



江蘇正力新能電池技術股份有限公司

Jiangsu Zenergy Battery Technologies Group Co., Ltd.

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

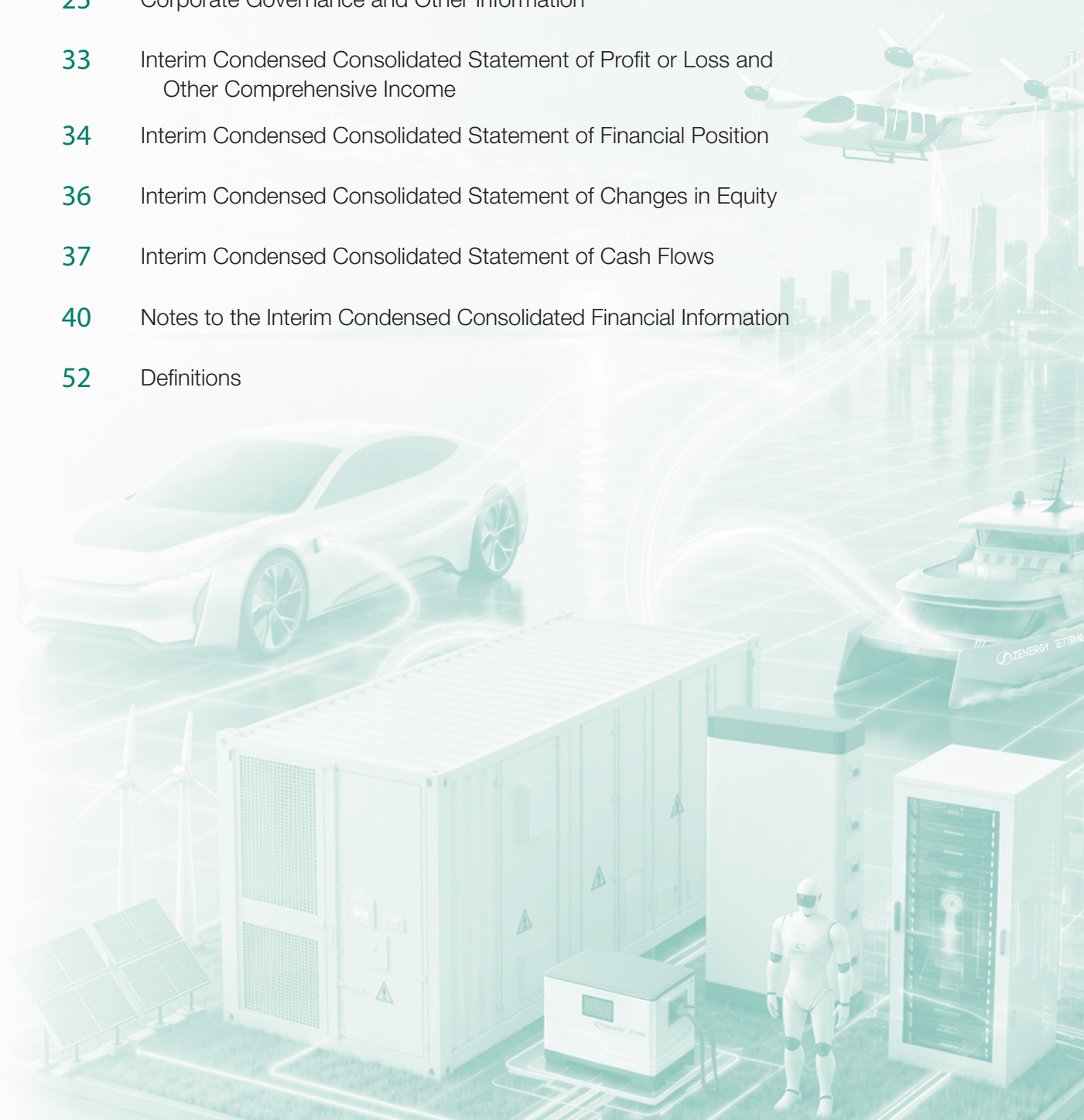
Stock Code : 3677

2026 INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Cao Fang (*Chairperson of the Board*)
Mr. Chen Jicheng
Mr. Yu Zhexun

Non-executive Director

Mr. Zhang Li

Independent Non-executive Directors

Mr. Xu Zhiming
Mr. Gong Zhengliang
Ms. Xiao Min

AUDIT COMMITTEE

Mr. Gong Zhengliang (*Chairperson*)
Ms. Xiao Min
Mr. Zhang Li

NOMINATION COMMITTEE

Ms. Cao Fang (*Chairperson*)
Mr. Chen Jicheng
Mr. Xu Zhiming
Mr. Gong Zhengliang
Ms. Xiao Min

REMUNERATION AND EVALUATION COMMITTEE

Mr. Xu Zhiming (*Chairperson*)
Ms. Cao Fang
Mr. Chen Jicheng
Mr. Gong Zhengliang
Ms. Xiao Min

JOINT COMPANY SECRETARIES

Ms. Xu Jing
Ms. Ho Wing Nga (*an associate member of
The Hong Kong Chartered Governance Institute
and The Chartered Governance Institute in the
United Kingdom*)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

AUTHORISED REPRESENTATIVES

Ms. Cao Fang
Ms. Ho Wing Nga

PRINCIPAL BANKERS

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Dongnan Community
Changshu, Jiangsu
PRC

CORPORATE INFORMATION

REGISTERED OFFICE, HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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PRC

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STOCK CODE

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FINANCIAL SUMMARY

OVERVIEW

During the Reporting Period, revenue of the Group increased by 71.4% from RMB3,172.0 million for the six months ended June 30, 2025 to RMB5,438.4 million for the six months ended June 30, 2026; gross profit of the Group increased by 19.6% from RMB568.7 million for the six months ended June 30, 2025 to RMB680.4 million for the six months ended June 30, 2026; net profit for the period of the Group increased by 68.6% from RMB220.4 million for the six months ended June 30, 2025 to RMB371.6 million for the six months ended June 30, 2026; earnings per share of the Company increased by 66.7% from RMB0.09 for the six months ended June 30, 2025 to RMB0.15 for the six months ended June 30, 2026.

KEY FINANCIAL INDEX

	For the six months ended June 30,		YOY change
	2026 Unaudited RMB'000	2025 Unaudited RMB'000	
Revenue	5,438,405	3,172,028	71.4%
Gross profit	680,365	568,684	19.6%
Net profit	371,644	220,425	68.6%
Net profit margin of sales (%)	6.8	6.9	/
Earnings per share			
Basic and diluted (RMB)	0.15	0.09	66.7%

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

EV Battery Market

According to data from the China Association of Automobile Manufacturers, sales of new energy vehicles in China maintained an upward trend in the first half of 2026. From January to June 2026, sales of new energy vehicles in China amounted to approximately 7.446 million units (including exports), representing a year-on-year increase of 7.3%, while exports of new energy vehicles from China reached 2.355 million units, representing a year-on-year increase of 1.2 times. In overseas markets, supported by relevant policies, the vehicle electrification rate in Europe increased. According to data from the European Automobile Manufacturers' Association (ACEA), sales of new vehicles in the EU market reached 5.897 million units in the first half of 2026, representing a year-on-year increase of 5.7%. By power source, hybrid electric vehicles accounted for 37.3% of total sales in the EU market in the first half of the year, with their market share increasing by 2.5% compared with the corresponding period last year, while battery electric vehicles accounted for 20.7% of total sales, with their market share increasing by 5.1% compared with the corresponding period last year. Electrification rates also increased across emerging markets such as South America, Southeast Asia, Japan and Korea.

