials, lithium cobalt oxide cathode materials, lithium iron phosphate cathode materials, and lithium manganese oxide cathode materials
"CATL"	Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司)
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chinese Mainland", "PRC" or "China"	the People's Republic of China
"cobalt-based materials"	cobalt-based new energy materials, mainly include LCO pCAM
"Cobalt tetroxide"	Cobalt tetroxide (Co3O4) is a precursor that can react with lithium salts to further produce lithium cobalt oxide cathode materials
"Company", "our Company" or "the Company"	CNGR Advanced Material Co., Ltd., a joint stock company with limited liability established in the PRC on September 15, 2014, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300919) and the H Shares of which are listed on the HKEX (stock code: 2579)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)

"Director(s)"	director(s) of the Company
"Easpring Technology"	Beijing Easpring Material Technology Co., Ltd. (北京當升材料科技股份有限公司)
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
"ESG"	environmental, social and governance
"eVTOL"	electric vertical take-off and landing aircraft, an aircraft that uses electric power to hover, take off, and land vertically
"Global Offering"	the global offering of 104,225,400 H Shares as described in the Prospectus
"Group", "our Group", "we", "our", "us" or "CNGR"	our Company and its subsidiaries from time to time, or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the business operated by such subsidiaries or their predecessors (as the case may be)
"Guangxi Zhongwei New Energy"	Guangxi Zhongwei New Energy Technology Company Limited* (廣西中偉新能源科技有限公司), a limited liability company incorporated under the laws of the PRC on February 8, 2021 and a subsidiary of the Company
"H Share(s)"	ordinary Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are traded in HK dollars and are listed on the Stock Exchange
"high-grade nickel matte"	an intermediate smelting product with a nickel content typically exceeding 70%
"high-nickel precursor/product"	nickel-based pCAM with a nickel content of at least 80 mol%
"HKD", "HK$" or "Hong Kong Dollars"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange", "HKEX" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hongxin Chengda"	Tongren Hongxin Chengda Enterprise Management Consulting Partnership (L.P.)* (銅仁弘新成達企業管理諮詢合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on May 14, 2019 and one of our Controlling Shareholders

"Hunan Zhongwei Zhengyuan"	Hunan Zhongwei Zhengyuan New Material Trading Company Limited* (湖南中偉正源新材料貿易有限公司), a limited liability company incorporated under the laws of the PRC on November 23, 2016 and a wholly-owned subsidiary of the Company
"IFRSs"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
"IXM"	IXM S.A.
"Jinchuan"	Jinchuan Group Co. Ltd. (金川集團股份有限公司)
"LCO"	lithium cobalt oxide ($LiCoO_2$), a chemical compound and a commonly used CAM inlithium-ion batteries
"LFMP"	lithium iron manganese phosphate ($LiFeMnPO_4$), a type of lithium-ion battery CAM made up of lithium, iron, manganese, and phosphate
"LFP"	lithium iron phosphate ($LiFePO_4$), a chemical compound and a commonly used CAM in lithium-ion batteries
"LG Chem"	LG Chem. Ltd., under the LG Group
"LME"	the London Metal Exchange
"Listing"	the listing of the H Shares on the Main Board of the HKEX on November 17, 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"low-grade nickel matte"	an intermediate smelting product with a nickel content typically ranging from 10% to 30%
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MHP"	mixed hydroxide precipitate, a nickel intermediate product used in the production of nickel sulfate, nickel plate, and other nickel-cobalt materials
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

"Mr. Deng"	Mr. Deng Weiming (鄧偉明), one of our Controlling Shareholders and the spouse of Ms. Wu
"Ms. Wu"	Ms. Wu Xiaoge (吳小歌), one of our Controlling Shareholders and the spouse of Mr. Deng
"new energy battery materials"	materials used in the production of new energy batteries, including CAM and their corresponding pCAM, anode, electrolyte fluid and separators
"new energy materials"	materials that include (i) new energy battery materials; and (ii) new energy metals
"new energy metals"	metals including lithium, nickel, cobalt and copper and their intermediates, which are essential raw materials for producing new energy battery materials and other materials in the new energy industry
"NFPP"	sodium iron phosphate compound ($Na_4Fe_3(PO_4)2P_2O_7$), a chemical compound and a polyanion type of sodium-ion cathode active material
"nickel-based materials"	nickel-based new energy materials, mainly include NCM/NCA pCAM
"pCAM"	cathode active material (CAM) precursors, the raw materials or precursor compounds used to produce CAM for batteries
"phosphorus-based materials"	phosphorus-based new energy materials, mainly include LFP/LFMP pCAM and LFP/LFMP CAM
"POSCO Future M"	POSCO Future M Co., Ltd.
"PT Zhongtsing"	PT Zhongtsing New Energy, a limited liability company established in Indonesia on May 4, 2021 and a subsidiary of the Company
"PRC Company Law"	Company Law of the People's Republic of China, as amended, supplemented or otherwise modified from time to time
"Prospectus"	the prospectus of the Company dated November 7, 2025
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2026
"RMB"	the lawful currency of the PRC

"SFO"	Securities and Futures Ordinance (Cap. 571 of The Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of Share(s)
"Shenzhen Listing Rules"	Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, as amended or supplemented from time to time
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"SHFE"	the Shanghai Futures Exchange (上海期貨交易所)
"sodium-based materials"	sodium-based new energy materials, mainly include sodium-based pCAM and CAM
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Tengyuan Cobalt"	Ganzhou Tengyuan Cobalt New Material Co., Ltd. (贛州騰遠鈷業新材料股份有限公司)
"Tesla"	Tesla (Shanghai) Co., Ltd. (特斯拉(上海)有限公司) and Tesla, Inc.
"Trafigura"	Trafigura Pte. Ltd.
"ultra-high nickel precursor/product"	nickel-based pCAM with a nickel content of at least 90 mol%
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD" or "US$"	United States dollars, the lawful currency of the United States
"Xiamen Tungsten"	Xiamen Tungsten Co., Ltd. (廈門鎢業股份有限公司)
"Zhongwei Holding"	Hunan Zhongwei Holding Group Company Limited* (湖南中偉控股集團有限公司), a limited liability company incorporated under the laws of the PRC on August 10, 2004 and one of our Controlling Shareholders
"2023 Restricted Share Incentive Scheme"	the 2023 restricted share incentive scheme adopted in June 2023
"%"	per cent

In this interim report, the terms "associate", "close associate", "connected person", "connected transaction", "continuing connected transaction", "core connected person", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Corporate Information

BOARD OF DIRECTORS

Executive Directors	Mr. Deng Weiming *(Chairman)* Mr. Tao Wu Mr. Liao Hengxing Mr. Li Weihua Mr. Liu Xingguo Mr. Deng Jing
Independent Non-executive Directors	Mr. Cao Feng Mr. Hong Yuan Mr. Jiang Liangxing Ms. Wong Sze Wing
Audit Committee	Mr. Cao Feng *(Chairman)* Ms. Wong Sze Wing Mr. Hong Yuan
Strategy and ESG Committee	Mr. Deng Weiming *(Chairman)* Mr. Tao Wu Mr. Jiang Liangxing
Nomination, Remuneration and Appraisal Committee	Mr. Hong Yuan *(Chairman)* Mr. Cao Feng Ms. Wong Sze Wing
Authorized Representatives	Mr. Deng Jing Mr. Tang Huateng
Joint Company Secretaries	Mr. Tang Huateng Ms. Wong Wai Yee, Ella

Registered Office and Headquarters in the PRC	Cross of No. 2 Avenue and No. 1 Avenue Dalong Economic Development Zone Tongren, Guizhou Province the PRC
Principal Place of Business in Hong Kong	Room 1915, 19/F Lee Garden One, 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	www.cngrgf.com.cn
Stock Code	Hong Kong Stock Exchange: 2579 Shenzhen Stock Exchange: 300919
Hong Kong Legal Adviser	**Jingtian & Gongcheng LLP** Suites 3203–3209, 32/F Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong
Auditor	**Ernst & Young** *Certified Public Accountants* Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong

Compliance Adviser	**Somerley Capital Limited** 20F, China Building 29 Queen's Road Central Hong Kong
Hong Kong H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Banks	**Bank of China, Ningxiang Branch** 1/F, Shuijinglicheng Comprehensive Building Renminbei Road, Yutan Avenue Ningxiang, Hunan Province PRC **China Construction Bank, Guangxi Pilot Free Trade Zone Qinzhou Port Area Science and Technology Branch** Building 10, No. 5 Technology Park China-Malaysia Qinzhou Industrial Park Guangxi Pilot Free Trade Zone the PRC

Financial Highlights

	Six months ended 30 June		
	2026	2025	Change
	RMB'000	RMB'000	
	(unaudited)	(unaudited)	
Revenue	**33,584,326**	21,322,547	57.5%
Cost of sales	**29,269,673**	18,780,024	55.9%
Profit before tax	**1,980,154**	827,053	139.4%
Profit for the period	**1,805,824**	705,650	155.9%
Total comprehensive income for the period	**972,210**	710,610	36.8%
Earnings per Share attributable to ordinary equity holders of the parent			
Basic and diluted	**1.24**	0.79	57.0%

	As at June 30, 2026	As at December 31, 2025	Change
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Assets			
Non-current assets	**41,453,931**	41,684,429	(0.6)%
Current assets	**48,271,098**	39,923,436	20.9%
Total assets	**89,725,029**	81,607,865	9.9%
Equity and liabilities			
Owner's equity	**24,186,794**	24,135,093	0.2%
Total equity	**34,260,053**	33,622,185	1.9%
Non-current liabilities	**17,533,152**	18,109,359	(3.2)%
Current liabilities	**37,931,824**	29,876,321	27.0%
Total liabilities	**55,464,976**	47,985,680	15.6%
Total equity and liabilities	**89,725,029**	81,607,865	9.9%

Management Discussion and Analysis

I. THE COMPANY'S MAIN BUSINESS DURING THE REPORTING PERIOD

The Company focuses on the new materials sector, leveraging materials science to drive high-quality development of the energy and power industry, as well as advanced technology industries. During the Reporting Period, guided by the strategic direction of "Technology Diversification, Globalization, Digitalization of Operations, and Industry Ecologization", the Company has established a new materials ecosystem covering resource extraction, smelting and processing, material production, and secondary resource recycling, with nickel-based, cobalt-based, phosphorus-based, and sodium-based materials at its core. Targeting the global market, the Company has formed ten distinctive and mutually supportive global industrial bases, striving to "become a globally leading new materials science company".

(I) The Company's Main Business and Main Products

The Company's new materials ecosystem primarily includes nickel-based materials (high-nickel and ultra-high nickel precursors, precursors for solid-state batteries, precursors for the low-altitude economy, and cost-effective medium-nickel high-voltage precursors), cobalt-based materials (high-voltage tricobalt tetroxide), phosphorus-based materials (iron phosphate, lithium iron phosphate), sodium-based materials (polyanionic sodium-ion cathode materials, layered oxide sodium-ion cathode materials), and new energy metal products. These comprehensively cover technological routes such as ternary lithium batteries, lithium cobalt oxide batteries, lithium iron phosphate batteries, sodium-ion batteries, and solid-state/semi-solid-state batteries, and are widely used in fields such as EVs, energy storage, consumer electronics, low-altitude aircraft, and robotics.

Among its various material series, the Company has taken the lead in realizing a closed-loop ecosystem for the nickel industry chain, from resources to materials. This not only improves the self-sufficiency of upstream raw materials but also allows for flexible selection of intermediate products such as nickel pig iron and nickel matte, or further processing into high-purity nickel plates for external sales, forming a complete product system. Simultaneously, starting with the nickel industry chain, the Company continues to proactively and economically deploy strategic resources in phosphorus and lithium, providing high-quality, low-cost resource support for perfecting the closed-loop ecosystem of subsequent materials.

The Company drives business development through technological leadership, comprehensively covering the global top-tier battery industry chain, forming a globalized and multi-dimensional high-quality core customer system that connects "complete vehicles, batteries, and cathode materials". The Company's technology, quality, scale, and efficient responsiveness have been widely recognized by the industry. It has established stable cooperative relationships with leading domestic and international customers, including Xiamen Tungsten, Tesla, Easpring Technology, BTR, ECOPRO, L&F, Ronbay Technology, Reshine New Material, LG Chem, Samsung SDI, B&M Science and Technology, BASF Shanshan, Zhenhua New Materials, CALB Group, COSMO, BYD, Gotion High-tech, CATL, Panasonic, POSCO, SKOn, and SVOLT Energy Technology.

In recent years, the Company has navigated industry cycles with efficient strategic execution and stable operating performance, continuously consolidating its leading position in the industry and achieving remarkable results in diversification, globalization, digitalization, and ecosystem development. In the current era of technological and productivity innovation, intensified global resource competition, and geopolitical conflicts driving energy transformation, the Company is also facing a critical turning point from "increased growth" to "quality improvement". Facing a new round of industry cycles, the Company will leverage its comprehensive advantages in technology, resources, market, customers, cost, and ecosystem to achieve leapfrog development.

(II) Company Business Model

1. Procurement Method

The Company adopts a "production-to-order, centralized procurement" model. Production plans are formulated based on sales plans and contracts, and procurement plans are developed based on material inventory, production plans, and actual inventory levels. Procurement is conducted monthly. The Company's main raw materials are nickel laterite ore, MHP, high-grade nickel matte, low-grade nickel matte, cobalt intermediates, manganese sulfate, cobalt chloride, and other auxiliary materials. Procurement prices are primarily determined based on spot prices on the SMM and futures prices on the LME. To ensure timely supply and stable quality of key raw materials, the Company has established long-term cooperative relationships with well-known domestic and international suppliers such as ATL, Tsingshan Group, Glencore, Xiamen ITG, BHP, Xiamen Xiangyu, and Tengyuan Cobalt. A supplier evaluation management system has been implemented to strengthen supply chain management, creating a relatively stable, appropriately competitive, and dynamically adjustable list of qualified suppliers, ensuring a continuous, stable, high-quality, and reasonably priced supply of raw materials.

2. Production Model

The Company adopts a "production-to-order" model, developing and implementing production plans based on downstream customer orders and demand forecasts. The Company's operations headquarters formulates production plans based on sales plans, product inventory, workshop production capacity, and sales contracts. Simultaneously, the production operations center and quality management center effectively control all aspects and factors related to the production and service processes to ensure that each production and service provision process is conducted in a controlled manner according to prescribed methods, thereby guaranteeing product quality. Regarding production control procedures, the Company strictly controls production technology levels and product quality control standards, monitors the entire production process, and conducts quality inspections on the final products.

3. Sales Model

The Company's main products are sold through a self-operated sales model, primarily involving the Company procuring raw materials based on sales orders and independently conducting production and sales.

During the Reporting Period, the Company's direct customers for the self-operated sales of its cathode materials and precursor products were mainly large, well-known domestic and international lithium battery cathode material manufacturers, lithium battery manufacturers, and EV manufacturers.

The Company's operations headquarters is responsible for customer development and market expansion. Upon contacting potential new customers, it will conduct joint investigations, evaluations, factory visits, sample testing, and other certification procedures with the customers to enter the customers' qualified supplier systems or directories, and will draft sales contracts and orders with customers as needed. Before formally signing contracts with customers, the operations headquarters, central research institute, and quality management center will review the agreements signed with customers, such as the "Quality Agreement" and "Environmental Protection Agreement". After the review is approved, the operations headquarters will reasonably formulate a sales plan on the premise of ensuring the quantity and schedule of products required by customers, and the procurement department of the operations headquarters will support the execution of sales contracts based on inventory conditions.

The Company generally implements a product pricing mechanism with downstream customers based on the cost of main raw materials plus processing fees. When confirming purchase orders with customers, the Company provides quotations for products of specific specifications, models, and purchase quantities. The quotation formula comprises the pricing basis of various metal salt raw materials and processing fees. The pricing basis for various metal salt raw materials is the market price of those materials, while the processing fees are determined by the Company based on the product's manufacturing process, market supply and demand, target profit, and customer negotiation.

The Company's new energy metal products adopt a self-operated sales model, with the Company headquarters and global regional sales teams directly connecting with downstream customers to achieve "direct production and sales". Core customers focus on large international metal traders and lithium battery cathode material manufacturers.

Based on customer orders and demand forecasts, the Company operates on an "Order first, produce later" model, matching integrated "resources-smelting-materials" production capacity. Production plans are developed based on signed orders, clearly defining core requirements such as product specifications, delivery cycles, and quality standards to ensure precise matching of production and sales. For long-term cooperative customers, demand is forecasted by analyzing historical order data and assessing industry trends, reserving some capacity in advance to improve response speed. Production plans are deeply coordinated with customer order cycles, with monthly orders corresponding to short-term production schedules and long-term contracts corresponding to annual capacity planning, achieving flexible production and efficient delivery.

(III) Industry Development Status and Trends

1. The Company's Industry Position

The core products of the Company's new materials ecosystem include nickel-based materials, cobalt-based materials, phosphorus-based materials, sodium-based materials, and new energy metal products.

In terms of nickel-based materials, the Company is a global leader and pioneer in the ternary precursor industry. Benefiting from factors such as a high-quality customer structure, forward-looking strategic layout, and superior product performance, the Company's product competitiveness continues to strengthen, and its market share in ternary precursors remains leading. According to Xinluo Data, the Company's domestic market share for ternary precursors was 26% in the first half of 2026, continuing to maintain its industry-leading position. The Company pioneered ultra-high nickel precursors in the industry, holding a leading market share in high-nickel and ultra-high nickel products. It is also among the leading companies in the solid-state battery field, shipping 100 tons of solid-state precursors during the Reporting Period. This gives it a first-mover advantage in the industry trends of future battery performance improvements, the widespread adoption of solid-state batteries, and the implementation of new applications such as robotics/low-altitude aircraft.

Regarding cobalt-based materials, the Company has been the world's number one seller of cobalt-based precursor materials for six consecutive years. All of its products utilize high-voltage (above 4.45V) technology, and it pioneered the 4.55V high-voltage cobalt-based precursor in the industry, effectively filling key industry gaps in high-voltage applications and the high-end market, providing an ideal solution for the high-performance battery demand in the consumer electronics sector driven by the AI wave.

Regarding phosphorus-based materials, leveraging its late-mover advantage, the "mineral-chemical-material-recycling" ecological closed loop has been steadily advancing. The Company's iron phosphate sales achieved leapfrog growth. According to ICC Xinluo Information statistics, in the first half of 2026, the Company's shipments, excluding industry self-supply, ranked first in the external sales market, with profit elasticity significantly released, successfully achieving a turnaround from loss to profit.

In the field of sodium-based materials, the Company pioneered a low-cost polyanionic (NFPP) precursor for sodium-ion batteries, achieving mass production through a dual-technology route of "polyanionic + layered oxide". Sodium-based material shipments have reached the two-thousand-ton level. Prior to the large-scale commercial application of sodium-ion batteries, the Company has already built a first-mover barrier in terms of customer base, technology reserves, and production supply capabilities.

Regarding new energy metals, the Company has formed a laterite nickel ore smelting capacity of nearly 200,000 metal tons, employing a dual-technology route of OESBF+RKEF, allowing flexible production switching among products such as electrolytic nickel, high-grade nickel matte, and nickel-iron. In addition to meeting its own supply needs, nickel products can be sold externally according to market conditions, taking the lead in achieving a full-chain closed-loop ecosystem for the nickel industry chain. Meanwhile, the Company has been selected for the Ministry of Industry and Information Technology's list of "recycling" enterprises, being one of the few domestic enterprises with full-chain capabilities in battery dismantling and black powder refining. It has built recycling facilities in China to recover valuable metals such as nickel, cobalt, and lithium from black powder, with the recycling business forming a synergistic closed loop with upstream resource extraction and midstream material manufacturing.