As the battery capacity per new energy vehicle continues to increase, the growth in global EV battery sales has outpaced the growth in new energy vehicle sales. According to data from SNE Research, from January to June 2026, global sales of new energy vehicles amounted to 9.906 million units, representing a year-on-year increase of 5.5%; the global installed capacity of EV batteries (including HEVs) reached 608.5 GWh, representing an increase of 101.4 GWh and a year-on-year increase of 20.0%; overseas EV battery installations amounted to approximately 269 GWh, representing a year-on-year increase of 26.3%. Among the top 10 manufacturers in terms of overseas installations, the aggregate market share of Chinese enterprises increased from 44.2% in the corresponding period last year to 55.1%, with growth significantly outpacing the market average, further strengthening the dominant position of Chinese EV battery shipments globally.

In terms of policies, the national 15th Five-Year Plan and the Notice of the Eight Departments including the Ministry of Industry and Information Technology on Printing and Distributing the Work Plan for Stable Growth of the Automotive Industry (2025-2026) further clarified the core position of new energy vehicles in the green and low-carbon strategy, and provided systematic support in areas such as technological innovation, infrastructure construction and industrial chain coordination. Coupled with the in-depth implementation of consumption incentive policies such as "trade-in" programmes, potential market demand is expected to continue to be released, driving the steady increase in new energy vehicle penetration rate and bringing considerable structural growth opportunities to the EV battery industry.

Taking into account policy orientation and global market demand trends, the Company will continue to focus on technological innovation and capacity optimisation, deeply participate in the green energy transition, and contribute to the high-quality growth and sustainable development of the industry.

Energy Storage Market

Global demand for renewable energy installations and energy storage continued to grow in tandem. According to data from SNE Research, the energy storage battery market recorded significant growth from January to June 2026, with global energy storage battery deliveries reaching 461.3 GWh, representing a year-on-year increase of 71%. Energy storage battery manufacturers remained highly concentrated by region, with Chinese enterprises accounting for approximately 90% of the global market. From a regional perspective, end demand became more diversified, while overseas energy storage battery deliveries grew strongly. Non-China regions accounted for more than half of global deliveries for the first time, with aggregate deliveries in North America, Europe and other regions reaching 258.7 GWh, representing approximately 56% of the global total. Deliveries in North America and Europe increased by 83% and 74%, respectively. By application scenario, grid-side energy storage battery deliveries reached 347 GWh, representing the largest market share of 75.2%, while user-side energy storage battery deliveries reached 47.7 GWh, representing the fastest growth rate of 128% and more than doubling year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the national 15th Five-Year Plan, new-type energy storage is one of the six emerging pillar industries. The National Development and Reform Commission and the National Energy Administration issued the 15th Five-Year Plan for the Development of New Power Systems, which proposes that by 2030, non-fossil energy should account for 50% of electricity generation, while accelerating the large-scale construction of new-type energy storage power stations, with the national scale of new-type energy storage reaching 300 million kW by 2030.

In overseas markets, market demand in regions such as North America and Europe has grown strongly, and the energy storage market is evolving from a single-market structure towards a more diversified regional mix. With the rising penetration rate of electric vehicles and the diversified development of application scenarios such as artificial intelligence data centres (AIDC), embodied intelligence and electric vessels, electricity loads continue to increase. In addition, the share of wind and solar power generation in Europe has exceeded that of fossil fuels for the first time, continuing to drive market investment in large-scale energy storage, commercial and industrial energy storage and residential energy storage across multiple regions globally.

Meanwhile, sodium-ion batteries, with their long cycle life, excellent low-temperature performance, strong rate capability and high safety, are well suited for high-frequency power fluctuation scenarios such as AIDC. The industrialisation of sodium-ion batteries for energy storage applications is therefore expected to accelerate.

Low-altitude Economy

The national 15th Five-Year Plan has designated the low-altitude economy as a strategic emerging pillar industry, promoting reform of airspace classification and grading, improving regulations, standards and low-altitude infrastructure, strengthening the manufacturing industry chain for unmanned aircraft and electric vertical take-off and landing aircraft (eVTOL), expanding application scenarios such as logistics, air transportation and emergency response, establishing a safety supervision system, and building a trillion-RMB growth driver for new-quality productive forces. According to data from the Civil Aviation Administration of China, the market size of China's low-altitude economy reached RMB1.5 trillion in 2025 and is expected to continue to expand. Since the beginning of this year, various policies have been introduced successively. In April 2026, the White Paper on the Development of the Low-altitude Economy Industry of Central Enterprises further clarified the leading role of central state-owned enterprises in the development of the low-altitude economy industry, requiring them to better play a supporting and driving role in areas such as R&D of low-altitude equipment, infrastructure enhancement, implementation of application scenarios and development of the industrial ecosystem. In July 2026, the Opinions on Deepening the Reform of the Integrated Transportation System identified the low-altitude economy as a core component of the national integrated three-dimensional transportation network, with standardised development of air-ground coordination and multimodal transportation commencing comprehensively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Principal Business

We are a leading battery manufacturer in China, committed to developing a diverse portfolio of market-driven and technology-fuelled battery products. We primarily focus on the R&D, production and sales of EV battery products, ESS battery products, aviation battery products and marine batteries. We provide integrated battery solutions encompassing battery cells, modules, packs, battery clusters and battery management systems. We are rooted in the passenger vehicle EV battery market and dedicated to expanding the applications of electrochemical products in emerging scenarios such as energy storage, electric vessels and the low-altitude economy. Our mission is to promote green mobility in the transportation sector, and we are dedicated to powering the zero-carbon journey of electrification across full-scenario land, sea and air applications with a single battery cell.

We are one of the few companies among the top 10 battery manufacturers with a strong automotive components background. Our core management team possesses extensive professional expertise and profound industry insights into the automotive sector, and understands customers' needs in balancing safety, quality, performance and cost. We have developed a diversified portfolio of EV battery products as our core business, and have actively carried out the R&D of aviation battery products, which places us in a favourable position in terms of application scenario expansion and technological advancement in the battery industry.

Since the beginning of this year, we have continued to intensify our efforts in the energy storage battery business, with both delivery volume of ESS products and business development increasing substantially year-on-year. As our new production capacity is gradually released, more production lines have become available for the manufacture of energy storage batteries. We have commenced battery cell supply cooperation with leading enterprises in the energy storage industry across multiple fields, including residential energy storage, commercial and industrial energy storage and stand-alone energy storage power stations. We are also actively advancing product validation for domestic and overseas application scenarios requiring high rate capability, long cycle life and high safety, as well as business discussions for AIDC, long-duration energy storage and stand-alone energy storage power station projects.

We are the first EV battery company in the industry to obtain the AS9100D aerospace quality management system certification. In 2025, our aviation battery products successfully obtained airworthiness certification issued by the Civil Aviation Administration of China, and we officially commenced the mass delivery of aviation power battery systems.

Although the EV battery sector in China is highly competitive, we have leveraged our ppb aviation-grade safety quality, cutting-edge technologies and responsive services to build our product strength of "aviation-grade batteries with automotive-grade applications". We have continuously deepened our cooperation with leading passenger vehicle customers, delivering safe and reassuring user experiences and steadily increasing our market share.

Looking ahead, in addition to our continuously growing EV battery business, we will further increase our investment in diversified energy application scenarios such as stand-alone energy storage power stations, AIDC and embodied intelligence. Coupled with our continued value delivery to customers in terms of the cost, efficiency and quality of products and services, this will lay a solid foundation for the sustainable and healthy growth of our business.

MANAGEMENT DISCUSSION AND ANALYSIS

Main Products

The Company's main products are EV batteries, ESS batteries and aviation batteries. Among them, the "Zenergy Loong (正力·騏龍)" series of EV battery products cover BEV, PHEV and EREV models, and can meet the needs of multi-purpose vehicles such as sedans, SUVs, MPVs and commercial vehicles; ESS products can meet the needs of diversified application scenarios, including residential, commercial and industrial, grid-side and power generation-side settings, covering various application models such as short-duration frequency regulation and long-duration energy storage, while catering to the electricity needs of critical loads such as artificial intelligence data centres (AIDC); and aviation battery products may be applied to various aircraft models such as electric manned fixed-wing aircraft and eVTOLs, while aviation large cylindrical batteries may also cover embodied intelligence application scenarios.

Business Achievements

In the first half of 2026, the Group recorded sales revenue of RMB5,438.4 million, representing a year-on-year increase of approximately 71.4%, and a delivery volume of 13.01 GWh, representing a year-on-year increase of approximately 66.1%.

I. EV Battery Business

From January to June 2026, sales revenue from the Group's EV battery business amounted to RMB4,576.8 million, representing a year-on-year increase of 53.3%; the Group's power battery shipment volume amounted to 11.13 GWh. According to data released by the China Automotive Battery Innovation Alliance, from January to June 2026, the Company continued to record year-on-year increases in both installed capacity and market share in the domestic EV battery market, and its ranking in terms of installed capacity in new energy passenger vehicles rose from seventh in the corresponding period last year to fifth.

The continued growth of the Company's EV battery business and market share was attributable to the support and trust of a number of high-quality industry customers. Our EV battery customers include large central and state-owned enterprises, emerging EV manufacturers and leading multinational OEMs. Our share in the supply of battery products to leading global automotive enterprises, including FAW Hongqi, GAC Trumpchi, Leapmotor, SAIC IM Motors, SAIC-GM Wuling, SAIC-GM, GAC-Toyota and Volkswagen, continued to increase, and we served as a core supplier for various core vehicle models of our customers. With respect to overseas business, we currently conduct business through indirect exports of batteries together with complete vehicles and exports in the form of KD parts. From January to June 2026, revenue from indirect export business accounted for approximately 14% of our operating revenue. As a number of vehicle models of our core customers continue to sell well overseas, the proportion of our revenue from indirect exports is expected to continue to increase.

STAES, our joint venture, offers various lithium-ion and Ni-MH battery packs for HEV models and supplies all HEV models of the major OEMs that are joint ventures with Toyota in China. Historically, it has cumulatively supplied batteries for over 4.0 million vehicles, and no battery safety incident has occurred to date. The global HEV market is expected to maintain steady growth in 2026. According to Business Research Insights, the compound annual growth rate from 2026 to 2035 is expected to be approximately 20.99%.

MANAGEMENT DISCUSSION AND ANALYSIS

II. Energy Storage and Other Business

From January to June 2026, sales revenue from the Group's energy storage battery business amounted to RMB592.4 million, representing a year-on-year increase of 799.1%. In the energy storage business, the Company's mature flagship 314Ah product commenced mass production and delivery in 2023 and has become a major replacement option for 100Ah battery cells used in residential energy storage. Our energy storage battery customers include leading integrators such as Deye and Toyota, while we are also actively engaging in business discussions with other diversified customers in China and overseas, including GoodWe. In addition, it is expected that in the second half of 2026, the Company's 235Ah and 588Ah battery cell products for commercial and industrial and large-scale energy storage will successively achieve large-scale sales, further expanding the scale of the Company's energy storage business.

From January to June 2026, sales revenue from the Company's polyanion sodium-ion battery business amounted to RMB15.1 million, representing a year-on-year increase of 276.6%. The products are mainly exported to the EU market, and their high-rate discharge performance is applied in backup power scenarios such as AIDC and peak shaving and valley filling.

In the field of aviation batteries for manned aircraft, the Company has made forward-looking investments in technology R&D for years and achieved phased progress. The Company was the first to propose the "three high and one fast" technical indicators for aviation batteries, namely high safety, high energy density, high discharge rate and ultra-fast charging capabilities, which have been adopted by the Ministry of Industry and Information Technology and incorporated into the 2025 edition of the Technical Roadmap for Power Batteries for Low-altitude Aircraft.

With respect to aviation battery products, the battery products supplied by the Company for the RX1E fixed-wing manned electric aircraft of Liaoning General Aviation Academy and ZEROG Aircraft have obtained airworthiness certification from the Civil Aviation Administration of China. The Company completed the first mass supply in the industry of battery pack systems for a two-seat electric fixed-wing manned aircraft and also entered into an exclusive design-wins development agreement for the subsequent four-seat fixed-wing model. In addition, the Company secured a new project design-win for one multi-rotor model. Meanwhile, the Company is in discussions with a number of domestic aircraft manufacturers regarding the joint development of battery packs for multi-rotor and tilt-rotor aircraft. It is expected to achieve full technology-path coverage in the manned aircraft sector, encompassing fixed-wing, multi-rotor and tilt-rotor models, the latter of which are subject to more stringent safety and technical requirements, thereby truly achieving the strategic iterative layout of "mass-producing one generation, developing one generation and pre-researching one generation".

Technology and R&D Achievements

1. Technological Iteration and Innovation:

The Company always regards innovation as its engine, driving continuous R&D iteration to pioneer cutting-edge technologies and excellent products and to consolidate and strengthen its competitive barriers.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) With respect to advanced materials:

- 1) Enhancement in energy density of cathode materials: Leveraging high-throughput AI simulation and calculation, we adopt multi-level precursor grading combined with particle gradient doping technology to increase compaction density while facilitating specific-capacity performance, thereby significantly improving the energy density of phosphate cathode materials;
- 2) Ultra-fast-charging and long-life anode materials: Through new surface coating modification and bulk pore-forming technologies, we have achieved peak ultra-fast charging capability of 15C and above for anode materials. At the same time, through targeted precursor synthesis, volume expansion during charging and discharging is reduced, significantly enhancing the cycle life of the materials;
- 3) Electrolytes: We have independently developed new electrolyte solvents and additives to enhance interfacial stability and achieve ultra-long cycle life;
- 4) Others: We have made a series of breakthrough progress in key materials including high-safety ultra-high-nickel materials, high-capacity lithium-replenishment materials, long-life lithium nickel manganese oxide cathode materials, fast-charging electrolytes, new low-expansion long-life vapour-deposition silicon-carbon anode materials and high-strength ultra-thin separators.

(2) With respect to advanced technology platforms: In line with the Company's "5-3-1 R&D Strategy", we are committed to building advanced technology platforms and conducting pre-research and reserves for technologies and products with relatively high application potential in the coming three years, thereby continuously enhancing the Company's market competitiveness.