2. Overview of Materials Industry Development in the EV Sector

According to data from the China Association of Automobile Manufacturers (CAAM), from January to June 2026, China's EV production and sales reached 7.438 million units and 7.446 million units respectively, representing year-on-year increases of 6.7% and 7.3% respectively. In June alone, EV production and sales reached 1.598 million units and 1.643 million units respectively, up 26% and 23.6% year-on-year respectively, with the EV penetration rate for the month further rising to 58.5%. Sales of battery electric vehicles reached 4.989 million units, with their share of total EV sales rising to approximately 67%.

According to SNE Research statistics, global EV sales from January to June 2026 delivered 9.906 million units, representing a year-on-year increase of 5.5%. The European market continued its recovery momentum, with EV sales growing steadily, benefiting from the restart of subsidy policies and increasingly stringent carbon emission regulations.

In the power battery sector, according to data from the China Automotive Power Battery Industry Innovation Alliance, the cumulative installed capacity of power batteries in China from January to June 2026 was approximately 335.6 GWh, a cumulative year-on-year increase of 12.0%. Among them, the cumulative installed capacity of lithium iron phosphate batteries was 272.0 GWh, accounting for 81.0% of the total installed capacity, a cumulative year-on-year increase of 11.5%, continuing to dominate the domestic market; the cumulative installed capacity of ternary batteries was 63.4 GWh, accounting for 18.9% of the total installed capacity, a cumulative year-on-year increase of 14.2%, with the product structure continuously optimized and the proportion of medium-nickel high-voltage and high-nickel products gradually increasing. According to Xinluo Lithium Battery data, global ternary precursor production from January to June 2026 was 584,000 tons, a year-on-year increase of 26.1%, of which China's ternary precursor production was 532,000 tons, a year-on-year increase of 31.3%. Ternary precursors continued the market pattern dominated by medium – and high-nickel products, with the proportion of 6-series products increasing more notably. In overseas markets, the European and American power battery markets still primarily rely on ternary batteries, because ternary batteries perform better in low-temperature environments, and high-end models in Europe and America have higher demands for longer range and energy density.

The future development trends of battery materials for EV are as follows:

(1) Continuing high-nickel trend: Driven by the global energy transition and the artificial intelligence revolution, the power consumption of terminal devices is increasing, requiring an increase in capacity density without increasing battery volume and weight. Market demand for high-nickel ternary cathode materials will continue to grow with industry trends.

(2) Accelerated industrialization of solid-state batteries: Solid-state battery precursors mostly use high-nickel and ultra-high nickel materials. With future technological development and the commercialization of solid-state batteries, high-nickel materials have huge growth potential.

(3) Rapid growth of medium-nickel high-voltage materials: Compared with the high-nickel route, medium-nickel high-voltage materials maintain the energy density advantage of ternary batteries while possessing cost competitiveness with lithium iron phosphate, becoming one of the main drivers for the expansion of the ternary market.

(4) Accelerated globalization: The overseas expansion of China's new energy industry chain has become a mainstream trend, shifting from product export to diversified models such as technology licensing and localized production.

3. Overview of the Development of the Consumer Electronics Materials Business Industry

In the first half of 2026, affected by factors such as the continued rise in memory chip costs, the global smartphone market continued its downward trend. According to IDC data, global smartphone shipments were approximately 570 million units. Emerging smart terminals such as AI phones, AI glasses, and smart wearables grew rapidly, bringing incremental demand for cobalt-based materials.

Tricobalt tetroxide is the precursor material for lithium cobalt oxide cathodes and is ultimately used to manufacture lithium cobalt oxide batteries. Lithium batteries with lithium cobalt oxide as the cathode offer advantages such as high energy density, high discharge voltage, good filling property, and long cycle life, and are widely used in the 3C battery field. Affected by factors such as the decline in global smartphone shipments and destocking by downstream cell manufacturers, domestic market demand for lithium cobalt oxide came under pressure. According to ICC Xinluo Information statistics, domestic lithium cobalt oxide production in the first half of 2026 was 45,800 tons, a year-on-year decrease of 13.9%. In terms of product structure, driven by terminal applications such as AI phones, foldable-screen devices, and thin and light laptops, lithium cobalt oxide is accelerating its upgrade towards high voltage and high energy density. According to ICC Xinluo Information data, the proportion of domestic production of high-voltage lithium cobalt oxide of 4.5V and above reached 42% in the first half of 2026, an increase of 5 percentage points compared with 2025.

4. Overview of the Development of the Energy Storage Materials Industry

With the global trend towards carbon peaking and carbon neutrality, global energy storage systems are embracing explosive growth opportunities. According to GGII statistics, China's overall lithium battery shipments reached 1.2 TWh from January to June 2026, a year-on-year increase of 50%. Among them, energy storage battery shipments were approximately 485 GWh, surging 80% year-on-year, with the incremental scale already exceeding that of power batteries, becoming the second growth curve of the lithium battery industry.

The global energy storage market is dominated by lithium iron phosphate batteries in terms of installed capacity, and the growth of energy storage batteries has brought a substantial increase in demand for lithium iron phosphate materials. According to ICC Xinluo Information statistics, iron phosphate production from January to June 2026 was 2.267 million tons, a year-on-year increase of 52.6%. At present, lithium iron phosphate cathode materials are continuously evolving towards larger capacities, with demand for long-cycle, high-compaction-density lithium iron phosphate cathode materials growing rapidly.

Sodium-ion batteries, with their advantages of abundant resources, low cost, high safety, and strong low-temperature performance, have become an ideal choice for many energy storage scenarios. According to GGII statistics, China's sodium-ion battery production reached approximately 1 GWh in the first half of 2026, a year-on-year increase of over 25%, with the industrialization process accelerating.

5. Overview of the Development of the Emerging Application Materials Industry

Driven by advances in AI and automation technologies, the global robotics market has experienced significant growth. The humanoid robot industry has entered a period of rapid development, with demand for high-power, long-endurance batteries continuing to climb, bringing huge market growth potential for high-nickel ternary materials and lithium cobalt oxide materials.

As a strategic emerging industry, the low-altitude economy covers various application scenarios such as electric vertical take-off and landing (eVTOL) aircraft and drones, with its market scale expanding rapidly. Low-altitude aircraft place extremely high requirements on charge/discharge rates and battery energy density, and nickel-based and cobalt-based materials are expected to become the main battery materials for their application scenarios.

6. Overview of Recycling Industry Development

With the rapid development of the EV industry, a large-scale "retirement wave" of power batteries is imminent. According to estimates by the China Automotive Strategy and Policy Research Center, the retirement volume of EV power batteries in China in 2026 will be approximately 43 GWh, equivalent to more than 400,000 tons. The recycling industry is showing a trend towards standardized and concentrated development, with the technological advantages of leading enterprises becoming prominent.

(IV) Drivers of the Company's Performance

During the Reporting Period, the Company seized the opportunities arising from the high-prosperity development of the global new energy industry. Leveraging its leading position in the battery materials sector and the integrated "resources + smelting + materials" full-industry-chain advantages, the Company achieved synergistic contributions across its business segments, resulting in steady growth in operating performance. In the first half of 2026, the Company recorded operating revenue of RMB33.584 billion, representing a year-on-year increase of 57.51%, with aggregate sales volume of its core products, including nickel-based, cobalt-based, phosphorus-based and sodium-based materials, exceeding 250,000 tonnes. To achieve its operating targets, the Company focused on the following key initiatives during the Reporting Period:

1. **Synergistic Development Across Multi-Material Systems, with Cutting-Edge Technological Deployment Driving Industry Upgrading**

   During the Reporting Period, leveraging its technological leadership, the Company deepened the synergistic development of its four major material systems, namely nickel-based, cobalt-based, phosphorus-based and sodium-based materials, with its product matrix continuously improving and its market-leading position being further consolidated. In the nickel and cobalt material systems, the Company maintained its global leadership, achieving breakthroughs in ultra-high nickel, medium-nickel high-voltage ternary materials and high-voltage tricobalt tetroxide technologies, and securing independent control over key materials. Shipment volume and market share in the first half of the year reached record highs, with the Company's market share in ternary precursors and tricobalt tetroxide rank first in the industry for consecutive years, and solid-state precursor shipments reaching the hundred-tonne level. In the phosphorus-based material system, the Company achieved a significant scale-up, with iron phosphate shipments ranking first in the external sales market. The Company established strategic partnerships with several leading battery manufacturers and secured upstream phosphate ore resources, commencing development to reinforce the foundation for sustainable growth. In the sodium-based material system, the Company achieved technological breakthroughs, with the "R&D of Wide-Temperature-Range High-Performance Sodium-Ion Batteries" project being selected as a provincial-level major science and technology research project. Shipments in the first half of the year exceeded 2,000 tonnes, with initial commercialization results beginning to emerge.

2. **In-Depth Advancement of Globalization Strategy, with Synergistic Development of Overseas Production Capacity and Resource Layout**

   During the Reporting Period, the Company unwaveringly advanced its "Globalization of Development" strategy, achieving milestone progress in the construction of overseas industrial bases and the deployment of resources, with its global supply chain support capabilities significantly enhanced. In June, the phase I nickel-based material production line of the CNGR Morocco Industrial Base project achieved a kiloton-scale output breakthrough, laying a foundation for scalable production capacity to serve the European and North American markets. The phase II nickel smelting production lines (laterite nickel ore to low-grade nickel matte, and low-grade nickel matte to high-grade nickel matte) at the Morowali Base in Indonesia were fully commissioned and put into operation. The world's first oxygen-enriched side-blown nickel smelting technology was continuously refined, achieving significant reductions in comprehensive energy consumption. Through the controlling acquisitions of the Jama Project and the Solaroz Project, the Company made counter-cyclical and forward-looking deployments in Argentine salt lake lithium resources, securing over 10 million tonnes of lithium carbonate equivalent in high-quality resources, thereby providing security for raw material supply. The Company entered into an LFP joint venture agreement with POSCO Future M of South Korea and commenced the construction of the Pohang LFP Advanced Materials Manufacturing Project in South Korea, expanding into the overseas energy storage market. The Company formally established cooperation with CRONIMET Group of Germany to jointly develop a waste battery recycling plant in Europe, marking a critical step forward in its "Global Recycling" initiative. The new material ecosystem encompassing "resource extraction, smelting and processing, material production, and secondary resource recycling and utilization" has been advancing in a coordinated manner.

3. Continuous Breakthroughs in R&D and Innovation, Building Long-Term Technological Moat

The Company continued to increase its R&D investment, achieving breakthroughs in a number of core technologies during the Reporting Period. In nickel-based materials, the solid-state battery precursors overcame key technologies in interface optimization and structural stabilization, achieving hundred-tonne-level shipments, with cell energy density exceeding 350Wh/kg and a cycle life of 1,000 cycles, and have entered the certification systems of leading battery manufacturers. The high-nickel precursors specifically designed for eVTOL applications achieved an energy density exceeding 300Wh/kg, sustained output at 10–15C and peak output at 40C, with shipment volume growing at a rapid pace. The industry-first carbonate co-precipitation process for the preparation of low-cost, high-consistency single-crystal ternary precursors achieved substantial cost reductions compared to traditional processes. The first 225mAh/g ultra-high-performance high-nickel product completed client-side certification. The ultra-small particle size precursor synthesis technology effectively resolved the issue of particle adhesion and agglomeration. In cobalt-based materials, the high-voltage tricobalt tetroxide synthesis technology was continuously iterated, with 4.55V products in mass production and 4.60V products under parallel development. Multi-element synergistic doping and precise morphological structure control addressed the issue of lattice instability in high-voltage systems. The ultra-high specific surface area nano tricobalt tetroxide, used for ternary cathode surface coating modification, effectively improved initial coulombic efficiency, cycle life and rate performance. In phosphorus-based materials, the fourth-generation liquid-phase co-precipitation iron phosphate synthesis technology achieved concentrated particle size distribution and uniform primary particles. The fourth-generation ultra-high compaction lithium iron phosphate entered pilot-scale production, with fourth-and-a-half and fifth-generation products being advanced in parallel. The spherical lithium iron phosphate synthesis technology produced products with high tap density and low specific surface area, facilitating market entry into overseas markets. The iron red process for lithium iron phosphate preparation achieved a comprehensive cost reduction of approximately 10% compared to traditional routes, with a 1C discharge capacity of ≥142mAh/g and a plateau ratio of ≥90%. The high-power lithium iron phosphate products covered ultra-fast charging, start-stop power supply and other niche market segments. Lithium iron manganese phosphate materials were extended towards higher voltage directions. In sodium-based materials, the polyanionic (NFPP) cathode materials achieved integrated process integration and stable pilot-scale scale-up, featuring high capacity and high compaction characteristics. The layered oxides achieved significant reductions in overall production costs through the introduction of low-cost industrial-grade iron sources and innovative complexing-agent-free processes. In smelting processes, the Company pioneered the global application of the oxygen-enriched side-blown (OESBF) process for smelting laterite nickel ore, achieving a major technological breakthrough in pyrometallurgy. The industry-first centrifugal extraction technology driven the transformation of nickel and cobalt hydrometallurgy towards high-efficiency and environmental friendliness. Both technologies have been validated through industrial-scale application. The Company's technological leadership continued to be reinforced, providing core impetus for long-term performance growth.

II. CORE COMPETITIVENESS ANALYSIS

After years of development, the Company has established a multi-dimensional core competitiveness framework spanning materials science, a “resources + materials” ecosystem, deep globalization, customer resources and brand equity, digitalized and intelligent manufacturing, and sustainable development. These strengths will enable the Company to achieve high-quality, leapfrog growth in the new industry cycle.

(I) Leading Material Science Advantages

The Company possesses a comprehensive portfolio of new materials, including nickel-based, cobalt-based, phosphorus-based, and sodium-based materials. This diverse range enables the Company to fully cover ternary lithium batteries, lithium cobalt oxide batteries, lithium iron phosphate batteries, sodium-ion batteries, and solid-state/semi-solid-state batteries, as well as their corresponding application areas.

Starting with midstream materials, the Company extends upstream and downstream, gaining stronger control over core value segments of the industry chain. Correspondingly, the Company has established significant differentiated advantages in each material category: in nickel-based and cobalt-based materials, the Company is a global leader and pioneer in the ternary precursor industry, continuously maintaining its industry-leading position as of the first half of 2026; in phosphorus-based materials, the Company has rapidly caught up, with shipments in the first half of 2026, excluding industry self-supply, ranking first in the external sales market, successfully achieving a turnaround from loss to profit; in sodium-based materials, the Company has achieved mass production of dual-technology routes, with product shipments reaching the two-thousand-ton level, establishing a first-mover barrier before the large-scale commercial application of sodium-ion batteries.

The Company leads the development of materials science with technology, achieving numerous industry-first results over the years, and maintains a leading position in next-generation technology and materials research, development, and production. It has established a full-stack, integrated R&D platform covering the entire lifecycle, from mineral smelting technology and new material research and development to large-scale production, production equipment design and optimization, product testing and evaluation, and end-use material recycling, enabling seamless integration from R&D results to large-scale production, and efficiently helping the Company and its downstream customers respond quickly to market changes, continuously optimize material performance, efficiently iterate products, or drive cost reduction across the industry chain. For example:

(1) Industry-first ultra-high nickel ternary precursor, achieving an energy density of up to 230mAh/g;

(2) The Company developed dedicated high-nickel precursors for eVTOL scenarios, achieving breakthroughs in high rate capability, high safety, and high-temperature performance;

(3) Significant breakthroughs were achieved in the customized design of precursor synthesis technology for solid-state batteries around the core requirements of structural stability and interface optimization, with shipments exceeding the hundred-ton level during the Reporting Period, taking the lead in entering the large-scale application verification stage;

(4) The Company launched its first high-concentration doping + coating medium-nickel high-voltage single crystal sample, featuring low cost, high capacity, low impedance, and long cycle life, meeting the demand for high energy density and fast charging in intelligent driving;

(5) The Company's 4.55V high-voltage lithium cobalt oxide precursor has entered mass production, with multiple products of 4.55V and above advancing in echelons (one generation in mass production, one generation under development, and one generation in reserve), deeply embedded in the next-generation product iteration chains of leading customers;

(6) The Company developed ultra-high specific surface area nano tricobalt tetroxide. Through unique crystal-plane growth control technology, this product significantly increases the active sites of the material, and when used as an additive for lithium-ion battery cathode materials, it can effectively improve the rate performance and cycle stability of batteries;

(7) The fourth-generation high-compaction-density LFP cathode material entered the trial production stage. The 4.5th-generation and 5th-generation high-compaction-density LFP cathode materials, as well as the fourth-generation high-compaction-density LFP cathode material using the iron red route and high-compaction-density lithium iron manganese phosphate cathode materials, have entered the transition from small-scale testing to pilot testing;

(8) The Company's experimental titanium-doped iron phosphate precursor effectively improves the kinetic performance of lithium iron phosphate cathode materials by enhancing ion diffusion, electronic conductivity, and structural stability;

(9) The Company developed the industry's first low-cost polyanionic polymer (NFPP) precursor for sodium-ion batteries;

(10) The Company was the first in the world to adopt the oxygen-enriched side-blown (OESBF) process for smelting laterite nickel ore, marking a major breakthrough in global nickel ore pyrometallurgical technology;

(11) The Company's pioneering centrifugal extraction technology has driven the transformation of nickel and cobalt hydrometallurgy towards high-efficiency, environmentally friendly modern process.

(II) Unique "Resources + Materials" Ecosystem Advantages

The current global revaluation of resources continues to deepen, with production factors and strategic resources gaining significantly in importance. Resource security has become a core element of industrial competition. Leveraging profound insights into industry cycles and rich operational experience, the Company efficiently deploys resources counter-cyclically, precisely seizing the bottom of the industry cycle window to acquire high-quality critical mineral assets globally, establishing a business positioning of "Resources + Materials" and forming a new materials ecosystem that spans "resource extraction, smelting and processing, material production, and secondary resource recycling".

In nickel, the Company has taken the lead in achieving the ecological closed-loop of nickel industry chain. Focusing on high-quality lateritic nickel ore in Indonesia, the Company has locked in over 700 million wet tons of nickel ore resources through diversified methods such as investment, long-term agreements, and offtake arrangements, providing a solid resource base for the nickel industry chain. Against the backdrop of tightening global nickel industry chains, the aforementioned resource layout possesses outstanding strategic value and cost advantages, effectively ensuring raw material supply security. The Company possesses about 200,000 metal tons of nickel smelting capacity in Indonesia, employing a dual-technology approach of OESBF+RKEF to build a multi-product output channel, capable of comprehensively meeting the raw material needs for various nickel-based ternary precursors. The Company has therefore achieved a transition from primarily external procurement of nickel raw materials to a model combining “self-supply + externally sourced intermediates”, maximizing supply chain value. Besides supplying its own nickel-based materials, the produced nickel products can be flexibly sold externally as nickel-iron, nickel matte, electrolytic nickel, or further processed into high-purity nickel plates, depending on market conditions, thus optimizing profitability and improving operational efficiency. Additionally, the Company can extract cobalt, copper, and germanium as byproducts through smelting processes.

Regarding phosphorus, the Company possesses high-quality phosphate rock resources in Kaiyang, Guizhou, with reserves of approximately 98.44 million tons and a planned annual mining scale of 2.8 million tons. The project officially commenced construction on December 31, 2025, providing a stable phosphorus resource guarantee for the downstream industry chain. The phosphate rock project, along with the existing iron phosphate and lithium iron phosphate production capacity at the Kaiyang base, constitute an integrated “mining-chemical-materials-recycling” system for phosphorus-based materials, perfecting the phosphorus-based ecological closed loop and forming a new profit contribution point. Furthermore, the high-iron content of nickel matte produced as a byproduct of the Indonesian smelting line can be used in lithium iron phosphate production, achieving resource synergy.