- 1) High-energy-density phosphate system technology platform: Through innovative material combinations, electrode design and process optimisation, we have achieved technological upgrades to the phosphate system. We focus on developing LFP-blended NCM chemistry systems as well as LFP with silicon-doped anode solutions, continuously pushing up the energy-density ceiling of phosphate systems. We have optimised lithium-replenishment processes to achieve ultimate production efficiency while maintaining long cycle life, and continue to improve fast-charging and long-cycle characteristics to match commercial vehicle application scenarios.
- 2) High-energy NCM (silicon-based) system technology platform: We focus on improving the stability of ultra-high-nickel cathodes, laying the foundation for cathode limit design; and on the industrial application of silicon anodes, defining the process window for double-layer coating of silicon anodes and the optimal matching criteria for silicon and graphite. Platform prototypes have achieved average 6C/8C ultra-fast charging capability for prismatic aluminium-shell cells, while pouch cells cover an energy density range of 340~420 Wh/kg. We are actively developing large cylindrical and prismatic batteries with an energy density of over 350 Wh/kg, laying the foundation for the next generation of higher-energy-density aviation battery products.

MANAGEMENT DISCUSSION AND ANALYSIS

- 3) With respect to new chemistry system technology platforms, the Company continues to conduct research on material systems, battery cell design and engineering validation for next-generation battery technologies such as sodium-ion batteries and lithium-rich manganese-based batteries, with a focus on building technology reserves for low cost, long life and high specific energy, thereby further improving our cutting-edge technology layout for energy storage and EV applications.

With respect to sodium-ion batteries, the Company is advancing both polyanion and layered oxide technology routes in parallel. The polyanion system focuses on the long-life and high-power requirements of energy storage applications. Through optimisation of material systems and regulation of interfacial stability, it has achieved a cycle life of over 10,000 cycles and high-rate charging and discharging capability, providing technical support for the application of sodium-ion batteries in scenarios such as large-scale energy storage and AIDC. The layered oxide system focuses on high energy density and has established capabilities in key material evaluation, system matching and battery cell design, supporting the continuous development of sodium-ion batteries with an energy density of 180 Wh/kg and above and laying a foundation for expanding sodium-ion battery applications to light-duty power and certain passenger vehicle scenarios.

With respect to lithium-rich manganese-based batteries, the Company is advancing the development of lithium-rich manganese-based material systems for next-generation high-specific-energy EV battery requirements. We have completed preliminary engineering validation of a 350 Wh/kg large-capacity pouch cell and accumulated key data and technical experience for subsequent improvements in cycle life, voltage decay, rate performance and safety performance.

- (3) With respect to cutting-edge battery technologies:

- 1) Hybrid solid-liquid cylindrical batteries: Centred on breakthroughs in dual solid-electrolyte technology, we integrate an ultra-high-nickel NCM cathode material modified with solid electrolyte with an ultra-thin dense solid-electrolyte composite separator. The solid-electrolyte modification layer reconstructs the material interface and optimises kinetics and structural stability, while the composite separator builds efficient ion-transport pathways and reduces migration resistance. The synergistic effect of the two technologies enables the hybrid solid-liquid cylindrical battery to achieve a gravimetric energy density of 330 Wh/kg and a volumetric energy density of 910 Wh/L, while enhancing battery safety and kinetic performance.
- 2) High-specific-energy lithium metal batteries: By adopting an ultra-high-nickel NCM cathode, a localised high-concentration electrolyte and an ultra-thin lithium metal anode chemistry system, together with structural design and process optimisation, we have achieved a gravimetric energy density of 515 Wh/kg, accelerating the development of ultra-high-energy-density lithium metal batteries.
- 3) Development of sulfide solid-state batteries: We are building a technology matrix around solid-state batteries, focusing on the development of sulfide electrolytes and composite systems, while optimising dry and wet battery cell manufacturing processes in parallel to address challenges relating to solid-solid interface compatibility and large-scale manufacturing. The prototype solid-state batteries developed by us cover a gravimetric energy density range of 320~400 Wh/kg and have passed 200℃ hot-box and nail penetration safety tests, accelerating the industrialisation of high-specific-energy, high-safety and low-cost solid-state batteries. The 100 MWh-class large-capacity solid-state battery R&D pilot production line is expected to be completed in the second half of 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

(4) With respect to intelligent manufacturing:

AI vision: We continue to consolidate and refine our concept of “logistics as workstation, workstation as manufacturing, and manufacturing as quality inspection” to prevent batch abnormalities. In particular, (a) AI vision coverage has further increased; and (b) multi-zone, multi-light-source image reconstruction technology has substantially enhanced defect-image features, further safeguarding battery quality. For example, time-sharing stroboscopic technology has been applied to electrode appearance inspection, significantly improving detection capability and enabling stable identification of defects with only weak visual features that were previously difficult to detect, such as bubbles on electrode sheets and defective ceramic areas.

Embodied intelligence: The EOL automated insertion and removal technology based on hybrid force-position control, developed through industry-university-research cooperation with universities, has been applied in mass production. An automatic grouping and packing machine featuring vision-guided flexible robotic gripping and hybrid force-position controlled stacking has been successfully validated and is entering development for mass-production equipment.

AI data analysis/agents: The Company attaches importance to exploring AI technologies and suitable application scenarios. (a) By leveraging LLMs, we have developed department-level AI professional knowledge bases and talent development platforms, customising training courses and flexible assessments based on individual capabilities to shorten the talent development cycle. (b) Equipment failure prediction and fault recommendation agents based on machine-learning algorithms have entered mass production and are being rolled out. (c) By leveraging the programming advantages of AI, software development efficiency has increased by more than 50%.

(5) With respect to product reliability and safety: We have established a full life-cycle reliability control system for lithium batteries covering product design, manufacturing processes and application boundaries in all dimensions. Through research into underlying failure mechanisms and data-driven methods, we have independently developed innovative accelerated evaluation methodologies, effectively shortening the reliability verification cycle from raw materials to finished products. We conduct quantitative verification of key safety and reliability indicators for raw materials, product design and trial production to identify various potential product risks in advance. At the same time, we coordinate R&D, engineering, manufacturing and quality functions to improve design criteria, process standards and application-boundary specifications, thereby preventing safety risks at source.

(6) With respect to intellectual property: As of June 30, 2026, the Group had filed a total of 4,691 patent applications, of which 3,115 had been granted, including 621 invention patents.

2. Product Refinement and Upgrade:

(1) NCM power battery products: High-voltage NCM products with average 8C ultra-fast charging capability: These products also incorporate a high-specific-energy design, with cell energy density reaching 245 Wh/kg and an expected cycle life of up to 1,800 cycles, placing them at a leading level among medium-nickel high-voltage fast-charging NCM products.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Phosphate-based power battery products:

- 1) High-specific-energy LFP batteries: With the application of fourth-and-a-half-generation materials, the volumetric energy density of LFP cells has reached 445 Wh/L and the gravimetric energy density has reached 204 Wh/kg, placing them at a relatively high level among comparable products and increasing the total electricity capacity of battery packs of the same volume. A-sample development has been completed, and design freeze is expected by the end of 2026.
- 2) Fast-charging LFP batteries: With average 4.2C and peak 6C fast-charging capability, these batteries can replenish 70% SOC within 10 minutes and achieve an energy density of 190 Wh/kg. Their overall performance indicators are industry-leading, and they have completed the mid-term acceptance for the "open competition mechanism" project of the Suzhou Science and Technology Bureau.
- 3) Ultra-fast-charging LFP batteries: Featuring both high-specific-energy and ultra-fast-charging designs, these batteries achieve an energy density of 188 Wh/kg while supporting average 8C fast-charging capability, and design freeze has been completed.
- 4) Next-generation LFP & NCM blended-system batteries: With an energy density exceeding 215 Wh/kg, these batteries break through the energy-density ceiling of LFP batteries and are intended for customers' premium C/D-class BEV/EREV models.

(3) ESS products:

In the energy storage business, the Company's core mature 314Ah standardised battery cell has become one of the main products supplied for global residential energy storage.

The 314Ah product is currently used for both large-scale energy storage and residential energy storage, with energy conversion efficiency of not less than 94.5% and cycle life of over 10,000 cycles. Meanwhile, the long-life version of the 314Ah product has completed B-sample R&D, with cell cycle life increased to over 12,000 cycles and calendar life reaching over 25 years, effectively reducing the overall system cost. In the first half of 2026, the Company completed prototype development of a higher-capacity 588Ah battery cell, which is expected to commence formal mass production in the second half of 2026; and plans to complete prototype development of 648Ah and 684Ah battery cells in the second half of the same year, followed by 700Ah+ battery cell prototypes in 2027. This series of products has energy conversion efficiency of not less than 94.5%, cycle life of over 10,000 cycles and calendar life of over 20 years, and is suitable for 2-to-8-hour long-duration energy storage scenarios under AIDC high-voltage architectures. For next-generation cells exceeding 1,000Ah for long-duration energy storage of over 10 hours, trial production of 1,400Ah+ and 2,700Ah+ samples was completed in the first half of 2026, and performance and safety testing and validation are currently underway, accumulating a technical foundation for the R&D of large-capacity long-duration energy storage cells.

MANAGEMENT DISCUSSION AND ANALYSIS

(4) Battery system products:

800V & 6C LFP ultra-fast charging platform: It can replenish 70% SOC within 10 minutes, with a maximum fast-charging rate of 6C, an average fast-charging rate of over 4.2C (10-80% SOC charging), and a peak discharge rate of over 15C. The energy density of a single battery cell exceeds 180 Wh/kg, while pack integration efficiency exceeds 76%. It features high safety and meets the requirement of no thermal propagation: no safety incident occurs upon triggering thermal runaway and there is no thermal propagation. It also features high mechanical safety: battery functions remain normal after a 1,300J continuous bottom impact test at eight points; functions remain normal after a 187-hour six-degree-of-freedom high- and low-temperature alternating vibration test simulating extreme bumpy road conditions over more than one million kilometres. In terms of environmental reliability, it has undergone 4,032 hours of enhanced corrosion testing under extreme chemical slurry and saline environments, ensuring durable protection under severe weather or complex road conditions, with durability far exceeding ordinary standards.

(5) Aviation battery products:

In the first half of 2026, the Company carried out aviation battery system design and development with a number of customers. The Company has reached alignment with the Civil Aviation Administration of China on the preparation of the relevant test outlines for the above aircraft models, marking an important step forward in the certification of electric aircraft.

The energy density of the Company's cylindrical aviation batteries has reached 330 Wh/kg. The Company is currently focusing on the development of cylindrical and prismatic products with higher energy densities of 350 Wh/kg and above and 370 Wh/kg and above, respectively, to build up technological reserves for customers' next-generation aircraft models.

The Company will continue to advance the development of lightweight, high-energy-density and high-safety battery systems, address the stringent safety tests under the relevant standards, and cooperate with aircraft customers to complete aircraft airworthiness certification. Such high-energy-density and high-power products may also be applied in embodied intelligence robot scenarios.

FUTURE OUTLOOK

Sustainable Customer Expansion

On the one hand, we will continue to expand the depth and breadth of our customer base in passenger/commercial vehicle EV batteries and ESS batteries, and continue to strengthen and deepen our relationships with existing customers to increase product penetration and the strategic allocation of core products, while establishing business cooperation with new customers. On the other hand, we will also actively explore cooperation with customers across more diversified scenarios to meet their needs in residential energy storage, commercial and industrial energy storage, stand-alone energy storage power stations, AIDC, robots, aircraft and other scenarios. In addition, we actively provide batteries for customers' export vehicle models and energy storage systems to meet their needs across multiple overseas scenarios.

In terms of EV batteries, we will continue to advance the three-pronged strategy of battery cell form standardisation, battery pack system platformisation and electrochemical system differentiation, continuously improve the energy density and fast-charging capability of chemistry systems, help customers develop new vehicle models with high quality within shorter timeframes, and create economies of scale across upstream and downstream markets.

For the rapidly growing electric commercial vehicle market, we will further advance the electrification rate of commercial vehicles through a coordinated model of transportation capacity and electricity, while actively innovating business models and solutions for long-haul commercial vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

With respect to overseas business, we support customers' global expansion as a core component supplier for their export vehicle models. We have currently established cooperation models with Leapmotor and GAC Trumpchi for supporting complete vehicle exports, and have also reached an export model with Wuling for KD parts to be assembled overseas. At present, the Company's products have been sold to markets including Hong Kong, India, Indonesia and the EU.

In the field of energy storage batteries, we have completed a full product portfolio covering 100Ah to 2,700Ah+ and above. Leveraging our comprehensive product matrix and forward-looking R&D and layout of large-capacity energy storage cells, we aim to capture opportunities in domestic and overseas markets: on the one hand, capturing incremental rigid demand arising from the continued increase in household electricity consumption in residential and small commercial and industrial scenarios; and on the other hand, exploring the commercial potential of large-scale energy storage batteries and system integration driven by long-duration energy storage, stand-alone energy storage power stations and AIDC computing-power support.

For diversified application scenarios including residential energy storage, commercial and industrial energy storage, stand-alone energy storage power stations, AIDC energy storage, distribution transformer area energy storage and microgrids, we are deploying sodium-ion cells as well as LFP cells featuring ultra-high rate capability, an ultra-wide temperature range, ultra-long cycle life and ultra-large capacity through multiple innovative technologies. We aim to fully match the requirements for energy storage batteries in different domestic and overseas scenarios and are committed to building multi-dimensional and diversified in-depth cooperation with leading energy storage customers in China and overseas.

Further High-quality Layout of New Production Capacity

We seek to balance our capacity layout with customer demand and are committed to continuously improving production line efficiency through AI-driven closed-loop algorithm technologies, thereby achieving high-quality capacity growth. We have designed flexible, high-speed production lines that accommodate both EV battery and energy storage battery manufacturing and are equipped with localised central control across horizontally integrated processes. This has enhanced production efficiency and accumulated step-by-step practical experience for the next phase of achieving a fully centrally controlled unmanned factory.

As the number of automakers with which the Company has secured design-wins cooperation continues to increase, in particular given the substantial increase in the number of battery cells per vehicle brought about by 800V high-voltage platform architectures, and based on the industrial-scale development trend of Zenergy's "three-pronged synergy" of battery cell form standardisation, battery pack system platformisation and electrochemical system differentiation, we expect newly built production lines to move towards a faster pace of over 30 ppm for a single line and over 60 ppm for one line serving two lines, so as to meet the Company's development needs and enhance overall competitiveness.

In 2026, the Company is orderly advancing the construction and equipment installation of Phase II of the new Changshu manufacturing plant, including energy storage and EV battery production lines and a large-capacity energy storage cell production line aligned with the market trend towards large-capacity cells. The project is expected to complete construction in the second half of this year, which will further enhance the Company's energy storage battery capacity scale and market competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, we plan to continue building capacity based on demand. Through the continuous expansion of intelligent new projects including sodium-ion battery production lines and future-oriented production lines for large-capacity energy storage cells above 1,000Ah, we aim to meet market demand for energy storage application scenarios such as long-duration energy storage, computing power centres and decentralised power supply models, while also serving multiple sectors including new energy vehicles, electric passenger-carrying aircraft, humanoid robots and electric vessels.