In the lithium sector, the Company has focused on acquiring high-quality salt lake lithium mines in Argentina at low cost during the cycle’s downturn. It controls lithium resources exceeding 10 million tons in lithium carbonate equivalent (LCE), and these resources are expected to increase further with continued exploration. This secures low-cost lithium resources for future development and effectively guarantees long-term lithium resource security.

This unique “resource + materials” ecosystem enhances the Company’s risk management capabilities, forming the cornerstone of its cost advantage and providing greater performance potential and flexibility for the Company.

(III) Deep Globalization Advantages

The world is undergoing accelerated changes unseen in a century, characterized by intensifying geopolitical rivalry, the collective rise of emerging markets, and the deep penetration of technological revolutions represented by artificial intelligence. These factors collectively drive the global landscape's accelerated transition from unipolar dominance towards multipolar balance. Corporate operational priorities are shifting from pure efficiency to a balance of efficiency and security. Industrial division of labor is moving from global collaboration towards regional restructuring under the influence of major power balancing. Trade rules, industrial policies, and technological changes are collectively reshaping the global industrial competition landscape. The Company's main downstream industries are all global-scale super-markets, making deep globalization capability a prerequisite for participating in subsequent market competition.

The Company adheres to a globalization strategy, proactively adapting to global industrial transformation trends and actively responding to external challenges. Leveraging its outstanding rapid industrialization capabilities and global operational capabilities, it has built a global product supply, technical service, and resource security system, forming multiple core competitive advantages, including differentiated market positioning, leading cost control, and localized adaptation. The Company has gradually established a deep globalization advantage integrating "business + industry + resources + capital".

On the market side, it adopts a flexible global expansion strategy to adapt to different market conditions and opportunities, actively collaborating with leading overseas local companies and building a business ecosystem with global partners to better cope with complex overseas operating environments. On the supply chain side, the Company is accelerating the construction of an independent, controllable, secure, and efficient global supply chain system, continuously optimizing global resource allocation, ensuring a stable supply and cost advantage of core raw materials, and consolidating the foundation for long-term development.

In its strategic regional layout, the Company adheres to a location-specific, precise, and supply-chain-coordinated approach, creating distinctive and mutually supportive global industrial bases:

In Indonesia, the Company has achieved synergistic development across the entire industry chain and deep localization operations. Through industrial cooperation, vertical and horizontal collaboration, and in-depth localization, it has become a successful model for the international development of Chinese enterprises.

In Morocco, leveraging the region's abundant phosphate resources, the Company is building a strategic hub targeting the European and American markets, constructing a battery recycling system covering the European and North American markets, and strengthening its regional influence and circular economy capabilities.

In South Korea, the Company has established a battery material production base, deeply serving core customers in the world's second-largest battery producer, further consolidating its advantages in the high-end market.

(IV) Customer Resources and Brand Advantages

The Company drives business development through technological leadership. Through its robust material science capabilities, leading product performance and scale position, deep globalization capabilities, and closed-loop industry chain ecosystem advantages, the "CNGR" brand has gained widespread recognition across global markets. The Company has a globalized, multi-dimensional high-quality core customer system connecting "complete vehicles, batteries, and cathode materials". It has established stable cooperative relationships with top-tier clients. Concurrently, in terms of new energy metal products, the Company has established a comprehensive, multi-dimensional cooperation model with top-tier clients such as Trafigura, IXM, and Jinchuan.

The Company consistently adheres to an open and collaborative technology cooperation philosophy with customers, ensuring the flexibility and scalability of its production capacity, and continuously deepening its strategic collaborative relationships with leading global customers. By partnering with high-quality partners, the Company achieves deep integration with leading customers. Currently, it has signed strategic cooperation agreements or long-term supply contracts with major cooperative customers, forming a stable cooperative pattern across multiple levels, including resource development, product sales, processing and manufacturing, and information sharing.

The Company's electrolytic nickel products have been successfully registered as delivery brands on the SHFE and the LME, significantly enhancing market recognition and product liquidity, and further consolidating its leading position in the industry.

(V) Digitalized and Intelligent Manufacturing Advantages

The Company adheres to a full-cost leadership strategy, practices "digitalized operations," and boasts a prominent market position and significant scale advantages, with its intelligent manufacturing level leading the industry. The Company integrates cost reduction principles throughout the entire lifecycle of "resources-raw ore refining-raw material refining-material manufacturing-recycling," continuously improving its intelligent manufacturing level and reducing production costs through a combination of technological innovation (such as material development and contract process optimization), intelligent manufacturing (AI and automation), supply chain optimization (centralized procurement and logistics integration), and energy management (green electricity application and energy efficiency improvement).

The Company has built a comprehensive digital platform to achieve end-to-end operational management, integrating advanced technologies in design, processes, and equipment to shorten development cycles and enhance decision-making capabilities. By digitizing the entire manufacturing process from R&D to mass production, the Company can optimize production efficiency through real-time adjustments. With the support of advanced technologies such as robotics, the Internet of Things, and artificial intelligence, this system ensures operational safety and cost-effectiveness in all business functions.

The Company continues to improve its manufacturing capabilities through automation and digitalization. Since 2020, the Company has gradually transformed all its domestic production bases into intelligent manufacturing facilities, introducing MES systems, SAP/ERP systems, and AGV technology. This has significantly improved manufacturing efficiency in several key areas. For example, the MES system enables automated error prevention and real-time detection of material feeding, achieving a 0% error rate and improving quality control; the integrated information management system enables real-time data transmission, effectively reducing average inspection time; the intelligent feeding system improves production efficiency; and the adoption of AGV automated logistics technology effectively improves overall productivity and cost efficiency.

Quality control is also crucial. The Company is committed to maintaining product consistency at large-scale production levels. Its main production equipment is independently designed and manufactured, enabling a high-efficiency transition from R&D to large-scale production, effectively improving product consistency and reducing manufacturing costs. The Company has a professional team of approximately 300 engineers focused on engineering process development, optimization, and construction. It has implemented an integrated construction management system covering design, process control, procurement, and logistics, achieving efficient and centralized execution, particularly suitable for complex overseas projects. The Company is currently the only Chinese enterprise to have successfully built and operated a new energy materials production facility in Morocco. This advanced and intelligent manufacturing capability ensures that the Company provides superior value to its customers and maintains a cost advantage and industry-leading position.

(VI) Sustainable Development Advantages

The Company focuses on the field of new materials, using materials science to drive high-quality development of the energy and power industry and cutting-edge technology industry. In this process, the Company deeply integrates ESG principles and builds a new model for sustainable development. Guided by a dual-wheel strategy of “technology-driven + green intelligent manufacturing,” and relying on a globally leading “resources + materials” ecosystem, the Company innovatively develops low-carbon processes and circular economy solutions. Through material performance improvement and production process innovation, it helps customers significantly reduce energy consumption and carbon emission intensity. Simultaneously, the Company is building an ecological supply chain system covering “resource end-smelting end-materials end-recycling end,” working with global partners to create zero-carbon industrial parks, continuously improving the level of green electricity substitution and industrial resource recycling, and focusing on promoting social sustainable development with clean energy.

The Company continues to embed ESG governance into its strategy, operations, and full-chain management. In March 2026, MSCI upgraded the Company’s ESG rating from AA to AAA, the highest rating globally, placing it among the first tier of global ESG leaders. The Company was also included in the S&P Global Sustainability Yearbook (China Edition) 2026 (《可持續發展年鑒（中國版）2026》) and received the distinction of being in the top 1% of Chinese companies in the CSA score, establishing a multi-dimensional ESG value certification system comprising “top-tier rating + authoritative list + professional yearbook”.

Meanwhile, the Company is actively building a “platform + talent + incentives” value management system, forging sustainable competitiveness across multiple dimensions including organizational development, talent development, cadre pipeline building, and incentive mechanisms. The core team efficiently implements various major strategies, driving the Company’s steady and sustainable development.

FINANCIAL ANALYSIS

Revenue

During the Reporting Period, we primarily generated revenue from (i) the sales of new energy battery materials, including four main categories based on the primary metal or chemical element, namely, nickel-based materials, cobalt-based materials, phosphorus-based materials and other innovative materials; (ii) the sales of new energy metal products, substantially all of which were nickel products consisting of nickel intermediates and electrolytic nickel, with the remainder being cobalt and copper products and (iii) others, which mainly include revenue from metals trading, resales of raw materials and contract manufacturing services.

By products

The table below sets forth the breakdown of our revenue by products for the periods indicated:

	Six months ended June 30, 2026 (Unaudited)		Six months ended June 30, 2025 (Unaudited)	
	(RMB'000)	**%**	(RMB'000)	%
New energy battery materials				
Nickel-based Materials	**12,926,931**	**38.5%**	7,490,866	35.1%
Cobalt-based materials	**2,635,551**	**7.8%**	1,451,943	6.8%
Phosphorus-based materials	**1,039,557**	**3.1%**	670,075	3.1%
Other innovation materials[1]	**28,041**	**0.1%**	19,368	0.1%
Sub-total	**16,630,080**	**49.5%**	9,632,252	45.2%
New energy metal products	**10,110,035**	**30.1%**	9,272,895	43.5%
Other[2]	**6,844,211**	**20.4%**	2,417,400	11.3%
Total	**33,584,326**	**100.0%**	21,322,547	100.0%

Notes:

(1) Other innovative materials mainly include sodium-based pCAM.

(2) Others mainly include revenue from metals trading, resales of raw materials and contract manufacturing services.

By geographical location

The table below sets forth the breakdown of our revenue by geographical location for the periods indicated. Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the periods indicated.

	Six months ended June 30, 2026 (Unaudited)		Six months ended June 30, 2025 (Unaudited)	
	(RMB'000)	%	(RMB'000)	%
Chinese mainland	20,248,845	60.3%	10,538,496	49.4%
Overseas[1]	13,335,481	39.7%	10,784,051	50.6%
Total	33,584,326	100.0%	21,322,547	100.0%

Note:

(1) Mainly include South Korea, Singapore, Indonesia and Hong Kong

Cost of sales

Our cost of sales primarily consists of (i) cost of raw material, mainly including nickel ores, nickel and cobalt intermediates, and other auxiliary materials such as sulfuric acid and sodium hydroxide, (ii) manufacturing costs and others, mainly including transportation costs, and (iii) labor costs. The table below sets forth the breakdown of our cost of sales for the periods indicated:

	Six months ended June 30, 2026 (Unaudited)		Six months ended June 30, 2025 (Unaudited)	
	(RMB'000)	%	(RMB'000)	%
Raw materials	23,740,594	81.1%	14,542,891	77.4%
Manufacturing costs and others	4,836,406	16.5%	3,733,167	19.9%
Labor	692,673	2.4%	503,966	2.7%
Total	29,269,673	100.0%	18,780,024	100.0%

Gross profit and gross profit margin

By products

The table below sets forth the breakdown of our gross profit and the gross profit margin by products for the periods indicated:

	For the six months ended June 30, 2026 (Unaudited)		For the six months ended June 30, 2025 (Unaudited)	
	Gross Profit (RMB'000)	Gross Profit Margin (%)	Gross Profit (RMB'000)	Gross Profit Margin (%)
New energy battery materials				
Nickel-based materials	2,216,083	17.1%	1,334,942	17.8%
Cobalt-based materials	381,492	14.5%	375,877	25.9%
Phosphorus-based materials	81,193	7.8%	(70,199)	(10.5%)
Other Innovative materials	(2,036)	(7.3%)	(9,072)	(46.8%)
Sub-total	2,676,732	16.1%	1,631,548	16.9%
New energy metal products	1,248,146	12.3%	690,171	7.4%
Others	389,775	5.7%	220,804	9.1%
Total	4,314,653	12.8%	2,542,523	11.9%

	For the six months ended June 30, 2026 (Unaudited) (RMB'000)	For the six months ended June 30, 2025 (Unaudited) (RMB'000)
Gross profit per ton[1]		
Nickel-based materials	15.1	13.6
Cobalt-based materials	42.6	32.2

Note:

(1) Calculated by dividing gross profit from sales of new energy battery materials by the total volume (in metric tons) sold during the Reporting Period.

During the Reporting Period, the gross profit margin for our nickel-based materials slightly decreased to 17.1%, while the gross profit per ton increased to approximately RMB15,100. The increase in gross profit per ton was mainly due to the increase in nickel benchmark prices.

The gross profit margin for our cobalt-based materials decreased to 14.5%, while the gross profit per ton increased to approximately RMB42,600. The increase in gross profit per ton was mainly due to increase in cobalt benchmark prices.

The gross profit margin for our phosphorus-based materials has turned positive, reaching 7.8%. Such increase in gross profit margin was primarily due to the gradual release of production capacity bringing economies of scale, coupled with a recovery in downstream demand.

The gross profit margin of new energy metal products significantly increased to 12.3% during the Reporting Period, primarily due to the recovery in nickel product market prices.

By geographical location

The table below sets forth the breakdown of our gross profit and the gross profit margin by geographical location for the periods indicated. Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the periods indicated.

	For the six months ended June 30, 2026 (Unaudited)		For the six months ended June 30, 2025 (Unaudited)	
	Gross Profit (RMB'000)	**Gross Profit Margin (%)**	Gross Profit (RMB'000)	Gross Profit Margin (%)
Chinese Mainland	**2,861,114**	**14.1%**	1,401,750	13.3%
Overseas[1]	**1,453,539**	**10.9%**	1,140,773	10.6%
Total	**4,314,653**	**12.8%**	2,542,523	11.9%

Note:

(1) Mainly include South Korea, Singapore, Indonesia and Hong Kong.

Typically, the gross profit margin for our new energy battery materials from overseas customers was higher than that of the customers in Chinese Mainland, primarily because the products demanded by our overseas customers are more advanced and high-end compared to those preferred by domestic customers, who tend to be more cost-sensitive. The overall gross profit margin from overseas increased from 10.6% for the six months ended June 30, 2025 to 10.9% for the six months ended June 30, 2026, primarily due to the increase in gross profit margin of nickel products sold overseas. The gross profit margin in Chinese Mainland increased from 13.3% for the six months ended June 30, 2025 to 14.1% for the six months ended June 30, 2026, primarily due to the fact that the gross profit margin of phosphorus-based materials sold in Mainland China has shifted from negative to positive, and recorded an increase in gross profit margin of cobalt-based materials.

Selling and Marketing Expenses

Our selling and marketing expenses primarily include (i) salaries, compensations and benefits for our selling and marketing employees, (ii) consulting fees mainly for commissions for product promotion activities, (iii) traveling expenses, and (iv) business development expenses. During the Reporting Period, our selling and marketing expenses significantly increased from approximately RMB48.0 million for the six months ended June 30, 2025 to approximately RMB70.0 million for the six months ended June 30, 2026, primarily due to the increase in sales staff remuneration driven by business growth.

Administrative Expenses

Our administrative expenses primarily comprise (i) salaries, compensations and benefits for our employees in administrative functions, (ii) professional service fees primarily related to overseas investments, acquisitions, and mineral resource exploration, (iii) depreciation and amortization, (iv) traveling, business development and office expenses, and (v) taxes, stamp duties and surcharges, (vi) finance expenses for bank charges; other expenses such as property management fees, training expenses and recruitment expenses. During the Reporting Period, the Group's administrative expenses increased from approximately RMB636.7 million for the six months ended June 30, 2025 to approximately RMB886.9 million for the six months ended June 30, 2026, representing an increase of 39.3%, which was primarily attributable to the integration and globalization of the Company, resulting in increased management remuneration.

Research and Development Expenses

Our research and development expenses primarily comprise (i) salaries, compensations and benefits for our research and development employees, (ii) raw materials consumed during the research and development process, mainly include nickel and cobalt materials, and (iii) depreciation and amortization for equipment associated with our research and development activities. During the Reporting Period, research and development expenses slightly increased from approximately RMB544.8 million for the six months ended June 30, 2025 to approximately RMB588.9 million for the six months ended June 30, 2026, representing an increase of 8.1%, primarily attributable to the Company's emphasis on research and development.

Other Income and Gains

Our other income and gains primarily include (i) government grants and (ii) bank interest income for our deposits in banks. Our government grants mainly represent incentives received from governments, including non-recurring grants, as well as recurring VAT deductions. There are no unfulfilled conditions or contingencies relating to these grants. For the six months ended June 30, 2025 and for the six months ended June 30, 2026, our total other income and gains were approximately RMB267.1 million and approximately RMB283.6 million, respectively. During the same periods, the government grants we received and recognized in profit or loss were approximately RMB133.1 million and approximately RMB80.7 million, respectively.

Other expenses

Our other expenses primarily include the expenses relating to foreign exchange loss. During the Reporting Period, our other expenses significantly increased from approximately RMB238.6 million for the six months ended June 30, 2025 to approximately RMB709.3 million for the six months ended June 30, 2026, primarily attributable to the increase in foreign exchange losses.

Finance costs

Our finance costs mainly comprise interest on bank and other borrowings, which include bonds payable, interest on lease liabilities and other finance expenses. During the Reporting Period, our finance costs decreased from approximately RMB521.1 million for the six months ended June 30, 2025 to approximately RMB441.4 million for the six months ended June 30, 2026, primarily attributable to the optimization of debt structure.

Profit for the Period

As a result of the foregoing, our profit for the period significantly increased from approximately RMB705.7 million for the six months ended June 30, 2025 to approximately RMB1,805.8 million for the six months ended June 30, 2026.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND RELEVANT MATTERS

Property, Plant and Equipment

Our property, plant and equipment consist of buildings, leasehold improvements, machinery, vehicles, office devices and others, and construction in progress. Property, plant and equipment of our Group decreased by approximately 6.9% from approximately RMB30,799.0 million as of December 31, 2025 to approximately RMB28,684.8 million as of June 30, 2026, primarily due to the provision for depreciation and amortization.

Inventories

Our inventories include finished goods, raw materials and work in progress. Our inventories increased by 16.2% from approximately RMB14,663.6 million as of December 31, 2025 to approximately RMB17,044.7 million as of June 30, 2026, primarily attributable to the gradual commissioning of production lines, leading to a corresponding increase in finished goods, coupled with rising metal prices driving up inventory levels.

Trade and Bills Receivables

Our trade receivables mainly arise from the provision of new energy battery materials. We typically provide credit terms of around one to two months to our customers for new energy battery materials. We periodically conduct credit evaluations of customers who trade on credit. Based on the results of the credit evaluations, we select to transact with approved and creditworthy customers and monitor their receivable balances to ensure that we are not exposed to significant credit risk. No collateral is required as we only deal with approved and creditworthy third parties. Credit risk concentration is managed on a customer-by-customer basis. Our trade receivables are non-interest-bearing. Our trade and bills receivables increased from approximately RMB7,526.8 million as of December 31, 2025 to approximately RMB7,967.7 million as of June 30, 2026, primarily due to the increase in sales of our nickel-cobalt-based materials.

Prepayment, deposits and other receivables

Our prepayments, deposits and other receivables primarily includes (i) prepayments mainly for raw materials for our new energy battery materials, (ii) deposits and other receivables, mainly including the receivables from our affiliates for our loans to those affiliates, and (iii) tax receivables for input tax associated with the construction and establishment of production bases, which were expected to be recovered in the future. Our prepayments, deposits and other receivables increased from approximately RMB6,255.9 million as of December 31, 2025 to approximately RMB7,866.0 million as of June 30, 2026, primarily due to the increase in loans provided to affiliates for the establishment of overseas production bases and daily operation.

Trade and Bills Payables

Our trade and bills payables primarily comprise our payables for construction, equipment and raw materials. Our trade and bill payables are non-interest-bearing. The settlement period for our trade and bills payables typically ranges from one to two months. Our trade and bills payables increased from approximately RMB15,669.1 million as of December 31, 2025 to approximately RMB20,170.4 million as of June 30, 2026, primarily due to the increase in use of bills payable for payment of raw materials and equipment.