Technological Re-innovation

Advanced Materials: We will focus on the development of materials for ultra-fast charging systems with a peak rate of over 16C and an average rate of over 10C, including the continuous iterative upgrade of new flash-charging anode materials, phosphate cathode materials with high kinetics and high energy density, and ultra-fast charging electrolyte solvents and additive materials. At the same time, we will continue to advance ultra-high-nickel and new lithium-rich manganese-based cathode materials, as well as third-generation low-expansion, fast-charging and long-life silicon-carbon anode materials.

Advanced Technology Platforms: We will continue to strengthen our technology reserves for phosphate systems and further broaden their application windows. We will actively advance the technological iteration of blended chemistry systems, making further breakthroughs and improvements in energy density, fast-charging performance and service life, so as to maintain the continued leadership of our product competitiveness; We will further advance high-performance NCM battery technologies, complete the development of high-specific-energy batteries with 8C ultra-fast charging capability, and promote the industrialisation of “three high and one fast” battery products with energy density of over 350 Wh/kg; We will continue to deepen our research into new material systems, maintain sustained investment in areas including high-voltage material system technologies, lithium-rich manganese-based material system technologies and alkali-metal material system technologies, actively identify suitable application scenarios, and maintain iterative leadership in advanced technologies.

Cutting-edge Battery Technologies: Construction of the 100 MWh-class solid-state battery pilot production line is progressing steadily and is expected to be completed in the second half of 2026. The pilot line will be capable of preparing sulfide solid-state batteries of over 60Ah and 100Ah-class lithium metal batteries. Systematic validation will focus on three key areas: material-system pathways, process-window optimisation and engineering prototype development, comprehensively assessing mass-production feasibility in dimensions such as process stability and production-line equipment compatibility.

Intelligent Manufacturing: We will accelerate the deployment of computing power within the Company and promote the implementation of R&D involving AI technologies and embodied intelligence, shifting from “people looking for data” to “data finding people”, so as to enable rapid correlation and aggregation of production-line data and autonomous decision-making, and further enhance the intelligence and flexibility of production lines. We will advance the development of a central control system that leverages AI technologies to automatically compile production data, analyse takt-time losses, capacity bottlenecks and fault classifications, make autonomous decisions and transmit instructions within seconds, ultimately realising the ambitious goal of an unmanned factory.

Product Re-iteration

Advanced products: The Company plans to develop: (1) ultra-fast charging LFP batteries which, based on graphite materials with fast-charging capability above 10C and fast-charging electrolytes, will achieve energy density exceeding 175 Wh/kg, a peak charging rate exceeding 16C, 70% energy replenishment within 3.5 minutes and cycle life exceeding 1,500 cycles; and (2) ultra-fast charging NCM batteries with energy density exceeding 240 Wh/kg and 70% energy replenishment within 4.2 minutes.

To effectively support ultra-fast charging, the Company has developed a new bridge-type terminal top cover and continues to optimise it. Compared with conventional top cover solutions, it is lighter in weight, lower in resistance and cost, and better in reliability, which can reduce temperature rise and enhance service life for ultra-fast charging batteries.

MANAGEMENT DISCUSSION AND ANALYSIS

High-energy-density EV battery products: The Energy-saving and New Energy Vehicle Technology Roadmap 3.0 proposes that by 2040, the power consumption per 100 kilometres of new energy passenger vehicles should be less than 9.2 kWh, and existing products have difficulty meeting such requirements. By continuously improving the energy density of battery products and reducing the weight of batteries with the same electricity capacity, the Company can in turn reduce vehicle weight, thereby helping automaker customers reduce electricity consumption per 100 kilometres and comply with policy requirements in advance.

In the field of aviation battery applications, the Company is focusing on developing products with energy density exceeding 350 Wh/kg to support a flight range of over 300 km and promote industry development. In the field of aviation battery system applications, the Company has commenced the development of ultra-lightweight products, including the application of titanium alloy materials in battery pack structural components, leveraging their excellent properties such as high strength, light weight and high-temperature resistance; and the application of carbon-fibre composite materials in battery pack structural components to replace certain steel and aluminium materials and further achieve lightweighting.

Large-scale ESS products: To address 2-to-4-hour energy storage scenarios, the Company is cooperating with specific customers to develop 648Ah, 684Ah and 700Ah+ battery cells. To address the future market for long-duration energy storage of 8 to 12 hours, the Company continues to advance the R&D, design and mass-production implementation of next-generation large-scale ESS products with higher capacities of 1,400Ah+ and 2,700Ah+, further improving product integration efficiency and reducing the cost of battery cells and systems to match AIDC energy storage scenarios and long-duration energy storage systems.

For system-level products, the Company is committed to streamlining system integration, achieving energy capacity of more than 6.9 MWh per container, substantially reducing the number of system components, effectively lowering costs and enhancing product competitiveness.

High-power energy storage: In response to the needs of AIDC application scenarios, the Company has developed an 85Ah high-power energy storage cell supporting instantaneous 12C discharge and continuous 10C discharge. During continuous discharge, capacity retention can be maintained at not less than 98%, thereby meeting the high-power electricity demand of data centres.

Sodium battery products: To address the potential impact of substantial fluctuations in lithium resource prices on the ESS market in the future, as well as the requirements of the ESS market for product rate capability and safety, in the first half of 2026 the Company completed the R&D and fabrication of 162Ah sodium-ion cell samples based on the 71173 dimensions and plans to launch an upgraded 180Ah sodium-ion cell by the end of 2026. Leveraging the advantages of sodium battery products, including long life, high power, high safety, excellent low-temperature performance and outstanding cost-effectiveness, the Company will introduce them into various energy storage application scenarios such as stand-alone power stations and AIDC. In addition, the Company expects to complete the R&D of a 350Ah large-capacity sodium-ion cell based on the 73310 dimensions in the second half of 2026, achieving a technological breakthrough in large-capacity sodium-ion cells.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION RESULTS AND ANALYSIS

Overview

During the Reporting Period, revenue of the Group increased by 71.4% from RMB3,172.0 million for the six months ended June 30, 2025 to RMB5,438.4 million for the six months ended June 30, 2026; gross profit of the Group increased by 19.6% from RMB568.7 million for the six months ended June 30, 2025 to RMB680.4 million for the six months ended June 30, 2026; net profit for the period of the Group increased by 68.6% from RMB220.4 million for the six months ended June 30, 2025 to RMB371.6 million for the six months ended June 30, 2026; earnings per share of the Company increased by 66.7% from RMB0.09 for the six months ended June 30, 2025 to RMB0.15 for the six months ended June 30, 2026.

Key Financial Index

	For the six months ended June 30,		
	2026 Unaudited RMB'000	2025 Unaudited RMB'000	YOY change
Revenue	5,438,405	3,172,028	71.4%
Gross profit	680,365	568,684	19.6%
Net profit	371,644	220,425	68.6%
Net profit margin of sales (%)	6.8	6.9	/
Earnings per share			
Basic and diluted (RMB)	0.15	0.09	66.7%

MANAGEMENT DISCUSSION AND ANALYSIS

The table below is extracted from the interim condensed consolidated statements of profit or loss and other comprehensive income of the Group, which sets forth the absolute amount for the six months ended June 30, 2025 and June 30, 2026.

Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Six months ended June 30,	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
REVENUE	5,438,405	3,172,028
Cost of sales	(4,758,040)	(2,603,344)
Gross profit	680,365	568,684
Other income and gains	59,390	27,267
Selling and marketing expenses	(19,375)	(16,404)
Administrative expenses	(167,825)	(172,723)
Research and development expenses	(268,148)	(252,858)
Impairment losses on financial assets and contract assets, net	(13,328)	(5,182)
Other expenses	(12,124)	(27,331)
Finance costs	(76,602)	(68,223)
Share of profits of joint ventures	169,623	160,250
PROFIT BEFORE TAX	351,976	213,480
Income tax credit	19,668	6,945
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	371,644	220,425
Profit attributable to:		
Owners of the parent	371,644	220,425
PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	0.15	0.09

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group's revenue increased by 71.4% from RMB3,172.0 million for the six months ended June 30, 2025 to RMB5,438.4 million for the six months ended June 30, 2026, which was mainly attributable to the significant year-on-year increase in shipment volume of power batteries and ESS batteries, facilitating the increase in the Company's sales revenue.

The following table sets forth a breakdown of the Company's revenue by product type during the periods indicated, including the absolute amounts and as percentages of total revenue:

	Six months ended June 30, (Unaudited)			
	2026		2025	
	Revenue RMB'000	Percentage of Revenue (%)	Revenue RMB'000	Percentage of Revenue (%)
Items				
Power battery	4,576,839	84.2	2,985,306	94.1
ESS products and others	861,566	15.8	186,722	5.9
Total	5,438,405	100.0	3,172,028	100.0

Revenue from sales of power batteries of the Group increased by 53.3% from RMB2,985.3 million for the six months ended June 30, 2025 to RMB4,576.8 million for the six months ended June 30, 2026. Such significant increase was mainly attributable to the gradual ramp-up of the Group's newly added production capacity, coupled with a further year-on-year increase in capacity utilization, resulting in a significant increase in shipment volume of power batteries as compared with the corresponding period last year.

Revenue generated from ESS products and others of the Group increased by 361.4% from RMB186.7 million for the six months ended June 30, 2025 to RMB861.6 million for the six months ended June 30, 2026. Such significant increase was mainly attributable to the significant increase in shipment volume of ESS batteries.

Cost of Sales

Cost of sales of the Group increased by 82.8% from RMB2,603.3 million for the six months ended June 30, 2025 to RMB4,758.0 million for the six months ended June 30, 2026, which was primarily attributable to the substantial increase in sales volume of power battery and ESS battery products.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of gross profit and gross profit margin by product type and downstream application during the periods indicated:

Item	Six months ended June 30, (Unaudited)			
	2026		2025	
	Gross profit RMB'000	Gross profit margin (%)	Gross profit RMB'000	Gross profit margin (%)
Power battery	622,477	13.6	546,243	18.3
ESS products and others	57,888	6.7	22,441	12.0
Total	680,365	12.5	568,684	17.9

Gross profit of the Group increased by 19.6% from RMB568.7 million for the six months ended June 30, 2025 to RMB680.4 million for the six months ended June 30, 2026. Its gross profit margin decreased from 17.9% for the six months ended June 30, 2025 to 12.5% for the six months ended June 30, 2026, representing a year-on-year decrease of 5.4 percentage points.

Specifically, gross profit of power battery increased by 14.0% from RMB546.2 million for the six months ended June 30, 2025 to RMB622.5 million for the six months ended June 30, 2026, mainly attributable to the substantial increase in sales volume of power battery products. Its gross profit margin decreased from 18.3% for the six months ended June 30, 2025 to 13.6% for the six months ended June 30, 2026. The decrease in gross profit margin was mainly due to the combined impact during the Reporting Period of rising costs of upstream raw materials for lithium battery products, product pricing pressure arising from intensified industry competition and the ramp-up of newly added production capacity.

Gross profit of ESS products and others increased by 158.0% from RMB22.4 million for the six months ended June 30, 2025 to RMB57.9 million for the six months ended June 30, 2026, mainly attributable to the substantial increase in shipment volume of ESS products as the Group's newly added production capacity gradually came on stream. Its gross profit margin decreased from 12.0% for the six months ended June 30, 2025 to 6.7% for the six months ended June 30, 2026. The decrease in gross profit margin was mainly due to the combined impact during the Reporting Period of rising costs of upstream raw materials for lithium battery products and product pricing pressure arising from intensified industry competition.

Other Income and Gains

Other income and gains increased by 117.6% from RMB27.3 million for the six months ended June 30, 2025 to RMB59.4 million for the six months ended June 30, 2026, mainly due to the significant year-on-year increase in the amount of additional deduction of value-added tax.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and Marketing Expenses

Selling and marketing expenses increased by 18.3% from RMB16.4 million for the six months ended June 30, 2025 to RMB19.4 million for the six months ended June 30, 2026, mainly due to the increase in advertising and promotion expenses.

Administrative Expenses

Administrative expenses decreased from RMB172.7 million for the six months ended June 30, 2025 to RMB167.8 million for the six months ended June 30, 2026.

Research and Development Expenses

Research and development expenses increased from RMB252.9 million for the six months ended June 30, 2025 to RMB268.1 million for the six months ended June 30, 2026.

Impairment Losses on Financial Assets and Contract Assets, Net

Impairment losses on financial assets and contract assets, net increased by 155.8% from RMB5.2 million for the six months ended June 30, 2025 to RMB13.3 million for the six months ended June 30, 2026, primarily due to the significant increase in the Group's revenue and, correspondingly, a significant increase in the balance of accounts receivable at the end of the Reporting Period, resulting in the provision for credit impairment losses.

Other Expenses

Other expenses decreased by 55.7% from RMB27.3 million for the six months ended June 30, 2025 to RMB12.1 million for the six months ended June 30, 2026, mainly due to lower exchange losses on foreign currency deposits during the Reporting Period.

Finance Costs

Finance costs increased by 12.3% from RMB68.2 million for the six months ended June 30, 2025 to RMB76.6 million for the six months ended June 30, 2026, mainly due to an increase in borrowing interest expenses.

Share of Profits of Joint Ventures

Share of profits of joint ventures increased from RMB160.3 million for the six months ended June 30, 2025 to RMB169.6 million for the six months ended June 30, 2026.

Income Tax Credit

Income tax credit increased from RMB6.9 million for the six months ended June 30, 2025 to RMB19.7 million for the six months ended June 30, 2026, mainly due to the improvement in the Group's profitability, and the management's recognition of the relevant deferred tax assets to the extent of the estimated future taxable income available for utilization.

Profit for the Period

As a result of the foregoing, the Group's net profit for the period increased by 68.6% from RMB220.4 million for the six months ended June 30, 2025 to RMB371.6 million for the six months ended June 30, 2026.

Liquidity and Capital Resources

For the six months ended June 30, 2026, the Group primarily funded its operations through debt financing, cash generated from operating activities and dividends from joint ventures.

The Group monitors its cash balance on a daily basis and reviews its cash flow on a monthly basis. We also regularly prepare a cash receipts and expenditures plan for the next three months and submit the same to the chief financial officer for approval to ensure we can maintain optimal liquidity levels and meet our working capital needs. We have sufficient liquidity to meet daily cash management and capital expenditure requirements and control internal operating cash flows.