Other Payables and Accruals

Our other payables and accruals mainly include (i) contract liabilities, which mainly represent short-term advances from customers for our products; (ii) payroll and welfare payables; (iii) amounts due to non-controlling shareholders in respect of advances made by them to our subsidiaries (interest-bearing); (iv) other payables; (v) other taxes payable; and (vi) other current liabilities. Our other payables and accruals increased from approximately RMB1,414.7 million as of December 31, 2025 to approximately RMB2,232.9 million as of June 30, 2026, primarily attributable to an increase in customer prepayments.

Capital Structure

The total assets of our Group increased from approximately RMB81,607.9 million as of December 31, 2025 to approximately RMB89,725.0 million as of June 30, 2026. The total liabilities of our Group increased from approximately RMB47,985.7 million as of December 31, 2025 to approximately RMB55,465.0 million as of June 30, 2026. The liabilities-to-assets ratio increased from 58.8% as of December 31, 2025 to 61.82% as of June 30, 2026. The current ratio of our Group, being current assets divided by current liabilities as of the respective dates, decreased from 1.34 times as of December 31, 2025 to 1.27 times as of June 30, 2026.

Liquidity and Capital Resources

Our Group adopts a prudent funding and treasury policy with a view to optimize its financial position. Our Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. Our primary uses of cash are to satisfy its working capital, capital expenditure and investment needs.

For the Reporting Period, our Group financed its operations primarily through cash generated from our operating activities, and banking facilities. Our cash and cash equivalents increased by approximately 38.7% from approximately RMB8,567.6 million as of December 31, 2025 to approximately RMB11,882.1 million as of June 30, 2026, primarily due to the increase in net cash inflow from bank financing.

Gearing Ratio

Gearing ratio is calculated by interest-bearing bank borrowings, bonds payable, amount due to non-controlling shareholders, convertible bonds and lease liabilities divided by the ending balance of total equity and multiplied by 100%. The gearing ratio of our Group increased from 83.1% as of December 31, 2025 to 91.3% as of June 30, 2026, primarily due to the increase in interest-bearing debt.

Indebtedness

Bank borrowings

As of December 31, 2025 and June 30, 2026, our interest-bearing bank borrowings (with effective interest rates typically ranging from 1.8% to 4.75%) amounted to approximately RMB26,964.6 million and approximately RMB30,204.8 million, respectively. The borrowings of our Group are mainly denominated in Renminbi. Such bank loans were primarily used for capital expenditure and working capital purposes, which mostly secured by guarantees provided by related parties, mortgaged buildings and mortgaged leasehold land.

Bonds Payable

On March 3, 2022, we issued green bonds of US$100 million with an annual interest rate of 4.55%.

Amount due to non-controlling shareholders

Our amount due to non-controlling shareholders was advances from non-controlling shareholders to our subsidiaries, which is non-trade nature, interest-bearing and mainly used for capital expenditures and operational purposes. As of December 31, 2025 and June 30, 2026, we had amount due to non-controlling shareholders of approximately RMB247.6 million and approximately RMB342.3 million, respectively. Such amounts were mainly used for capital expenditures and operational purposes.

Convertible bonds

On July 18, 2024, one of our subsidiaries issued convertible bonds with a nominal value of KRW70,000,000,000 (equivalent to approximately RMB356.4 million) and a coupon rate of 3.03%. During the Reporting Period, the remaining convertible bonds were converted into the shares of the subsidiary. The bonds are convertible at the option of the bondholders into ordinary shares on July 18, 2025 on the basis of one ordinary share for every KRW1,515 bonds held. The bonds bear an interest of 3.03% on the principal amount and will be settled upon its maturity date.

Lease liabilities

Our lease liabilities increased from approximately RMB25.1 million as of December 31, 2025 to approximately RMB32.3 million as of June 30, 2026, primarily due to the new leasing arrangements during the Reporting Period, resulting in a corresponding increase in lease payables.

Accounts payable for equipment

As of December 31, 2025 and June 30, 2026, we recorded accounts payable for equipment of approximately RMB940.9 million and approximately RMB960.5 million, respectively. Our accounts payable for engineering equipment was discounted due to its financial attributes.

Contingent liabilities

As of December 31, 2025 and June 30, 2026, we did not have any contingent liabilities.

Capital Expenditures

Our capital expenditures are primarily cash for purchase of items of property, plant and equipment. As of June 30, 2026, our capital expenditure amounted to approximately RMB1,114.3 million, representing a decrease of approximately 35.1% as compared to approximately RMB1,717.9 million as of June 30, 2025, primarily due to the decrease in procurement of property, plant and equipment based on business needs.

Employee and Remuneration

As of June 30, 2026, our Group had 19,392 full-time employees. During the Reporting Period, the Group recognized staff costs of approximately RMB1,532.9 million, representing an increase of approximately 10.9% as compared to approximately RMB1,382.4 million for the six months ended June 30, 2025. Such increase was primarily due to the increase in salaries driven by our business expansion.

We provide our employees with certain benefits including social insurance coverage and retirement benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined with reference to their job positions, technical skills, job performance and competition.

We have various employee training programs that aim to enhance our employees' technical skills and R&D capability. Our employee training system is centered around three pillars, namely our operational system, our class system and our instructor system. Our operational system governs the design and implementation of our training policies; our class system decides our training content, and our instructor system makes sure that we have the right instructors who can properly train and inspire our employees.

Pledge of Assets

As of June 30, 2026, the cash and cash equivalents of our Group in the aggregate amount of RMB1,748.2 million were pledged for bills receivable, letter of credit, futures, standby letter of credit, supervision account and others.

As of June 30, 2026, the bill receivables, buildings, constructions in progress and leasehold land of our Group in the aggregate carrying amount of RMB1,306.2 million were pledged for discounting and our borrowings.

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

Significant Investment, Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

There was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by our Group during the Reporting Period. In addition, save as disclosed in this interim report and save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, there were no specific plan authorized by the Board for other material investments or acquisition of capital assets as at the date of this interim report. However, our Group will continue to identify new opportunities for business development.

Use of Proceeds

Our Company was listed on the Main Board of HKEX on November 17, 2025. The net proceeds from the Global Offering amounted to approximately HKD3,432.6 million and gross proceeds of approximately HKD3,543.7 million. The issue price per H share and the net price per H Share offered under the Global Offering were HK$34.00 and approximately HK$32.93, respectively. Our 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. The below table sets out the net proceeds during the Reporting Period:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds from the Global Offering (In HKD millions)	Amount utilized as of December 31, 2025 (In HKD millions)	Amount of net proceeds utilised during the Reporting Period (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
Expand production and supply chain capabilities	**50.0**	**1,716.3**	**237.2**	**111.8**	**349.0**	**1,367.3**	
Construction of the 12,500-tonne LFP project in South Korea (originally declared as a ternary cathode material project, requiring change in the use of funds and ODI filing)	35.0	1,201.4	–	–	–	1,201.4	By the end of 2027
Development of Kaiyang phosphate mine	15.0	514.9	237.2	111.8	349.0	165.9	By the end of 2028
R&D of new energy battery materials and advancing digitalization	**40.0**	**1,373.0**	**948.4**	**25.0**	**973.4**	**399.6**	
R&D of new energy battery materials	25.0	858.2	858.2	–	858.2	–	By the end of 2028(1)
Digitalization construction	15.0	514.9	90.2	25.0	115.2	399.6	By the end of 2027
Working capital and other general corporate purposes	**10.0**	**343.3**	**343.3**	**-**	**343.3**	**-**	By the end of 2026
Total	**100.0**	**3,432.6**	**1,528.9**	**136.9**	**1,665.8**	**1,766.8**	

Notes:

(1) The usage of net proceeds has been utilized in advance attributable to adjustments made to the project construction schedule.

(2) Any discrepancy between the total and the sum of the individual amounts is due to rounding.

The expected timeline for using the unutilized net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. On August 24, 2026, the Company has announced the proposed change of use of proceeds in the Global Offering. For details, please refer to "Events after the Reporting Period – (1) Proposed Changes in Use of Proceeds from the H Share Global Offering". Further announcement(s) and/or disclosure in our annual report(s) in respect of change in timeline, if any, will be made by our Company in accordance with the requirements of the Listing Rules as and when appropriate to update its shareholders and potential investors. Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

MAJOR RISKS FACED BY THE COMPANY AND COUNTERMEASURES

1. Geopolitical Risks

Profound changes in the global political, economic, and social environment, coupled with the rise of anti-globalization and resource nationalism, pose multiple challenges to the international community and supply chains and industrial chains. Policies such as export bans, quota controls, increased export tariffs, and industry access restrictions imposed by some countries may limit the Company's access to core resources and expansion into overseas markets, thereby adversely affecting overseas project construction, production and operation, and profitability.

To proactively address the uncertainties of the global environment, the Company actively promotes a diversified supply chain layout and advances integrated overseas investment, extending from mining to smelting and materials processing, building a community of shared interests. Simultaneously, it deeply integrates into local industrial chains, creating jobs and tax revenue, reducing policy resistance in resource-rich countries; and strengthens overseas compliance to avoid sanctions and regulatory risks.

2. Industry Competition Risks

With the booming development of the EV market, precursors and cathode materials, as key components of core materials for power batteries, have attracted numerous new companies. At the same time, existing companies are accelerating capacity expansion, leading to increasingly fierce industry competition. Against this backdrop, a clear trend of enterprise differentiation is emerging, with the market share of industry leaders continuing to rise. If the Company fails to maintain its leading edge in technology research and development, cost control, and brand building, it will face the risk of declining market share and gross profit margin.

To address this challenge, the Company leverages its industry-leading position, integrating advantages in R&D, quality, customers, and scale to continuously improve its global service capabilities, customer synergy, and supply chain management, further consolidating its core competitiveness and ensuring its continued industry leadership and steady growth.

3. Industry Consolidation Risks

The industry faces overcapacity in low-end products and insufficient supply in high-end products, leading to fierce price competition and significant pressure for companies to exit the market as industry concentration increases. Vertical integration can easily lead to high debt and tight cash flow; cross-segment management and cultural and technological synergy are challenging; and project production falling short of expectations can weaken cost advantages. Furthermore, the rapid iteration of technologies such as solid-state batteries and sodium-ion batteries means that if the integration direction misaligns with new technology trends, it may result in asset impairment and a decline in competitiveness.

In response, the Company will promote diversified resource allocation, sign long-term supply agreements, and develop overseas mining and smelting projects; rationally control the pace of capacity expansion, focus on high-end capacity, and improve integration and synergy efficiency through refined management; simultaneously, strengthen compliance and risk control systems, dynamically track policy and technological changes, and ensure supply chain security and operational stability.

4. Operational Management Risks

The rapid growth of the Company business has led to the expansion of assets, liabilities, production and sales, and personnel. At the same time, the development of overseas projects has significantly increased management complexity, placing higher demands on the Company organizational management capabilities. The Company faces increased management challenges in areas such as talent reserves, system construction, and management innovation.

To address this, the Company will continuously improve its system, strengthen management practices, and ensure efficient operation and scientific decision-making in all aspects of its business. Simultaneously, the Company will establish a long-term and effective incentive mechanism to stimulate employee potential and attract and cultivate outstanding talent through a broad development platform and a comprehensive evaluation and feedback system, promoting the orderly and efficient development of the enterprise.

5. Raw Material Price Fluctuation Risk

The prices of key raw materials required for the Company production and operation are significantly affected by market supply and demand and the macroeconomic environment, resulting in frequent fluctuations. Currently, the Company has not established a raw material price adjustment mechanism with its major customers. If raw material procurement prices fluctuate significantly and the Company fails to mitigate risks through precise sales and procurement strategies, or if raw material supply shortages occur, it will have a significant adverse impact on the Company operating performance.

To address this risk, the Company proactively monitors raw material market dynamics, optimizes price transmission mechanisms, and mitigates price volatility risks. Simultaneously, the Company actively develops its upstream supply chain, increases the self-sufficiency rate of raw materials, diversifies intermediate product sources, and reduces the impact of market price fluctuations on performance. Furthermore, the Company engages in commodity hedging, effectively mitigating commodity price volatility risks through the hedging function of the futures market.

6. Foreign Exchange Rate Fluctuation Risk

As the Company overseas business continues to expand, the proportion of foreign currency settlements continues to rise, posing a risk of performance fluctuations arising from exchange gains and losses caused by fluctuations in exchange rates, particularly those involving the US dollar.

To control foreign exchange rate fluctuation risks, the Company has established relevant systems for the approval and management of foreign exchange hedging operations. Under the premise of ensuring safety and liquidity, management is authorized to flexibly choose to use financial instruments such as forward exchange settlement, foreign exchange swaps, currency swaps, and foreign exchange options to reduce the adverse impact of exchange rate changes on the Company profitability.

Others

INTERIM DIVIDEND

Based on the total number of shares in the Company's total share capital as at the record date for the implementation of the dividend, after deducting the shares already repurchased in the repurchase account, a cash dividend of RMB3.8 (inclusive of tax) will be distributed for every 10 shares. No conversion of capital reserve into share capital will be made, and no bonus shares will be issued. The above proposal will be submitted for consideration and approval at the extraordinary general meeting of the Company to be convened. For details regarding the interim dividend and its payment, as well as the time arrangement for the suspension of transfer of the H Share register of members, please refer to the circular of the Company dated August 24, 2026. If approved at the extraordinary general meeting, the Company will pay the dividend within two months from the date of the extraordinary general meeting.

Disclosure Obligations and Continuing Disclosure Obligations under the Listing Rules

Save as disclosed in this interim report, the Company had no other disclosure obligations under Rules 13.13, 13.14, 13.15 and 13.20 to 13.22 of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practices.

According to code provision C.2.1 of the CG Code, companies listed on the Hong Kong Stock Exchange should comply with, but may choose to deviate from, the provision that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have separate roles for chairman of the Board and president of our Company, and Mr. Deng Weiming currently holds both roles. The Board believes that having the same individual serve as both chairman of the Board and president of our Company ensures consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority under the current arrangement will not be impaired, and this structure will allow our Company to make and implement decisions promptly and effectively. The Board will continue to review this arrangement and will separate the roles of chairman of the Board and president of our Company at an appropriate time having regard to the overall circumstances of our Group.

Save as disclosed above, the Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee currently consists of three independent non-executive directors, Mr. Cao Feng, Mr. Hong Yuan and Ms. Wong Sze Wing, and is chaired by Mr. Cao Feng. Mr. Cao Feng and Ms. Wong Sze Wing have the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the interim results of the Group for the six months ended June 30, 2026 and further discussed auditing and financial reporting matters. The Audit Committee considers that the interim results of the Group for the six months ended June 30, 2026 are in compliance with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including sales of treasury shares (if any)).

As of the date of this interim report, the Company held 29,832,872 repurchased A Shares in total as treasury shares and did not hold any H shares of our Company as treasury shares (as defined in the Listing Rules).

CHANGES IN THE BOARD AND THE DIRECTORS' INFORMATION

Election of New Session of the Board

On March 6, 2026, the Board resolved to nominate Mr. Deng Weiming (鄧偉明), Mr. Tao Wu (陶吳), Mr. Liao Hengxing (廖恒星), Mr. Liu Xingguo (劉興國) and Mr. Deng Jing (鄧競) as candidates for executive Directors of the third session of the Board, and to nominate Mr. Cao Feng (曹豐), Mr. Hong Yuan (洪源), Mr. Jiang Liangxing (蔣良興) and Ms. Wong Sze Wing (黃斯穎) as candidates for independent non-executive Directors of the third session of the Board. All of the aforesaid Director candidates are existing Directors. On March 23, 2026, all of the aforesaid Director candidates were re-elected at the general meeting as the Directors of the third session of the Board, and the term is three years, commencing from the date of the extraordinary general meeting and terminating upon the expiry of the third session of the Board. Under the PRC Company Law, the Articles of Association and the Shenzhen Listing Rules, the Company held its employees' representative meeting on March 23, 2026. Upon nomination and voting by employee representatives, it was resolved to elect Mr. Li Weihua (李衛華) as the employee representative director of the third session of the Board. There are no changes in the composition of each of the Board committees from that of the second session of the Board. For details, please refer to the announcements of the Company dated March 6, 2026 and March 23, 2026 and the circular of the Company dated March 6, 2026.

Save as disclosed above, during the six months ended June 30, 2026, there were no changes to the information which had been disclosed and is required to be disclosed by Directors pursuant to Rule 13.51B(1) of the Listing Rules.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at June 30, 2026, the interests and/or short positions (as applicable) of our Directors and chief executive of our Company in the shares, underlying shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO) which had been notified to the Company and the 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 which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be separately notified to the Company and the HKEX pursuant to the Model Code, were set out as follows:

Interest in our Company

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[8]	Approximate percentage of shareholding in the total share capital of the Company[8]
Mr. Deng	Interest in controlled corporations [1][2]	A Shares	528,484,872	56.34%	50.71%
	Beneficial owner	A Shares	29,570,194	3.15%	2.84%
Mr. Tao Wu	Beneficial owner [3]	A Shares	1,175,285	0.12%	0.11%
Mr. Li Weihua	Beneficial owner[5]	A Shares	856,921	0.09%	0.08%
Mr. Liu Xingguo	Beneficial owner[7]	A Shares	679,394	0.07%	0.07%
Mr. Liao Hengxing	Beneficial owner [4]	A Shares	663,474	0.07%	0.06%
Mr. Zhu Zongyuan	Beneficial owner[6]	A Shares	477,818	0.05%	0.05%

Notes:

(1) As at June 30, 2026, Zhongwei Holding was held by Mr. Deng as to 65% and by Ms. Wu as to 35%, and Hongxin Chengda was owned as to 1% by Ms. Wu as the general partner and as to 99% by Mr. Deng as the limited partner. Mr. Deng and Ms. Wu are husband and wife. Zhongwei Holding directly held 481,600,000 A Shares and Hongxin Chengda directly held 17,052,000 A Shares. Therefore, Mr. Deng is deemed to be interested in all the A Shares held by Zhongwei Holding and Hongxin Chengda under the SFO, which is 498,652,000 A Shares in total.

(2) As at June 30, 2026, there were 29,832,872 A Shares repurchased and held in the Company's stock repurchase account as treasury shares. Mr. Deng and Ms. Wu, through Zhongwei Holding and Hongxin Chengda, directly and indirectly control more than one-third of the voting power at the general meetings of the Company and would be taken to have an interest in such repurchased A Shares held by the Company under the SFO.

(3) As at June 30, 2026, Mr. Tao Wu was interested in 1,141,343 A Shares held by him and 33,942 A Shares held under the Restricted Share Incentive Schemes.

(4) As at June 30, 2026, Mr. Liao Hengxing was interested in 637,058 A Shares held by him and 26,416 A Shares held under the Restricted Share Incentive Schemes.

(5) As at June 30, 2026, Mr. Li Weihua was interested in 822,979 A Shares held by him and 33,942 A Shares held under the Restricted Share Incentive Schemes.

(6) As at June 30, 2026, Mr. Zhu Zongyuan was interested in 445,876 A Shares held by him and 31,942 A Shares held under the Restricted Share Incentive Schemes.

(7) As at June 30, 2026, Mr. Liu Xingguo was interested in 645,452 A Shares held by him and 33,942 A Shares held under the Restricted Share Incentive Schemes.

(8) All interests stated above are long position. The calculation is based on the total number of 1,042,253,858 Shares, comprising 938,028,458 A Shares and 104,225,400 H Shares, in issue as of June 30, 2026.

Interest in associated corporations

Name of Director or chief executive	Nature of interest[1]	Associated corporations	Approximate percentage of holding in associated corporations
Mr. Deng	Beneficial owner	Zhongwei Holding [1]	65%
	Interest of spouse	Zhongwei Holding [1]	35%
Mr. Deng	Beneficial owner	Hunan Rongrun Gongmao Co., Ltd. (湖南融潤工貿有限公司) [2]	5%
	Interest in controlled corporations	Hunan Rongrun Gongmao Co., Ltd. (湖南融潤工貿有限公司) [2]	95%

Notes:

(1) As at June 30, 2026, Zhongwei Holding was held by Mr. Deng as to 65% and by Ms. Wu as to 35%. Mr. Deng and Ms. Wu are husband and wife. Zhongwei Holding is a limited liability company incorporated in the PRC and does not issue any shares.

(2) As at June 30, 2026, Hunan Rongrun Gongmao Co., Ltd. was held by Mr. Deng as to 5% and by Zhongwei Holding as to 95%. Hunan Rongrun Gongmao Co., Ltd. is a limited liability company incorporated in the PRC and does not issue any shares.

Save as disclosed above, as at June 30, 2026, none of our Directors and chief executive of our Company had interests or short positions in the shares, underlying shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEX 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 which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be otherwise notified to the Company and the HKEX pursuant to the Model Code.

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

As at June 30, 2026, to the knowledge of the Directors, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and 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[1]	Approximate percentage of shareholding in the relevant class of shares of the Company	Approximate percentage of shareholding in the total share capital of the Company
Mr. Deng	Beneficial owner	A Shares	29,570,194 (L)	3.15%	2.84%
	Interest in controlled corporations[3][4]	A Shares	528,484,872 (L)	56.34%	50.71%
Ms. Wu[4]	Interest of spouse[5]	A Shares	29,570,194 (L)	3.15%	2.84%
	Interest in controlled corporations[3][4]	A Shares	528,484,872 (L)	56.34%	50.71%
Zhongwei Holding	Beneficial owner	A Shares	481,600,000 (L)	51.34%	46.21%
J.P. MORGAN SECURITIES PLC	Interest in controlled corporations	H Shares	9,599,000 (L)	9.20%	0.92%
			1,726,000 (S)	1.65%	0.17%
NORTH ROCK CAPITAL MANAGEMENT, LLC	Investment manager	H Shares	5,861,600 (L)	5.62%	0.56%

Notes:

(1) (L) indicates a long position; (S) indicates a short position; and (P) indicates a lending pool.

(2) The calculation is based on the total number of 1,042,253,858 Shares, comprising 938,028,458 A Shares and 104,225,400 H Shares in issue as of June 30, 2026.

(3) As at June 30, 2026, Zhongwei Holding was held by Mr. Deng as to 65% and by Ms. Wu as to 35%, and Hongxin Chengda was owned as to 1% by Ms. Wu as the general partner and as to 99% by Mr. Deng as the limited partner. Zhongwei Holding directly held 481,600,000 A Shares and Hongxin Chengda directly held 17,052,000 A Shares. Therefore, each of Mr. Deng and Ms. Wu is deemed to be interested in all the A Shares held by Zhongwei Holding and Hongxin Chengda under the SFO, which is 498,652,000 A Shares in total.

(4) As at June 30, 2026, there were 29,832,872 A Shares repurchased and held in the Company's stock repurchase account as treasury shares. Mr. Deng and Ms. Wu, through Zhongwei Holding and Hongxin Chengda, directly and indirectly control more than one-third of the voting power at the general meetings of the Company and would be taken to have an interest in such repurchased A Shares held by the Company under the SFO.

(5) Ms. Wu is the wife of Mr. Deng. Ms. Wu is deemed to be interested in the same number of Shares in which Mr. Deng is interested under the SFO.

Save as disclosed above, as at June 30, 2026, so far as is known to the Directors, none of any other persons (other than the Directors and chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register referred to in section 336 of the SFO.

Others

Shareholding of shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through securities lending and borrowing)

Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held at the end of the Reporting Period	Change during the Reporting Period	Number of restricted shares held	Number of unrestricted shares held	Status	Number
Hunan Zhongwei Holding Group Company Limited	Domestic non-state-owned legal person	46.21%	481,600,000	0	0.00	481,600,000	NA	0
HKSCC NOMINEES LIMITED	Overseas legal person	10.00%	104,224,049	200	0	104,224,049	NA	0
Deng Weiming	Domestic natural person	2.84%	29,570,194	0	22,177,645	7,392,549	NA	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.45%	25,517,316	3,472,016	0.00	25,517,316	NA	0
Tongren Hongxin Chengda Enterprise Management Consulting Partnership (L.P.)	Domestic non-state-owned legal person	1.64%	17,052,000	0	0.00	17,052,000	NA	0
Shanghai Gaoyi Asset Management Partnership (Limited Partnership) – Gaoyi Linshan No. 1 Yuanwang Fund (上海高毅資產管理合夥企業（有限合夥）－高毅鄰山1號遠望基金)	Other	0.72%	7,500,000	(21,000,000)	0.00	7,500,000	N/A	0
Qianhai Equity Investment Fund (L.P.)	Domestic non-state-owned legal person	0.70%	7,320,800	(1,649,600)	0.00	7,320,800	NA	0
Guizhou Guixin Ruihe Entrepreneurship Investment Management Co., Ltd. – Guizhou Province High-tech Industry Development Fund Venture Capital Co., Ltd.	Other	0.70%	7,254,600	(1,285,400)	0.00	7,254,600	NA	0
Wuhu Xinda Leveraged Investment Management Partnership (Limited Partnership) (蕪湖信達降槓桿投資管理合夥企業（有限合夥）)	Others	0.52%	5,444,798	(500,000)	0.00	5,444,798	N/A	0
Furong Fund – Huaneng Trust • Yueying No. 16 Single-Asset Trust – Furong Fund Rongyao No. 26 Single-Asset Management Plan (富榮基金－華能信託•悅盈16號單一資金信託－富榮基金榮耀26號單一資產管理計劃)	Others	0.47%	4,944,798	(1,000,000)	0.00	4,944,798	N/A	0

Other Explanations

Matter	Description
Strategic investors or general legal persons becoming top 10 shareholders due to placement of new shares (if any) (see Note 4)	N/A
Explanation of affiliated relationships or acting-in-concert among the above shareholders (if any)	1. Among the Company's shareholders, Hunan Zhongwei Holding Group Company Limited, Deng Weiming and Tongren Hongxin Chengda Enterprise Management Consulting Partnership (L.P.) are related parties, with Hunan Zhongwei Holding Group Company Limited and Tongren Hongxin Chengda Enterprise Management Consulting Partnership (L.P.) being jointly controlled by Deng Weiming and his spouse Wu Xiaoge. 2. Save as disclosed above, the Company is not aware of any other affiliated relationship or acting-in-concert relationship as defined in the Administrative Measures for the Takeover of Listed Companies among the other shareholders.
Explanation regarding delegated/entrusted voting rights and waiver of voting rights for the above shareholders	N/A
Special explanation regarding repurchase accounts among the top 10 shareholders (if any) (see Note 10)	Among the top 10 shareholders, there is the "CNGR Advanced Material Co., Ltd. Repurchase Special Securities Account", which held 29,832,872 shares as at the end of the Reporting Period, representing a 2.86% shareholding percentage.

Shareholding of the top 10 unrestricted shareholders (excluding shares lent through securities lending and borrowing and locked-up shares held by directors and officers)

Name of shareholder	Number of unrestricted shares held at the end of the Reporting Period	Class	Number
Hunan Zhongwei Holding Group Company Limited	481,600,000	RMB ordinary shares	481,600,000
HKSCC NOMINEES LIMITED	104,224,049	Overseas listed foreign shares	104,224,049
Hong Kong Securities Clearing Company Limited	25,517,316	RMB ordinary shares	25,517,316
Tongren Hongxin Chengda Enterprise Management Consulting Partnership (L.P.)	17,052,000	RMB ordinary shares	17,052,000
Shanghai Gaoyi Asset Management Partnership (Limited Partnership) – Gaoyi Linshan No. 1 Vision Fund (高毅鄰山1號遠望基金)	7,500,000	RMB ordinary shares	7,500,000
Deng Weiming	7,392,549	RMB ordinary shares	7,392,549
Qianhai Equity Investment Fund (L.P.)	7,320,800	RMB ordinary shares	7,320,800
Guizhou Guixin Ruihe Entrepreneurship Investment Management Co., Ltd. – Guizhou Province High-tech Industry Development Fund Venture Capital Co., Ltd.	7,254,600	RMB ordinary shares	7,254,600
Wuhu Xinda Deleveraging Investment Management Partnership (Limited Partnership) (蕪湖信達降槓桿投資管理合夥企業（有限合夥）)	5,444,798	RMB ordinary shares	5,444,798
Furong Fund – Huaneng Trust • Yueying No. 16 Single Fund Trust – Furong Fund Glory No. 26 Single Asset Management Plan (富榮基金－華能信託•悅盈16號單一資金信託－富榮基金榮耀 26號單一資產管理計劃)	4,944,798	RMB ordinary shares	4,944,798

Restricted Share Incentive Schemes

The following is a summary of the principal terms of the Restricted Share Incentive Schemes. The terms of Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any further grant of restricted Shares by our Company after our Listing. On April 10, 2025, all the restricted Shares granted under the 2022 Restricted Share Incentive Scheme were repurchased and cancelled. In accordance with the provisions of the 2022 Restricted Share Incentive Scheme, the said scheme has been completed and terminated. Save as otherwise disclosed, the terms of each of the Restricted Share Incentive Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Restricted Share Incentive Schemes is to further improve our Company's long-term incentive mechanism, attract and retain outstanding talents, effectively align the interests of our Shareholders, our Company and our employees, and ensure that all parties jointly focus on our Company's sustainable growth. The Restricted Share Incentive Schemes are implemented to align the interests of the Shareholders with those of the Group and employees which will benefit the sustained development of our Group.

(ii) Administration

The Restricted Share Incentive Schemes are subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the board of supervisors and independent Directors of our Company.

(iii) Participants

The participants of our Company and its subsidiaries in the Restricted Share Incentive Schemes include directors, senior management, core technical personnel, and other personnel deemed by the board of directors as requiring incentives. The scope of participants excludes independent directors, supervisors and shareholders or the actual controller who individually or collectively hold 5% or more of the Shares of our Company and their spouses, parents and children.

(iv) Source and total number of Shares

Each restricted Share granted under the Restricted Share Incentive Schemes represents the right to receive one A Share at the grant price, which will be satisfied by A Shares issued by our Company. In July 2024, 2,526,155 A Shares were issued by the Company for the 2023 Restricted Share Incentive Scheme. The total number of Shares that may be issued under each of the Restricted Share Incentive Schemes is as follows:

2023 Restricted Share Incentive Scheme	13,777,918[(2)]

Notes:

(1) All the share numbers in this table were adjusted due to 2023 Annual Dividend Distribution.

(2) As at the date of this report, the total number of shares available for issue under this scheme represents approximately 1.36% (excluding treasury shares)

(v) Date of grant and duration of the schemes

The first grant of restricted Shares shall be implemented, registered and announced within 60 days following the approval of the respective Restricted Share Incentive Schemes by the Shareholders' meeting. The further grant of restricted Shares shall be determined by the Board within 12 months following the approval of the respective Restricted Share Incentive Scheme by the Shareholders' meeting. The Restricted Share Incentive Schemes shall be effective from the date of completion of registration of the first grant of restricted Shares up to the date when all the restricted Shares granted under the respective Restricted Share Incentive Schemes are unlocked or vested or have been canceled or lapsed, provided that the term of the Restricted Share Incentive Schemes shall not exceed 60 months. As at the date of this report, all restricted Shares granted under the 2023 Restricted Share Incentive Scheme had vested or lapsed and no further restricted shares remain outstanding. Accordingly, the 2023 Restricted Share Incentive Scheme had been terminated.

The total number of restricted Shares of the Company granted to any incentive recipient under the Restricted Share Incentive Schemes through all equity incentive plans in effect shall not exceed 1.00% of the Company's total share capital at the time of announcing the Restricted Share Incentive Schemes.

(vi) Restriction on Directors and the senior management team

In the event of any change in the laws and regulations applicable to the aforesaid restrictions, the grantee shall comply with the amended laws and regulations. If the grantee is a Director or a member of senior management of our Company, during the period of his or her term of employment, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. No share held by such Director or senior management can be transferred within six months after termination of his or her employment. If the grantee is a Director or senior management of our Company or their spouse, parents or children, any income gained through sale of Shares within six months of purchase or purchase of Shares within six months of sale shall belong to our Company and will be forfeited by the Board. If the laws and regulations applicable to the aforesaid restrictions change, the grantee shall comply with the amended laws and regulations.

(vii) Conditions to the grant of restricted Shares

The restricted Shares under the Restricted Share Incentive Schemes will only be granted to selected participants if the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control in financial report for the most recent fiscal year; (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing of A Shares; (4) applicable laws and regulations prohibit the implementation of any share incentive; or (5) any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred: (1) the grantee has been regarded as an inappropriate person by any stock exchange within the last 12 months; (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months; (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office due to a material breach of laws and regulations within the last 12 months; (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (5) the grantee is prohibited from participating in any share incentive of listed companies according to laws and regulations; or (6) any other circumstances determined by the CSRC.

(viii) Unlocking and vesting of restricted Shares

The lock-up or vesting period for restricted Shares commences from the date of grant of restricted Shares and the period between the date of completion of registration of the grant and the date of unlocking or vesting of the restricted Shares shall be 12 to 36 months. During the lock-up or vesting period, the restricted Shares granted to the grantee shall not be transferred, used as guarantee or for repayment of debt. In addition, the restricted Shares will only be unlocked or vested when (i) the conditions set out under paragraph (vii) above are fulfilled; and (ii) the annual assessment and performance targets as set out under the Restricted Share Incentive Schemes are achieved. The restricted Shares will be unlocked or vested after the lock-up or vesting period in accordance with the unlocking or vesting schedule as set out under the Restricted Share Incentive Schemes as follows:

(a) shall be unlocked or vested as to (i) 30% in the period between the first trading day following the 12-month anniversary of the grant registration date and the last trading day up to the 24-month anniversary of the grant registration date, (ii) 30% in the period between the first trading day following the 24-month anniversary of the grant registration date and the last trading day up to the 36-month anniversary of the grant registration date, and (iii) 40% in the period between the first trading day following the 36-month anniversary of the grant registration date and the last trading day up to the 48-month anniversary of the grant registration date; or

(b) shall be unlocked or vested as to (i) 50% in the period between the first trading day following the 12-month anniversary of the grant registration date and the last trading day up to the 24-month anniversary of the grant registration date, and (ii) 50% in the period between the first trading day following the 24-month anniversary of the grant registration date and the last trading day up to the 36-month anniversary of the grant registration date.

The grantees shall pay the grant price upon fulfillment of all the conditions of the restricted Shares to receive the A Shares. The number of restricted Shares granted and/or the grant prices will be adjusted upon the occurrence of certain events, including capitalization of capital reserves, issue of bonus shares, share splits and consolidations and rights issues. The restricted Shares may be canceled by our Company or may lapse upon occurrence of certain events as set out in the Restricted Share Incentive Schemes, including but not limited to the change of the positions of the grantee or termination of employment.

(ix) Dividend and voting rights

Upon issuance of the A Shares by our Company, the grantees of restricted Shares will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and voting rights.

(x) Outstanding restricted Shares

As of June 30, 2026, the number of outstanding restricted Shares granted under the Restricted Share Incentive Schemes was 2,212,354, representing approximately 0.22% of the issued Shares (excluding treasury shares). The following table sets forth the number of outstanding restricted Shares granted to Directors, senior management and connected persons of our Company under the Restricted Share Incentive Schemes as of June 30, 2026:

Name of participant	Position of participant	Date of Grant	Grant price per share	Outstanding as at 1 January 2026	Granted during the Reporting Period	Restricted Shares unlocked during the Reporting Period	Restricted Shares lapsed during the Reporting Period	Restricted Shares adjusted during the Reporting Period	Exercised as at June 30, 2026
Tao Wu	Executive Director and Senior Vice President	July 3, 2023	RMB30.78	33,942	–	26,924	7,018	–	0
Liao Hengxing	Executive Director	July 3, 2023	RMB30.78	26,416	–	20,954	5,462	–	0
Li Weihua	Executive Director and Employee Representative Director	July 3, 2023	RMB30.78	33,942	–	16,154	17,788	–	0
Liu Xingguo	Executive Director	July 3, 2023	RMB30.78	33,942	–	16,154	17,788	–	0
Zhu Zongyuan	Chief financial officer	July 3, 2023	RMB30.78	31,942	–	15,203	16,739	–	0
Tang Huateng	Board Secretary	July 3, 2023	RMB30.78	10,142	–	8,045	2,097	–	0
Zou Chang	Supervisor of Guangxi Zhongwei New Energy	July 3, 2023	RMB30.78	19,706	–	15,632	4,074	–	0
Li Ningzhen	Supervisor of Hunan Zhongwei New Energy	July 3, 2023	RMB30.78	9,436	–	4,491	4,945	–	0
Yang Bo	Supervisor of Hunan Zhongwei New Energy	July 3, 2023	RMB30.78	11,340	–	8,995	2,345	–	0

Others

Name of participant	Position of participant	Date of Grant	Grant price per share	Outstanding as at 1 January 2026	Granted during the Reporting Period	Restricted Shares unlocked during the Reporting Period	Restricted Shares lapsed during the Reporting Period	Restricted Shares adjusted during the Reporting Period	Exercised as at June 30, 2026
Chen Hailei	Director of NNI and Supervisor of DNI	July 3, 2023	RMB30.78	23,184	–	11,035	12,149	–	0
Dong Bengang	General manager of Hunan Zhongwei New Energy	July 3, 2023	RMB30.78	15,748	–	12,492	3,256	–	0
Liu Yi	Director of Hunan Zhongwei New Energy and Guangxi Zhongwei New Energy	July 3, 2023	RMB30.78	26,790	–	12,751	14,039	–	0
Zhou Wenxing	Director of Hunan Zhongwei New Energy	July 3, 2023	RMB30.78	0	–	0	0	–	0
Fu Peiwen	Director of DNI	July 3, 2023	RMB30.78	13,396	–	10,626	2,770	–	0
Huang Xing	Supervisor of Hunan Zhongwei Zhengyuan and Director of Guizhou Zhongwei New Material Trading	July 3, 2023	RMB30.78	7,728	–	6,130	1,598	–	0
Wang Jianqiang	Supervisor of Hunan Zhongwei New Energy	July 3, 2023	RMB30.78	5,796	–	4,598	1,198	–	0
Xiao Huishu	Director of Guangxi Zhongwei New Energy	June 20, 2024	RMB21.16	14,000	–	11,105	2,895	–	0
Li Cheng	Connected persons	July 3, 2023	RMB30.78	28,946	–	22,961	5,985	–	0
Subtotal				346,396	–	224,250	122,146	–	0

Name of participant	Position of participant	Date of Grant	Grant price per share	Outstanding as at 1 January 2026	Granted during the Reporting Period	Restricted Shares unlocked during the Reporting Period	Restricted Shares lapsed during the Reporting Period	Restricted Shares adjusted during the Reporting Period	Exercised as at June 30, 2026
Other grantees (excluding Directors, senior management and connected persons of our Company)	–	July 3, 2023	RMB30.78	2,981,862	–	1,555,663	1,426,199	–	0
Other grantees (excluding Directors, senior management and connected persons of our Company)	–	June 20, 2024	RMB21.16	940,236	–	432,441	507,795	–	0
Total	–	–	–	4,268,494	–	2,212,354	2,056,140	–	0

Notes:

(1) There are a total of 973 grantees that received the restricted Shares unlocked under the 2023 Restricted Share Incentive Scheme as at the end of Reporting Period.

(2) The grant price of RMB30.78 and RMB21.16 was based on the average trading price of the Company's stock on the trading day preceding the announcement of the grant (total trading amount on the previous trading day/total trading volume on the previous trading day) and multiply by 50%.

EVENTS DURING THE REPORTING PERIOD

(1) Election of New Session of the Board

For details, please refer to the above header “Changes in the Board and the Directors’ Information” in this interim report.

(2) Amendments to the Articles of Association

In accordance with the provisions of the Company Law of the People’s Republic of China, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange ChiNext Market, the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 2 – Standardized Operation of ChiNext Listed Companies, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in order to further improve the Company’s governance structure and enhance the level of standardized operation, and in light of the Company’s actual situation, the Board proposed to amend the Articles of Association of the Company. For details, please refer to the announcements of the Company dated March 30, 2026 and May 22, 2026 and the circular of the Company dated April 28, 2026.

(3) Grant, Vesting and Listing for Trading under 2023 Restricted Share Incentive Scheme

On June 30, 2023, the Company convened the third extraordinary general meeting of 2023, which approved the Proposal on the Company’s 2023 Restricted Share Incentive Scheme (Draft) and its Summary (《關於公司〈2023年限制性股票激勵計劃(草案)〉及其摘要的議案》), the Proposal on the Company’s Measures for Implementation and Assessment Administration of the 2023 Restricted Share Incentive Scheme (《關於公司〈2023年限制性股票激勵計劃實施考核管理辦法〉的議案》), and the Proposal on Authorizing the Board to Handle Matters in Connection with Equity Incentives (《關於提請股東大會授權董事會辦理股權激勵相關事宜的議案》).

On June 12, 2026, the Company convened the fourth meeting of the third session of the Board, which considered and approved the Proposal on the Adjustment of the Grant Price under the First Grant and Reserved Grant of the 2023 Restricted Share Incentive Scheme (《關於調整2023年限制性股票激勵計劃首次及預留授予價格的議案》); the Proposal on the Fulfillment of Vesting Conditions for the Third Vesting Period of the First Grant and the Second Vesting Period of the Reserved Grant under the 2023 Restricted Share Incentive Scheme (《關於2023年限制性股票激勵計劃首次授予第三個歸屬期及預留授予第二個歸屬期歸屬條件成就的議案》); and the Proposal on the Lapse of Certain Granted but Unvested Restricted Shares (《關於作廢部分已授予尚未歸屬的限制性股票的議案》). For all grantees under the first grant in the third vesting period and all grantees under the reserved grant in the second vesting period of this incentive scheme, the Company-level performance reached the trigger value but fell short of the target value. In addition, 144 grantees resigned for personal reasons; 3 grantees had a personal performance evaluation composite coefficient for the previous year of less than 0.9 but not less than 0.8, and their individual-level vesting ratio was 80%; 576 grantees had a personal performance evaluation composite coefficient for the previous year of less than 0.7 but not less than 0.6, and their individual-level vesting ratio was 60%; and 12 grantees had a personal performance evaluation composite coefficient for the previous year of less than 0.6, and their individual-level vesting ratio was 0%. The aforesaid 2,047,653 Restricted Shares granted but unvested shall not vest and shall be forfeited by the Company. A total of 983 grantees who are eligible for vesting are entitled to an aggregate of 2,220,841 Restricted Shares. During the process of registering the vesting of Restricted Shares, under the third vesting period of the first grant of this incentive scheme, 903 grantees met the vesting conditions, among which 9 grantees failed to make payment within the prescribed subscription period and were deemed to have waived this vesting, and correspondingly, 6,197 Class II Restricted Shares that would otherwise have been vested in this vesting were forfeited; under the second vesting period of the reserved grant, 80 grantees met the vesting conditions, among which 1 grantee failed to make payment within the prescribed subscription period and was deemed to have waived this vesting, and correspondingly, 2,290 Class II Restricted Shares that would otherwise have been vested in this vesting were forfeited. The actual number of vesting grantees was adjusted to 973, and the actual number of Restricted Shares subject to vesting was 2,212,354 shares.

On July 6, 2026, the 2,212,354 shares that had vested under the third vesting period of the first grant and the second vesting period of the reserved grant of the 2023 Restricted Share Incentive Scheme became listed for trading. For details, please refer to the overseas regulatory announcement of the Company dated July 2, 2026.

EVENTS AFTER THE REPORTING PERIOD

(1) Proposed Changes in Use of Proceeds from the H Share Global Offering

On August 24, 2026, the Board considered and approved the proposal regarding the changes in use of proceeds from the H Share Global Offering. The Board proposed to reallocate all of the unutilised proceeds of approximately HK$1,201.4 million originally allocated to the establishment of the phase I project of the South Korea production base for expanding nickel-based materials production capacity to the construction and utilization of the phosphate mine project in Kaiyang, Guizhou, PRC and the Phase III Phosphorus-Based Integrated Industrial Project. The proposed changes are subject to approval by the Shareholders by way of an ordinary resolution at a general meeting. For details, please refer to the announcement of the Company dated August 24, 2026 in relation to the proposed changes in use of proceeds from the H Share Global Offering.

(2) Amendments to the Articles of Association

On August 24, 2026, the Board considered and approved the proposal regarding the amendments to the Articles of Association to reflect the changes in the registered capital and share capital structure of the Company following the vesting and listing for trading on July 6, 2026 of 2,212,354 new A Shares under the 2023 Restricted Share Incentive Scheme. For details, please refer to the announcement of the Company dated August 24, 2026 in relation to the amendments to the Articles of Association.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2026

	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		28,684,763	30,798,950
Right-of-use assets		1,723,429	1,783,889
Goodwill		1,349,976	1,393,165
Other intangible assets		2,252,752	1,818,990
Investments in joint ventures		2,370,518	2,254,059
Investments in associates		1,361,021	1,611,517
Equity investments designated at fair value through other comprehensive income		1,170,386	592,353
Financial assets at fair value through profit or loss		526,310	68,172
Deferred tax assets		112,994	75,073
Other non-current assets		1,901,782	1,288,261
Total non-current assets		41,453,931	41,684,429
CURRENT ASSETS			
Inventories		17,044,709	14,663,598
Trade and bills receivables	*10*	7,967,668	7,526,803
Prepayments, deposits and other receivables		7,865,958	6,255,853
Derivative financial instruments		494,112	11,115
Pledged deposits		1,748,215	1,768,772
Financial assets at fair value through profit or loss		1,268,303	1,129,734
Cash and cash equivalents		11,882,133	8,567,561
Total current assets		48,271,098	39,923,436
CURRENT LIABILITIES			
Trade and bills payables	*11*	20,170,425	15,669,074
Other payables and accruals		2,232,875	1,414,650
Derivative financial instruments		16,759	714,437
Interest-bearing bank borrowings		13,960,961	11,901,586
Bonds payable		690,789	–
Lease liabilities		19,460	15,449
Tax payable		120,550	161,125
Other current liabilities		720,005	–
Total current liabilities		37,931,824	29,876,321
Net current assets		10,339,274	10,047,115
Total assets less current liabilities		51,793,205	51,731,544

	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Bonds payable		–	711,554
Convertible corporate bonds		–	5,590
Interest-bearing bank borrowings		16,243,804	15,063,014
Lease liabilities		12,792	9,667
Provisions		41,431	23,641
Deferred income		428,218	409,815
Deferred tax liabilities		202,811	212,079
Other non-current liabilities		604,096	1,673,999
Total non-current liabilities		17,533,152	18,109,359
Net assets		34,260,053	33,622,185
EQUITY			
Equity attributable to owners of the parent			
Share capital	*1*	1,044,466	1,042,254
Other equity instruments		–	–
Including: Perpetual debt instruments		700,000	700,000
Treasury shares		(1,086,635)	(1,086,635)
Reserves		23,528,963	23,479,474
		24,186,794	24,135,093
Non-controlling interests		10,073,259	9,487,092
Total equity		34,260,053	33,622,185

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Unaudited)
REVENUE	*5*	**33,584,326**	21,322,547
Cost of sales		**(29,269,673)**	(18,780,024)
Gross profit		**4,314,653**	2,542,523
Other income and gains		**283,592**	267,119
Selling and marketing expenses		**(69,980)**	(48,043)
Administrative expenses		**(886,891)**	(636,726)
Research and development costs		**(588,903)**	(544,764)
Other expenses		**(709,286)**	(238,587)
Finance costs		**(441,448)**	(521,081)
Share of profits and losses of:			
Joint ventures		**75,399**	3,673
Associates		**3,018**	2,939
PROFIT BEFORE TAX	*6*	**1,980,154**	827,053
Income tax expense	*7*	**(174,330)**	(121,403)
PROFIT FOR THE PERIOD		**1,805,824**	705,650
Attributable to:			
Owners of the parent		**1,311,358**	735,192
Non-controlling interests		**494,466**	(29,542)
		1,805,824	705,650
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*9*	**1.24**	0.79

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD		**1,805,824**	705,650
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income/(loss):			
Changes in fair value		**(5,419)**	52,735
Income tax effect		**2,795**	(8,500)
		(2,624)	44,235
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**(2,624)**	44,235
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(858,350)**	(27,068)
Cash flow hedge		**23,901**	(21,133)
Share of other comprehensive (loss)/income of joint ventures		**(4,304)**	65
Share of other comprehensive income of associates		**7,763**	8,861
		(830,990)	(39,275)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(830,990)**	(39,275)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(833,614)**	4,960
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**972,210**	710,610
Total comprehensive income attributable to:			
Owners of the parent		**535,255**	746,052
Non-controlling interests		**436,955**	(35,442)
		972,210	710,610

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended June 30, 2026

	Attributable to the parent												
	Share capital RMB'000	Treasury shares RMB'000	Other equity instruments RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Other comprehensive income RMB'000	Special reserve - safety fund RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2026 (unaudited)	1,042,254	(1,086,635)	700,000	17,181,040	563,681	(199,578)	(188,738)	10,752	490,397	5,621,920	24,135,093	9,487,092	33,622,185
Profit for the period	-	-	-	-	-	-	-	-	-	1,311,358	1,311,358	494,466	1,805,824
Other comprehensive income for the period													
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(2,624)	-	-	-	(2,624)	-	(2,624)
Cash flow hedges, net of tax	-	-	-	-	-	-	16,551	-	-	-	16,551	7,350	23,901
Share of other comprehensive income of joint ventures	-	-	-	-	-	(3,443)	-	-	-	-	(3,443)	(861)	(4,304)
Share of other comprehensive income of associates	-	-	-	-	-	7,763	-	-	-	-	7,763	-	7,763
Exchange differences on translation of foreign operations	-	-	-	-	-	(794,350)	-	-	-	-	(794,350)	(64,000)	(858,350)
Total comprehensive income for the period	-	-	-	-	-	(790,030)	13,927	-	-	1,311,358	535,255	436,955	972,210
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	137,115	137,115
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(135,901)	(135,901)
Capital contribution of non-controlling shareholders	-	-	-	80,726	-	-	-	-	-	-	80,726	289,016	369,742
Dividends	-	-	-	-	-	-	-	-	-	(401,613)	(401,613)	-	(401,613)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(362,219)	(362,219)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	(28,503)	-	-	28,503	-	-	-
Issue of shares	2,212	-	-	41,725	-	-	-	-	-	-	43,937	-	43,937
Share-based payment arrangement	-	-	-	-	4,526	-	-	-	-	-	4,526	665	5,191
Safety reserve	-	-	-	-	-	-	-	8,462	-	(8,462)	-	2,606	2,606
Others*	-	-	-	(211,130)	-	-	-	-	-	-	(211,130)	217,930	6,800
As at June 30, 2026 (unaudited)	1,044,466	(1,086,635)	700,000	17,092,361	568,207	(989,608)	(203,314)	19,214	490,397	6,551,706	24,186,794	10,073,259	34,260,053

* Other represents the equity component of convertible bonds issued by FINO Inc. purchased by non-controlling shareholders, and the purchase by the non-wholly-owned subsidiary FINO Inc. of the equity interest in C&P Advanced Material Technology Co., Ltd. held by the wholly-owned subsidiary CNGR Hong Kong Hongchuang New Energy Co., Limited.

Condensed Consolidated Statement of Changes in Equity

Six months ended June 30, 2026

	Attributable to the parent											
	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share-based Payment reserve RMB'000	Foreign currency translation reserve RMB'000	Other comprehensive income RMB'000	Special reserve – safety fund RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2025 (audited)	937,090	(504,094)	13,993,866	553,446	406,248	(338,340)	7,313	385,434	4,699,789	20,140,752	9,347,815	29,488,567
Profit for the period	–	–	–	–	–	–	–	–	735,192	735,192	(29,542)	705,650
Other comprehensive income for the period												
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	44,235	–	–	–	44,235	–	44,235
Cash flow hedges, net of tax	–	–	–	–	–	(16,824)	–	–	–	(16,824)	(4,309)	(21,133)
Share of other comprehensive income of joint ventures	–	–	–	–	52	–	–	–	–	52	13	65
Share of other comprehensive income of associates	–	–	–	–	8,861	–	–	–	–	8,861	–	8,861
Exchange differences on translation of foreign operations	–	–	–	–	(25,464)	–	–	–	–	(25,464)	(1,604)	(27,068)
Total comprehensive income for the period	–	–	–	–	(16,551)	27,411	–	–	735,192	746,052	(35,442)	710,610
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	(531)	(531)
Capital contribution of non-controlling shareholders	–	–	311,261	–	–	–	–	–	–	311,261	288,739	600,000
Acquisition of non-controlling interests	–	–	(72,193)	–	–	–	–	–	–	(72,193)	(184,432)	(256,625)
Dividends	–	–	–	–	–	–	–	–	(325,233)	(325,233)	–	(325,233)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(328,504)	(328,504)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	–	–	–	(111)	–	–	111	–	–	–
Issue of shares	2,779	–	54,243	–	–	–	–	–	–	57,022	–	57,022
Share-based payment arrangement	–	–	–	14,353	–	–	–	–	–	14,353	1,395	15,748
Repurchase and cancellation of shares	(1,840)	(448,144)	(82,244)	–	–	–	–	–	–	(532,228)	–	(532,228)
Safety reserve	–	–	–	–	–	–	2,418	–	(2,418)	–	769	769
As at June 30, 2025 (audited)	938,029	(952,238)	14,204,933	567,799	389,697	(311,040)	9,731	385,434	5,107,441	20,339,786	9,089,809	29,429,595

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended June 30, 2026

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**1,980,154**	827,053
Adjustments for:			
Finance costs		**441,448**	521,081
Share of profits of joint ventures and associates		**(78,417)**	(6,612)
Bank interest income		**(106,503)**	(79,019)
Dividend income from equity investments at fair value through other comprehensive income		**–**	(1,329)
Gains on derivative financial instruments		**(30,800)**	(48,990)
Depreciation of property, plant and equipment		**1,165,727**	983,677
Depreciation of right-of-use assets		**29,201**	30,041
Amortization of other intangible assets		**21,793**	5,157
Impairment of financial assets, net		**10,102**	36,068
Write-down of inventories to net realizable value		**167,215**	40,641
Impairment losses on construction in progress		**51,353**	–
Loss on disposal of items of property, plant and equipment		**28,339**	21,541
Gains on disposal of partial equity in an associate		**(24,515)**	–
Profits and losses on disposal of a subsidiary		**(11,803)**	1,227
Loss on remeasurement of previously held interests in step acquisitions of subsidiaries		**74,908**	–
Share-based payment expenses		**5,191**	15,748
		3,723,393	2,346,284
Increase in inventories		**(2,595,705)**	(441,029)
Decrease in a pledged deposit		**99,799**	146,130
Increase in trade and bills receivables		**(684,568)**	(536,885)
Increase in prepayments, deposits and other receivables		**(424,198)**	(270,150)
Increase in trade and bills payables		**1,473,814**	677,519
(Decrease)/increase in other payables and accruals		**917,376**	(421,487)
Decrease in derivative financial instruments		**(1,180,676)**	(87,500)
(Decrease)/increase in deferred income		**18,403**	(11,469)
Increase in other liabilities		**485,558**	213,860
Cash generated from operations		**1,833,196**	1,615,273
Income tax paid		**(237,658)**	(139,632)
Net cash flows from operating activities		**1,595,538**	1,475,641

		Six months ended June 30,	
		2026	2025
		RMB'000	RMB'000
	Note	**(Unaudited)**	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from related parties		**32,308**	6,150
Dividends received from listed investments		**–**	656
Dividends received from investments in associates		**547,642**	–
Purchases of items of property, plant and equipment		**(1,111,274)**	(1,535,036)
Proceeds from disposal of items of property, plant and equipment		**–**	38,546
Additions to other intangible assets and leasehold land		**(2,980)**	(182,838)
Purchases of equity investments in joint ventures and associates		**(970,834)**	(19,923)
Disposal of equity investments in joint ventures and associates		**67,025**	–
Purchases of financial assets at fair value through profit or loss		**(1,481,310)**	(6,974,623)
Proceeds from disposal of financial assets at fair value through profit or loss		**1,115,000**	7,853,212
Proceeds from disposal of derivative instrument		**9,500**	67,295
Purchases of equity investments designated at fair value through other comprehensive income		**(772,063)**	–
Disposal of equity investments designated at fair value through other comprehensive income		**172,111**	2,310
Prepayments for equity investments		**(1,105,656)**	(848,193)
Refund of prepayment of equity investment		**456,872**	–
Acquisition of subsidiaries		**(120,982)**	(417,709)
Disposal of subsidiaries		**(54,511)**	(1,471)
Advances of loans to joint ventures and associates		**(1,062,070)**	(809,591)
Repayment of loans to joint ventures and associates		**441,539**	284,728
Homebuyer deposits		**(10,000)**	–
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(3,849,683)**	(2,536,487)

	Note	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from financing activities			
Proceeds from issue of shares		43,937	57,022
Share issue expenses		–	(21,589)
Proceeds from issue of bonds		–	199,990
New bank loans		11,211,243	8,665,996
Repayment of bank loans		(8,181,605)	(8,912,039)
New other borrowings		8,342,390	5,326,918
Repayment of other borrowings		(4,866,332)	(2,983,821)
Repayment of bonds payable		–	(200,000)
Loans from non-controlling interests		116,509	29,023
Repayment of loans from non-controlling interests		(70,793)	(100,377)
Capital contribution of non-controlling interests		369,742	600,000
Acquisition of non-controlling interests		–	(256,626)
Principal portion of lease payments		(7,841)	(14,710)
Dividends paid		(345,114)	(325,233)
Dividends paid to non-controlling shareholders		(362,219)	(328,504)
Interest paid		(508,660)	(425,356)
Withdrawal of pledged time deposits related to financing activities		8,132	79,958
Placement of pledged time deposits related to financing activities		(87,374)	(21,846)
Loans and bond issuance fees		(6,871)	(1,745)
Repurchase of shares		–	(621,776)
Net cash flows from financing activities		5,655,144	745,285
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,400,999	(315,561)
Cash and cash equivalents at beginning of year		8,567,561	10,083,956
Effect of foreign exchange rate changes, net		(86,427)	(123,122)
Cash and cash equivalents at end of year		11,882,133	9,645,273
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		11,882,133	9,645,273
Non-pledged time deposits with original maturity of less than three months when acquired		–	–
Cash and cash equivalents as stated in the statement of financial position		11,882,133	9,645,273
Cash and cash equivalents		11,882,133	9,645,273

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

June 30, 2026

1. CORPORATE INFORMATION

CNGR Advanced Material Co., Ltd. is a limited liability company established in the PRC on September 15, 2014. The A shares of the Company were listed on the Shenzhen Stock Exchange on December 23, 2020. The registered office of the Company is located at the intersection of No. 2 Avenue and No. 1 Avenue, Dalong Economic Development Zone, Tongren City, Guizhou Province, China.

The Company and its subsidiaries are principally engaged in the research, development, production, processing and sale of new materials, batteries and new energy. In the opinion of the directors, the immediate and ultimate shareholder of the Company is Zhongwei Holding and controlled by Mr. Deng Weiming and Ms. Wu Xiaoge.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the six months ended June 30, 2026 have been prepared in accordance with the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and interpretations) issued by the International Accounting Standards Board ("**IASB**"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025.

These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following amended IAS for the first time for the current period's financial information.

Amendments to IAS 9 and IAS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IAS 9 and IAS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IAS 1, IAS 7, IAS 9, IAS 10 and HKAS 7*

The nature and impact of the amended IASs are described below:

(a) *The amendments to IAS 9 and IAS 7 on amendments to the classification and measurement of financial instruments* clarify that a financial asset is derecognised when the contractual rights to the cash flows of an entity expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy choice to derecognise financial liabilities settled before the settlement date through an electronic payment system, subject to specified conditions. The amendments clarify how the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features should be assessed. In addition, the amendments clarify the classification requirements for financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. As the Company's accounting policy for derecognition of financial assets and liabilities in prior years was consistent with the amendments, and the Group did not have financial assets covered by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) *The amendments to IAS 9 and IAS 7 relating to contracts referencing nature-dependent electricity* clarify the application of the "own-use" requirements to contracts within the scope of the amendments and amend the designation requirements for the hedged item in cash flow hedge relationships for contracts within the scope. The amendments also include additional disclosures to enable users of financial statements to understand the effects of such contracts on an entity's financial performance and future cash flows. As the Group did not have any contracts within the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *The Annual Improvements to IFRS Accounting Standards* – Volume 11 sets out narrow-scope amendments to IAS 1, IAS 7 (and the accompanying *implementation guidance on IAS 7*), IAS 9, IAS 10 and HKAS 7. These amendments include clarifications, simplifications, corrections or changes intended to improve consistency in the respective International Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

Management monitors the overall operating results of the Group's operating segments for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

Revenue is attributed to geographical areas based on the locations of customers. Revenue by geographical segment based on the locations of customers for the period is presented as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Geographical market		
Chinese mainland	**20,248,845**	10,538,496
Outside Chinese mainland	**13,335,481**	10,784,051
Total	**33,584,326**	21,322,547

(b) Non-current assets

	June 30,	December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Geographical market		
Chinese mainland	**14,104,991**	13,412,876
Outside Chinese mainland	**25,539,250**	27,535,955
Total	**39,644,241**	40,948,831

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

5. REVENUE

An analysis of revenue is as follows:

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers	**33,542,978**	21,297,333
Revenue from other sources		
Rental income	**41,348**	25,214
Total	**33,584,326**	21,322,547

(a) Disaggregated revenue information

	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Types of goods or services		
New energy battery materials		
Nickel-based materials	**12,926,931**	7,490,866
Cobalt-based materials	**2,635,551**	1,451,943
Phosphorus-based materials	**1,039,557**	670,075
Other innovative materials	**28,041**	19,368
Sub-total	**16,630,080**	9,632,252
New energy metal products	**10,110,035**	9,272,895
Others	**6,844,211**	2,417,400
Total	**33,584,326**	21,322,547
Geographical market		
Chinese mainland	**20,248,845**	10,538,496
Outside Chinese mainland	**13,335,481**	10,784,051
Total	**33,584,326**	21,322,547
Timing of revenue recognition		
Goods transferred at a point in time	**33,541,762**	21,218,447
Services transferred over time	**42,564**	104,100
Total	**33,584,326**	21,322,547

6. PROFIT BEFORE TAX

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

	Six months ended June 30, 2026 RMB’000 (Unaudited)	2025 RMB’000 (Unaudited)
Cost of inventories sold****	29,061,565	18,713,684
Cost of services provided****	40,894	25,699
Depreciation of property, plant and equipment	1,165,727	983,677
Depreciation of right-of-use assets	29,201	30,041
Amortisation of other intangible assets	21,793	5,157
Research and development costs:		
Current period expenditure	588,903	544,764
Lease payments not included in the measurement of lease liabilities	36,773	8,674
Employee benefit expenses (excluding directors’, supervisors’ and chief executive’s remuneration):		
Wages, salaries and other allowances	654,132	525,196
Equity-settled share-based payment expense**	4,806	13,264
Pension scheme contributions (defined contribution scheme)***	44,894	15,912
Less: Amount capitalised	7,922	42,883
Total	695,910	511,489
Foreign exchange differences, net	421,770	108,511
Impairment of financial assets, net:		
Impairment of trade receivables, net*	9,593	20,977
Impairment of financial assets included in prepayments, deposits and other receivables, net*	510	15,091
Total	10,103	36,068
Loss on derecognition of bills receivable through discounting*	103,546	66,332
Loss on disposal of items of property, plant and equipment*	28,339	21,541
Loss on remeasurement of previously held interest upon step acquisition of a subsidiary*	74,908	–
Impairment of construction in progress*	51,353	–
Write-down of inventories to net realisable value	167,215	40,641

6. PROFIT BEFORE TAX (continued)

* These amounts are included in "Other expenses" in the condensed consolidated statement of profit or loss.

** These amounts are included in the share-based payment expenses. These amounts exclude: (i) the share-based payment expenses granted to the directors and chief executive; and (ii) the share-based payment expenses recorded in cost of sales.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** The cost of inventories sold and cost of services provided include expenses relating to depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. INCOME TAX

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

Chinese mainland

Pursuant to the Enterprise Income Tax Law of the PRC and the relevant regulations (the "**EIT Law**"), subsidiaries operating in the Chinese mainland are subject to enterprise income tax on taxable income at a rate of 25%, except for certain subsidiaries which are subject to preferential income tax rates.

(a) The Company obtained its High and New Technology Enterprise Certificate on December 25, 2025, which is valid for three years. Certain subsidiaries of the Company were also recognised as High and New Technology Enterprises, with the validity periods as follows:

Name	**Validity period**
Hunan CNGR New Energy Technology Co., Ltd.	2024 to 2026
Guizhou CNGR Resources Recycling Industry Development Co., Ltd.	2025 to 2027
Guizhou CNGR Xingyang Energy Storage Technology Co., Ltd.	2024 to 2026

(b) Pursuant to the relevant tax regulations under the Western Region Development policy, Guizhou CNGR New Material Trading Co., Ltd. is subject to an income tax rate of 15%. Such tax preferential treatment is effective from January 1, 2021 and will expire on December 31, 2030.

(c) Pursuant to the Notice of the People's Government of Guangxi Zhuang Autonomous Region on Issuing the Supporting Policies for Promoting High-quality Development of the China (Guangxi) Pilot Free Trade Zone, Guangxi CNGR New Energy Technology Co., Ltd. enjoys a preferential income tax rate of 9%. Such tax preferential treatment is effective from January 1, 2021 and will expire on December 31, 2030.

7. INCOME TAX (continued)

Chinese mainland (continued)

(d) Certain subsidiaries in the PRC qualify as small low-profit enterprises and enjoy the following enterprise income tax preferential treatments:

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small Low-profit Enterprises and Individual Industrial and Commercial Households, for small low-profit enterprises, the portion of annual taxable income not exceeding RMB1 million is reduced by 25% to be included in taxable income and is subject to enterprise income tax at a rate of 20%. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Income Tax Policies for Small Low-profit Enterprises, the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million is reduced by 25% to be included in taxable income and is subject to enterprise income tax at a rate of 20%.

(e) Pursuant to the relevant provisions of the Enterprise Income Tax Law of the PRC and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (State Council Order No. 512), where an enterprise purchases and uses special equipment for environmental protection, energy conservation and water saving, work safety and other purposes listed in the Catalogue from January 1, 2008, 10% of the investment amount in such special equipment may be credited against the enterprise income tax payable for the year; where the tax payable for the year is insufficient to utilise the credit, the unused tax credit may be carried forward to subsequent years, subject to a maximum carry-forward period of five tax years.

Hong Kong

During the period, Hong Kong profits tax was provided at the rate of 8.25% or 16.5% on the estimated assessable profits.

Indonesia

The income tax rate for companies incorporated in Indonesia is generally 22%, except for companies enjoying the following tax incentives:

(a) The Company's subsidiary, PT Debonair Nickel Indonesia, was granted an enterprise income tax exemption by the Ministry of Finance of Indonesia. Enterprise income tax is exempted for the first to seventh years of sales of nickel metal products and is reduced by half for the eighth to ninth years.

(b) The Company's subsidiary, PT Jade Bay Metal Industry, was granted an enterprise income tax exemption by the Ministry of Finance of Indonesia. Enterprise income tax is exempted for the first to seventh years of sales of nickel metal products and is reduced by half for the eighth to ninth years.

7. INCOME TAX (continued)

Indonesia (continued)

(c) The Company's subsidiary, PT Nadesico Nickel Industry, was granted an enterprise income tax exemption by the Ministry of Finance of Indonesia. Enterprise income tax is exempted for the first to fifteenth years of sales of nickel metal products and is reduced by half for the sixteenth to seventeenth years.

(d) The Company's subsidiary, PT Zhongtsing New Energy, was issued an enterprise income tax exemption document by the Ministry of Finance of Indonesia.

For Phase I, enterprise income tax is exempted for the first to seventh years of sales of nickel metal products and is reduced by half for the eighth to ninth years. For Phase II, enterprise income tax is exempted for the first to eighth years of sales of nickel metal products and is reduced by half for the ninth to tenth years.

Additional deduction of research and development expenses

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policy of Additional Deduction of Research and Development Expenses before Enterprise Income Tax (2023 No. 7), for research and development expenses actually incurred by an enterprise in conducting research and development activities which are recognised in profit or loss for the current period without forming intangible assets, an additional 100% of the actual amount incurred may be deducted before tax from January 1, 2023 in addition to the deduction made in accordance with the applicable regulations; where intangible assets are formed, 200% of the cost of the intangible assets may be amortised before tax from January 1, 2023.

7. INCOME TAX (continued)

Additional deduction of research and development expenses (continued)

Corporate income tax rates:

Name	Tax rate
The Company	15.00%
Hunan CNGR New Energy Technology Co., Ltd.	15.00%
Guizhou CNGR Resources Recycling Industry Development Co., Ltd.	15.00%
Guangxi CNGR New Energy Technology Co., Ltd.	9.00%
Guizhou CNGR New Material Trading Co., Ltd.	15.00%
Guizhou CNGR Xingyang Energy Storage Technology Co., Ltd.	15.00%
CNGR (Hong Kong) New Material Technology Trading Co., Ltd. and other companies domiciled in Hong Kong	8.25% and 16.5%
Debonair Holdings Private Limited and other companies domiciled in Singapore	17.00%
PT Zhongtsing New Energy and other companies domiciled in Indonesia	22.00%
CNGR Zimbabwe New Energy Technology Co. (Private) Limited	25.75%
CNGR Morocco New Energy Technology	35.00%
CNGR Europe New Energy Technology GmbH	31.83%
CNGR Japan New Energy Technology Co., Ltd.	35.43%
CNGR Luxembourg New Energy Technology S.À R.L.	23.87%
CNGR Netherlands New Energy Technology B.V. and other companies domiciled in the Netherlands	25.80%
KINO Energy Solutions Co., Ltd and other companies domiciled in Korea	24.00%
Wintru S.R.L and other companies domiciled in Argentina	35.00%
Other subsidiaries	25.00%

7. INCOME TAX (continued)

Additional deduction of research and development expenses (continued)

The income tax expense of the Group for the period is analysed as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current	**197,083**	116,876
Deferred	**(22,753)**	4,527
Total tax charge for the period	**174,330**	121,403

8. DIVIDENDS

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interim dividends on ordinary A shares		
Final dividend in respect of the previous year, declared and paid during the following year (tax inclusive)	**384,720**	328,451
Dividends of lapsed restricted shares	**–**	(3,218)
Total	**384,720**	325,233

The Board recommends the payment of an interim dividend of RMB3.8 per 10 shares (tax inclusive) to shareholders for the six months ended June 30, 2026 (June 30, 2025: RMB2.8 per 10 shares (tax inclusive)). The above profit distribution proposal has been considered and approved at the fifth meeting of the third session of the Board and remains subject to the consideration and approval by the shareholders at the general meeting of the Company before implementation.

The final dividend of RMB3.8 per 10 ordinary shares (tax inclusive) for the year ended December 31, 2025 was approved at the annual general meeting of the Company on May 22, 2026 and was paid on or before July 22, 2026.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,042,253,858 (June 30, 2025: 930,919,180) outstanding during the period, as adjusted to reflect the bonus share issue during the period.

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period (the same as that used in the basic earnings per share calculation), and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**1,294,465**	735,192

	Six months ended June 30,	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding	**1,042,253,858**	930,919,180
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	–
Total	**1,042,253,858**	930,919,180

* The weighted average number of shares was after taking into account the effect of treasury shares held.

10. TRADE AND BILLS RECEIVABLES

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Trade receivables	7,518,226	6,724,031
Bills receivable	549,022	894,132
Impairment	(99,580)	(91,360)
Net carrying amount	7,967,668	7,526,803

An ageing analysis of the Group's trade receivables as at the end of the Reporting Period, based on the invoice date and net of provisions, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 3 months	6,955,938	6,123,962
4 to 12 months	447,965	501,056
1 to 2 years	13,888	6,152
2 to 3 years	855	1,501
Total	7,418,646	6,632,671

11. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Within 1 year	19,741,910	15,109,206
1 to 2 years	109,586	199,506
2 to 3 years	190,683	244,300
Over 3 years	128,246	116,062
Total	20,170,425	15,669,074

12. SHARE CAPITAL AND TREASURY SHARES

	Number of shares issued RMB'000	Share capital RMB'000	Treasury shares RMB'000	Total
As at December 31, 2025	1,042,253,858	1,042,254	(1,086,635)	(44,381)
Shares issued under share scheme*	2,212,354	2,212	–	2,212
As at June 30, 2026	1,044,466,212	1,044,466	(1,086,635)	(42,169)

* On June 12, 2026, the Company issued 2,212,354 shares upon the exercise of share options under the 2023 Share Incentive Scheme, each with a nominal value of RMB1 and an exercise price of RMB19.86. The Shares were listed and commenced trading on July 6, 2026.

13. COMMITMENTS

As at the end of the Reporting Period, the Group had the following capital commitments:

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Capital commitments	1,987,334	1,703,222

14. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of the related parties	Relationship with the Group
PT CNGR Ding Xing New Energy	A joint venture of the Group
PT Transcoal Minergy	A joint venture of the Group
PT Sultra Sarana Bumi	A joint venture of the Group
COBCO S.A.	A joint venture of the Group
PT Anugerah Barokah Cakrawala	A joint venture of the Group
PT HengSheng NewEnergy Material Indonesia	An associate of the Group
PT SATYA AMERTA HAVENPORT	An associate of the Group
PT. Stardust Estate Investment	An associate of the Group
POSCOCNGR Nickel Solution Co., Ltd. (“浦項中偉鎳業股份有限公司”)	An associate of the Group
Guangxi New Platinum Materials Technology Co., Ltd. (“廣西新鉑材料科技有限公司”)	Controlled by a director of the Company
Guiyang Zhongwei Yunda Technology Co., Ltd. (“貴陽中偉運達科技有限公司”)	Controlled by the close relatives of the ultimate controlling person
Guizhou Qiheng Transportation Co., Ltd. (“貴州啟恒運輸有限責任公司”)	Controlled by the close relatives of the ultimate controlling person
Honglin Construction Engineering Group Co., Ltd. (“宏林建設工程集團有限公司”)	Controlled by the close relatives of the ultimate controlling person
Hunan Hanhua Jingdian Clean Energy Technology Company Limited (“湖南漢華京電清潔能源科技有限公司”)	Controlled by the close relatives of the ultimate controlling person
Hunan Juntai Fire Testing Co., Ltd. (“湖南軍泰消防檢測有限公司”)	Controlled by the close relatives of the ultimate controlling person
Hunan Minqiang Engineering Co., Ltd. (“湖南民強工程有限公司”)	Company where the close relatives of the ultimate controlling person serve as directors, supervisors or senior management
Hunan Yaspace Property Management Co., Ltd. (“湖南雅空間物業管理有限公司”)	Controlled by the close relatives of the ultimate controlling person
Hunan Yuening Real Estate Development Co., Ltd. (“湖南悅寧房地產開發有限公司”)	Controlled by the close relatives of the ultimate controlling person
Hunan Zhongwei Jinneng New Materials Co., Ltd. (“湖南中偉金能新材料有限責任公司”)	Controlled by the chairman where he serves as executive supervisor and director
Hunan Zhongwei New Platinum Materials Technology Co., Ltd (“湖南中偉新鉑材料科技有限公司””)	Controlled by a director of the Company
Hunan Zhongwei New Hydrogen Materials Technology Co., Ltd. (“湖南中偉新氫材料科技有限公司”)	Controlled by a director of the Company
Hunan Zhongwei New Silver Materials Technology Co., Ltd. (“湖南中偉新銀材料科技有限公司”)	Controlled by a director of the Company
Hunan Zhongxian Intelligent Technology Company Limited (“湖南中先智能科技有限公司”)	Controlled by the ultimate controlling person
Hunan Zhongwei Testing Technology Co., Ltd. (“湖南中偉檢測技術有限公司”)	Controlled by a director of the Company
Guizhou Xinbo Materials Technology Co., Ltd. (“貴州新鉑材料科技有限公司”)	Controlled by a director of the Company
Guizhou Zhongwei Investment Group Co., Ltd. (“貴州中偉投資集團有限公司”)	Controlled by the close relatives of the ultimate controlling person

14. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the period:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Revenue from goods and services *(note i)*		
PT CNGR Ding Xing New Energy	**2,287,376**	1,016,432
Guizhou Xinbo Materials Technology Co., Ltd. ("貴州新鉑材料科技有限公司")	**233,273**	4
COBCO S.A.	**82,150**	125,282
PT Anugerah Barokah Cakrawala and its subsidiaries	**12,588**	–
Hunan Zhongwei New Hydrogen Materials Technology Co., Ltd. ("湖南中偉新氫材料科技有限公司")	**3,111**	–
Hunan Zhongwei New Silver Materials Technology Co., Ltd. ("湖南中偉新銀材料科技有限公司")	**2**	1,423
POSCOCNGR Nickel Solution Co., Ltd. ("浦項中偉鎳業股份有限公司")	**–**	11,012
Total	**2,618,500**	1,154,153
Purchase of goods and services *(note ii)*		
PT CNGR Ding Xing New Energy	**1,601,310**	1,455,893
PT Sultra Sarana Bumi	**225,369**	130,169
PT SATYA AMERTA HAVENPORT	**46,725**	30,593
Honglin Construction Engineering Group Co., Ltd. ("宏林建設工程集團有限公司")	**31,900**	53,565
Hunan Zhongxian Intelligent Technology Company Limited ("湖南中先智能科技有限公司")	**25,464**	309
PT.STARDUST ESTATE INVESTMENT	**6,480**	–
PT TRANSCOAL MINERGY	**6,319**	–
Hunan Yaspace Property Management Co., Ltd. ("湖南雅空間物業管理有限公司")	**433**	93
Hunan Zhongwei New Platinum Materials Technology Co., Ltd. ("湖南中偉新鉑材料科技有限公司")	**123**	–
Hunan Zhongwei Jinneng New Materials Co., Ltd. ("湖南中偉金能新材料有限責任公司")	**102**	–
Hunan Zhongwei Testing Technology Co.,Ltd. ("湖南中偉檢測技術有限公司")	**101**	170
Guizhou Qiheng Transportation Co., Ltd. ("貴州啟恒運輸有限責任公司")	**47**	41
Hunan Hanhua Jingdian Clean Energy Technology Company Limited ("湖南漢華京電清潔能源科技有限公司")	**63**	22
PT HengSheng New Energy Material Indonesia	**–**	112,214
Hunan Juntai Fire Testing Co., Ltd. ("湖南軍泰消防檢測有限公司")	**–**	511
Guiyang Zhongwei Yunda Technology Co., Ltd. ("貴陽中偉運達科技有限公司")	**–**	220
Total	**1,944,436**	1,783,799

14. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the period: (continued)

	Six months ended June 30, 2026 RMB'000	2025 RMB'000
Rental income *(note iii)*		
PT CNGR Ding Xing New Energy	15,717	13,595
Hunan Zhongwei New Silver Materials Technology Co., Ltd. ("湖南中偉新銀材料科技有限公司")	802	863
Hunan Zhongwei New Hydrogen Materials Technology Co., Ltd. ("湖南中偉新氫材料科技有限公司")	86	93
Hunan Zhongwei Jinneng New Materials Co., Ltd. ("湖南中偉金能新材料有限責任公司")	–	240
Hunan Zhongwei New Platinum Materials Technology Co., Ltd. ("湖南中偉新鉑材料科技有限公司")	–	165
Total	16,605	14,956
Rental payment *(note iii)*		
Guizhou Zhongwei Investment Group Co., Ltd. ("貴州中偉投資集團有限公司")	424	–
Hunan Zhongwei New Platinum Materials Technology Co., Ltd. ("湖南中偉新鉑材料科技有限公司")	257	–
Hunan Yaspace Property Management Co., Ltd. ("湖南雅空間物業管理有限公司")	–	233
Total	681	233

Notes:

(i) The sales to the related parties were made according to the published prices and conditions offered to the major customers of the Group. The credit terms granted to the related parties were generally in line with the credit terms granted to other customers.

(ii) The purchases from the related parties were made according to the published prices and conditions offered by the related parties to their major customers. The credit terms granted by the related parties were generally in line with the credit terms granted to their major customers.

(iii) The rental fees with the related parties were made according to the agreed prices.

14. RELATED PARTY TRANSACTIONS (continued)

(c) Details of guarantees from the related parties:

The Group as the guarantor:

	30 June 2026			
	RMB'000	Effective date	Expiry date	Fulfilled
PT CNGR Ding Xing New Energy	**885,417**	**2023**	**3 years after the date of dissolution**	**No**
COBCO S.A.	**749,649**	**2025**	**2035年**	**No**

	31 December 2025			
	RMB'000	Effective date	Expiry date	Fulfilled
PT CNGR Ding Xing New Energy	738,797	2023	3 years after the date of dissolution	No

The Group as the secured party:

	30 June 2026		
	RMB'000	Effective period	Fulfilled
Guarantor			
Hunan Zhongwei Holding Group Co., Ltd., Mr. Deng Weiming, Ms. Wu Xiaoge	**2,889,000**	**2022–2027**	**Yes**
Mr. Deng Weiming, Ms. Wu Xiaoge	**100,000**	**2023–2026**	**Yes**
Mr. Deng Weiming, Ms. Wu Xiaoge	**100,000**	**2023–2026**	**Yes**
Mr. Deng Weiming, Ms. Wu Xiaoge	**500,000**	**2024–2027**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**600,000**	**2024–2027**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**1,647,000**	**2023–2028**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**100,000**	**2023–2026**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**100,000**	**2024–2027**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**100,000**	**2024–2027**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**100,000**	**2024–2027**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge, Hunan Zhongwei Holding Group Co., Ltd.	**1,000,000**	**2022–2027**	**Yes**
Mr. Deng Weiming, Ms. Wu Xiaoge, Hunan Zhongwei Holding Group Co., Ltd.	**1,700,000**	**2022–2027**	**No**
Mr. Deng Weiming, Ms. Wu Xiaoge	**1,300,000**	**2023–2026**	**Yes**
Mr. Deng Weiming, Ms. Wu Xiaoge	**920,000**	**2020–2028**	**No**

14. RELATED PARTY TRANSACTIONS (continued)

(c) Details of guarantees from the related parties: (continued)

The Group as the secured party: (continued)

	30 June 2026		
	RMB'000	Effective period	Fulfilled
Mr. Deng Weiming, Ms. Wu Xiaoge	960,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge, Hunan Zhongwei Holding Group Co., Ltd.	350,000	2024–2027	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	420,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	600,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	1,150,000	2021–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	800,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	600,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	1,400,000	2024–2027	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	300,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	200,000	2024–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	400,000	2024–2029	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	300,000	2023–2027	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	3,146,636	2022–2030	No
Mr. Deng Weiming, Ms. Wu Xiaoge	1,200,000	2022–2028	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	150,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	137,000	2023–2026	Yes
Total	23,269,636		

14. RELATED PARTY TRANSACTIONS (continued)

(c) Details of guarantees from the related parties: (continued)

The Group as the secured party: (continued)

	31 December 2025		
	RMB'000	Effective period	Fulfilled
Guarantor			
Hunan Zhongwei Holding Group Co., Ltd., Mr. Deng Weiming, Ms. Wu Xiaoge	2,889,000	2023–2028	No
Mr. Deng Weiming, Ms. Wu Xiaoge	600,000	2022–2025	Yes
Hunan Zhongwei Holding Group Co., Ltd.	500,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	180,000	2022–2025	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	40,000	2023–2025	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	270,000	2023–2028	No
Hunan Zhongwei Holding Group Co., Ltd., Mr. Deng Weiming, Ms. Wu Xiaoge	860,000	2021–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	150,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	137,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	500,000	2024–2027	No
Hunan Zhongwei Holding Group Co., Ltd., Mr. Deng Weiming, Ms. Wu Xiaoge	400,000	2022–2025	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	600,000	2024–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	1,647,000	2022–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2024–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2024–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	500,000	2023–2026	Yes

14. RELATED PARTY TRANSACTIONS (continued)

(c) Details of guarantees from the related parties: (continued)

The Group as the secured party: (continued)

	31 December 2025		
	RMB'000	Effective period	Fulfilled
Mr. Deng Weiming, Ms. Wu Xiaoge, Hunan Zhongwei Holding Group Co., Ltd.	1,700,000	2022–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	1,300,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	920,000	2020–2028	No
Mr. Deng Weiming, Ms. Wu Xiaoge	1,350,000	2022–2025	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	960,000	2023–2026	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge, Hunan Zhongwei Holding Group Co., Ltd.	350,000	2024–2027	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	420,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	1,150,000	2021–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	200,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	200,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	100,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	120,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	80,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	300,000	2023–2026	No
Mr. Deng Weiming, Ms. Wu Xiaoge	200,000	2024–2027	No
Mr. Deng Weiming, Ms. Wu Xiaoge	400,000	2024–2029	No
Mr. Deng Weiming, Ms. Wu Xiaoge	300,000	2024–2025	Yes
Mr. Deng Weiming, Ms. Wu Xiaoge	3,321,041	2022–2030	No
Total	23,244,041		

14. RELATED PARTY TRANSACTIONS (continued)

(d) Loans to joint ventures and associates

Six months ended 30 June, 2026

	Amount	Start date	End date
Funds lending out			
PT TRANSCOAL MINERGY	7,200	2025–8–27	2026–8–26
PT TRANSCOAL MINERGY	550,752	2025–9–23	2026–9–22
PT TRANSCOAL MINERGY	44,291	2025–12–4	2026–12–3
PT TRANSCOAL MINERGY	66,751	2026–3–25	2027–3–24
PT TRANSCOAL MINERGY	3,422	2025–8–27	2026–8–26
PT TRANSCOAL MINERGY	33,433	2025–9–29	2026–9–28
PT TRANSCOAL MINERGY	8,276	2025–11–30	2026–11–29
PT TRANSCOAL MINERGY	103,616	2025–12–29	2026–12–28
PT TRANSCOAL MINERGY	10,964	2026–2–13	2027–2–12
PT TRANSCOAL MINERGY	9,319	2026–3–25	2027–3–24
PT HengSheng New Energy Material Indonesia	3,850	2026–4–24	2027–4–23
PT HengSheng New Energy Material Indonesia	20,441	2026–4–27	2027–4–26
PT HengSheng New Energy Material Indonesia	34,533	2026–5–6	2027–5–5
PT CNGR Ding Xing New Energy	137,944	2025–7–14	2026–7–13
PT CNGR Ding Xing New Energy	213,554	2025–8–11	2026–8–10
PT CNGR Ding Xing New Energy	35,209	2025–10–10	2026–10–9
PT CNGR Ding Xing New Energy	31,182	2026–2–12	2027–2–11
PT CNGR Ding Xing New Energy	24,053	2026–4–20	2027–4–19
PT CNGR Ding Xing New Energy	102,789	2026–4–29	2027–4–28
PT CNGR Ding Xing New Energy	286,443	2026–6–15	2027–6–14
COBCO S.A.	218,710	2026–6–15	2027–6–14
COBCO S.A.	51,506	2026–6–30	2027–6–29
PT Anugerah Barokah Cakrawala and its subsidiaries	416,285	2026–3–2	2027–3–1
PT Anugerah Barokah Cakrawala and its subsidiaries	485,891	2026–3–1	2027–2–28

14. RELATED PARTY TRANSACTIONS (continued)

(d) Loans to joint ventures and associates (continued)

2025

	Amount	Start date	End date
PT TRANSCOAL MINERGY	553,960	2025–09–23	2026–09–22
PT TRANSCOAL MINERGY	104,350	2025–12–29	2026–12–28
PT TRANSCOAL MINERGY	44,594	2025–12–04	2026–12–03
PT TRANSCOAL MINERGY	33,623	2025–09–29	2026–09–28
PT TRANSCOAL MINERGY	29,612	2025–03–31	2026–03–31
PT TRANSCOAL MINERGY	8,331	2025–11–30	2026–11–29
PT TRANSCOAL MINERGY	7,236	2025–08–27	2026–08–26
PT TRANSCOAL MINERGY	3,438	2025–08–27	2026–08–26
PT HengSheng New Energy Material Indonesia	34,014	2025–06–30	2026–06–29
PT HengSheng New Energy Material Indonesia	20,069	2025–05–15	2026–05–14
PT HengSheng New Energy Material Indonesia	3,838	2025–05–15	2026–05–14
PT CNGR Ding Xing New Energy	215,076	2025–08–11	2026–08–10
PT CNGR Ding Xing New Energy	138,882	2025–07–14	2026–07–13
PT CNGR Ding Xing New Energy	109,280	2025–04–17	2026–04–16
PT CNGR Ding Xing New Energy	35,525	2025–10–10	2026–10–09
PT CNGR Ding Xing New Energy	923	2025–01–24	2026–01–23
COBCO S.A.	110,573	2025–03–10	2026–03–09
COBCO S.A.	109,680	2025–05–01	2026–04–30
COBCO S.A.	54,306	2025–07–04	2026–07–03

14. RELATED PARTY TRANSACTIONS (continued)

(e) Commitments with related parties

(1) CNGR Hong Kong Material Science & Technology Co., Limited. (hereinafter referred to as "**CNGR (Hong Kong)**"), a subsidiary of the Group, and RIGQUEZA INTERNATIONAL PTE. LTD. (hereinafter referred to as "**RIGQUEZA**") signed an agreement to jointly invest in the establishment of PT CNGR Ding Xing New Energy (hereinafter referred to as "**Ding Xing**") to build a 50,000-ton-per-year refined nickel project. According to the agreement between CNGR (Hong Kong) and RIGQUEZA, both parties are obligated to purchase products manufactured by the joint venture at the same market price in proportion to their shareholding in Ding Xing. At the same time, the joint venture is obligated to sell its products to both parties under the same conditions in accordance with the equity ratio held by CNGR (Hong Kong) and RIGQUEZA, and the conditions for selling products to all shareholders should be consistent.

(2) Financial assistance to joint ventures and related parties transaction

On 23 January, 2026, the 42nd meeting of the second session of the board of directors of the Company was held, which reviewed and approved the Proposal on Providing Financial Assistance and Related Parties Transactions. The Company proposes to provide PT CNGR Ding Xing New Energy with a loan of no more than US$120 million or the equivalent amount in RMB at a 50% shareholding ratio, with a loan interest rate of no more than 7% (regardless of currency). The financial assistance amount can be utilised on a rolling basis within the authorization period.

On 23 January, 2026, the 42nd meeting of the second session of the board of directors of the Company was held, which reviewed and approved the Proposal on Providing Financial Assistance and Related Parties Transactions. The Company proposes to provide PT HengSheng New Energy Material Indonesia with a loan of no more than US$18 million or the equivalent amount in RMB at a 15% shareholding ratio, with a loan interest rate of no more than 10% (regardless of currency). The financial assistance amount can be utilised on a rolling basis within the authorization period.

On 23 January, 2026, the 42nd meeting of the second session of the board of directors of the Company was held, which reviewed and approved the Proposal on Providing Financial Assistance and Related Parties Transactions. The Company proposes to provide PT Transcoal Minergy with a loan of no more than US$140 million or the equivalent amount in RMB at a 36% shareholding ratio, with a loan interest rate of no more than 7% (regardless of currency). The financial assistance amount can be utilised on a rolling basis within the authorization period.

On 6 March, 2026, the 43rd meeting of the second session of the board of directors of the Company was held, which reviewed and approved the Proposal on Passively Forming Financial Assistance After Transferring Part of the Equity of a Controlled Subsidiary. The Company (including other subsidiaries) will provide Baroca and its subsidiaries with a loan balance of US$130 million, with a loan interest rate of 5% (excluding tax) and a loan term of no more than 12 months.

14. RELATED PARTY TRANSACTIONS (continued)

(f) Outstanding balances with related parties

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade and bills receivables		
PT CNGR Ding Xing New Energy	227,871	166,152
COBCO S.A.	225,875	287,220
PT Anugerah Barokah Cakrawala and its subsidiaries	26,673	–
Hunan Zhongwei New Silver Materials Technology Co., Ltd.	4,667	3,922
Hunan Zhongwei New Platinum Materials Technology Co., Ltd.	700	704
Hunan Zhongwei Jinneng New Materials Co., Ltd.	427	427
Hunan Zhongwei New Hydrogen Materials Technology Co., Ltd.	402	306
Guizhou Xinbo Materials Technology Co.,Ltd.	95	60,708
Hunan Zhongwei Testing Technology Co., Ltd.	10	10
Hunan Zhongxian Intelligent Technology Co., Ltd.	–	573
PT HengSheng New Energy Material Indonesia	–	92
Impairment	(12,588)	(14,705)
Total	474,132	505,409

	30 June 2026 RMB'000	31 December 2025 RMB'000
Prepayments, deposits and other receivables		
PT Anugerah Barokah Cakrawala and its subsidiaries	924,400	–
PT TRANSCOAL MINERGY	838,584	785,143
PT CNGR Ding Xing New Energy	832,059	499,844
COBCO S.A.	269,752	284,380
PT HengSheng New Energy Material Indonesia	58,824	57,921
Hunan Zhongwei Jinneng New Materials Co., Ltd.	691	–
Guizhou Xinbo Materials Technology Co.,Ltd.	548	30
PT TRANSCOAL MINERGY	23	–
Guizhou Qiheng Transportation Co., Ltd.	–	–
PT Sultra Sarana Bumi	–	50,429
COBCO S.A.	–	2,605
Hunan Yaspace Property Management Co., Ltd.	–	16
Hunan Juntai Fire Testing Co., Ltd.	–	6
Impairment	(72,117)	(71,240)
Total	2,852,765	1,609,134

14. RELATED PARTY TRANSACTIONS (continued)

(f) Outstanding balances with related parties (continued)

	30 June 2026 RMB'000	31 December 2025 RMB'000
Other non-current assets		
Hunan Yuening Real Estate Development Co., Ltd.	72,925	54,953
Honglin Construction Engineering Group Co., Ltd.	14,195	12,316
Hunan Zhongxian Intelligent Technology Co., Ltd.	10,189	49,360
Hunan Hanhua Jingdian Clean Energy Technology Co., Ltd.	562	562
Hunan Minqiang Engineering Co., Ltd.	176	176
Impairment	–	–
Total	98,048	117,367

	30 June 2026 RMB'000	31 December 2025 RMB'000
Trade payables		
PT CNGR Ding Xing New Energy	331,957	17,099
PT.SULTRA SARANA BUMI	48,186	5,164
Honglin Construction Engineering Group Co., Ltd.	44,723	31,289
Hunan Zhongxian Intelligent Technology Co., Ltd.	1,876	52
PT.STARDUST ESTATE INVESTMENT	1,372	8,466
Hunan Minqiang Engineering Co., Ltd.	463	463
Hunan Hanhua Jingdian Clean Energy Technology Co., Ltd.	327	1,093
Hunan Juntai Fire Testing Co., Ltd.	55	55
Hunan Yaspace Property Management Co., Ltd.	54	–
PT SATYA AMERTA HAVENPORT	–	14,060
Total	429,012	77,740

14. RELATED PARTY TRANSACTIONS (continued)

(f) Outstanding balances with related parties (continued)

	30 June 2026 RMB'000	31 December 2025 RMB'000
Other payables and accruals		
PT Anugerah Barokah Cakrawala and its subsidiaries	6,888	–
Honglin Construction Engineering Group Co., Ltd.	1,056	2,520
Guizhou Zhongwei Investment Group Co., Ltd.	407	762
Hunan Yaspace Property Management Co., Ltd.	322	656
PT. Stardust Estate Investment	52	–
Hunan Zhongxian Intelligent Technology Co., Ltd.	29	100
Guizhou Qiheng Transportation Co., Ltd.	3	50
Hunan Hanhua Jingdian Clean Energy Technology Co., Ltd.	3	3
Hunan Juntai Fire Testing Co., Ltd.	1	1
PT Anugerah Barokah Cakrawala and its subsidiaries	136,781	–
PT CNGR Ding Xing New Energy	6,635	68,492
Hunan Zhongwei New Silver Materials Technology Co., Ltd.	2,071	2,071
PT Hengsheng New Energy Material Indonesia	13	–
Guizhou Xinbo Materials Technology Co.,Ltd.	150	–
Total	154,411	74,655

	Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Short-term employee benefits	8,011	16,160
Performance bonus	89	3,488
Equity-settled share option expense	386	447
Total compensation paid to key management personnel	8,486	20,095

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, pledged bank deposits, trade payables, other liabilities, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The carrying amounts of the Group's financial instruments including interest-bearing bank borrowings and bonds payable at amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

The finance manager of each subsidiary of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these unlisted investments by using the market approach based on the market interest rates of instruments with similar terms.

The financial instruments classified as bills receivable are the bank acceptance bills registered by the acceptance bank with high credit, and the Group's management model aims at both collecting the contractual cash flows and selling the financial assets. There were no significant unobservable inputs to the valuation of financial instruments as at 30 June 2026 and 31 December 2025.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	1,170,386	–	–	1,170,386
Trade and bills receivables	–	110,043	–	110,043
Financial assets at fair value through profit or loss	509	1,794,103	–	1,794,613
Derivative financial instruments	494,112	–	–	494,112
Derivative financial liabilities	15,810	949	–	16,759
Total	1,680,817	1,905,096	–	3,585,913

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1 RMB'000	Significant observable inputs Level 2 RMB'000	Significant unobservable inputs Level 3 RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	592,353	–	–	592,353
Trade and bills receivables	–	223,008	–	223,008
Financial assets at fair value through profit or loss	4,199	1,193,707	–	1,197,906
Derivative financial instruments	11,115	–	–	11,115
Derivative financial liabilities	710,171	4,266	–	714,437
Total	1,317,838	1,420,981	–	2,738,819