Cash and Cash Equivalents

As of June 30, 2026, the Group's cash and cash equivalents amounted to RMB4,821.8 million, mainly including cash and unrestricted bank balances and short-term time deposits, compared to RMB4,182.6 million as of December 31, 2025, representing an increase of RMB639.2 million. The Group's cash and cash equivalents are primarily denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Bank and Other Borrowings

As of June 30, 2026, the Group's interest-bearing bank and other borrowings were approximately RMB7,393.8 million, compared to RMB5,693.8 million as of December 31, 2025. The Group's bank and other borrowings are denominated in RMB. As of June 30, 2026, with the exception of interest-bearing bank and other borrowings totaling approximately RMB1,238.7 million which bore interest at fixed rates, the remaining borrowings bore interest at floating rates. Of the Group's interest-bearing bank and other borrowings as of June 30, 2026, 32.0% will mature within one year, and the remainder will mature after one year.

Capital Structure

As of June 30, 2026, the Group's net assets were RMB8,473.6 million, including current assets of RMB12,131.9 million, non-current assets of RMB14,649.1 million, current liabilities of RMB12,655.7 million, and non-current liabilities of RMB5,651.7 million.

As of June 30, 2026, the Group's gearing ratio (calculated as total liabilities divided by total assets) was 68.4%, compared to 61.8% as of December 31, 2025.

Cash Flows

For the six months ended June 30, 2026, the Group's net cash flow generated from operating activities was RMB640.0 million, compared to the net cash flow used in operating activities of RMB125.8 million for the six months ended June 30, 2025. For the six months ended June 30, 2026, the Group's net cash flow used in investing activities was RMB1,559.5 million, compared to the net cash flow used in investing activities of RMB1,302.5 million for the six months ended June 30, 2025. For the six months ended June 30, 2026, the Group's net cash flow generated from financing activities was RMB1,565.7 million, compared to the net cash flow generated from financing activities of RMB1,783.7 million for the six months ended June 30, 2025.

Interest Rate Risk and Foreign Exchange Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debts with floating interest rates.

The Group's revenue and expenses are primarily denominated in RMB. We are exposed to foreign exchange risk arising from certain currency exposure (mainly related to Hong Kong dollar, Euro and U.S. dollar). As of June 30, 2026, the balance of the Group's foreign currency bank deposits translated into RMB accounted for 0.4% of its total assets. As the expected exchange rate risk is not significant, no financial instruments were used for hedging purposes, and the Group did not commit to using any financial instruments to hedge its exposure to exchange rate risk. The Directors and senior management of the Group will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary.

Capital Expenditures and Commitments

For the six months ended June 30, 2026, the Group incurred capital expenditures of approximately RMB1,970.5 million, which were primarily related to the purchase of property, plant and equipment and the purchase of right-of-use assets and other intangible assets.

For the six months ended June 30, 2026, the Group's capital commitments amounted to RMB2,705.9 million, which were related to property, plant and equipment.

Restricted Assets

As at June 30, 2026, the Group had restricted assets with a total carrying amount of RMB4,771.9 million, including restricted bank deposits of RMB1,048.7 million, property, plant and equipment of RMB3,363.4 million and right-of-use assets of RMB359.8 million. These restricted assets were mainly used to secure bank loans and other bank facilities, and issue bank acceptance bills.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments

As of June 30, 2026, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets, except for joint ventures.

As of June 30, 2026, the Group held 50% of the equity interests in STAES, which is considered a material joint venture of the Group and is accounted for using the equity method. STAES was established as a limited liability company under the laws of the PRC on November 12, 2013, and is primarily engaged in the manufacturing, development and sale of Lithium-Ion and Ni-MH battery packs for use in vehicles. There was no readily available market fair value for this investment as at June 30, 2026. The Group recorded a share of profit of its joint venture, STAES, of RMB157.3 million for the six months ended June 30, 2026, compared to a share of profit of RMB159.7 million for the six months ended June 30, 2025. For more details, please refer to (i) the paragraphs headed "History, Reorganization and Corporate Structure – Major Acquisition" in the Prospectus, and (ii) Note 12 to the financial information in this report.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the six months ended June 30, 2026, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

Future Plans for Material Investments or Capital Assets

Save for the expansion plans disclosed in the sections headed "Business" and "Use of Proceeds" in the Prospectus and as disclosed in this report, the Group has no specific plans for material investments or acquisitions of major capital assets or other businesses. However, we will continue to seek new business development opportunities.

Contingent Liabilities

As of June 30, 2026, the Group did not have any material contingent liabilities, guarantees, or any pending or threatened material litigation or claims against any member of the Group.

Subsequent Events

As of the date of this report, the Group has no material subsequent events after June 30, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of maintaining and promoting sound corporate governance. The principles of the Company's corporate governance are to promote effective internal control measures, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to the Company and its Shareholders. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Board is of the view that the Company has complied with the applicable code provisions of the CG Code throughout the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has developed the Management System for Directors, Supervisors, Senior Management, and Employees to Hold and Trade the Company's Shares (the "**Company Code**") for securities transactions by the Directors, Supervisors, senior management and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Following specific enquiry by the Company, all Directors and Supervisors have confirmed they have complied with the Company Code and, therefore, with the Model Code throughout the Reporting Period.

COMPLIANCE WITH APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed in this interim report, the Company confirms that the current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not changed materially from the information disclosed in the Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As far as the Company is aware, as at June 30, 2026, the Directors, Supervisors and chief executives of the Company had interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they were applicable to the Supervisors) as follows:

Name of Director	Nature of interest	Class of Shares ⁽¹⁾	Number of Shares	Percentage of shareholding in Unlisted Shares/ H Shares ⁽²⁾	Percentage of shareholding in total share capital ⁽²⁾
Ms. Cao Fang ⁽³⁾	Interest in controlled corporations	Unlisted Shares (L)	598,319,817	55.96%	23.42%
		H Shares (L)	560,693,101	37.75%	21.95%
Mr. Chen Jicheng ⁽³⁾	Interest in controlled corporations	Unlisted Shares (L)	598,319,817	55.96%	23.42%
		H Shares (L)	560,693,101	37.75%	21.95%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of 1,069,127,364 Unlisted Shares and 1,485,293,739 H Shares in issue as at June 30, 2026.
- (3) Ms. Cao Fang and Mr. Chen Jicheng have been acting in concert with each other, and are deemed to be interested in the Shares held by the management shareholders under the SFO, namely, Zenergy Investment, SINOBY VC, Nanjing Miaode, Nanjing Xuande, Zhengli No. 1, and Zhengli No. 2. (the "Management Shareholders") For more details of Shares held by the Management Shareholders, please refer to pages 27 to 28 in this report.

Save as disclosed above, as at June 30, 2026, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under those provisions); (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they were applicable to the Supervisors).

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Name of Shareholder	Nature of interest	Class of Shares ⁽¹⁾	Number of Shares	Percentage of shareholding in Unlisted Shares/ H Shares ⁽²⁾	Percentage of shareholding in total share capital ⁽²⁾
Zenergy Investment ⁽³⁾	Beneficial interest	Unlisted Shares (L)	322,483,380	30.16%	12.62%
		H Shares (L)	138,207,163	9.31%	5.41%
SINOGY VC ⁽³⁾	Beneficial interest	Unlisted Shares (L)	271,362,931	25.38%	10.62%
		H Shares (L)	110,682,345	7.45%	4.33%
Zhengli Consulting ⁽³⁾	Interest in controlled corporations	Unlisted Shares (L)	3,621,006	0.34%	0.14%
		H Shares (L)	289,194,833	19.47%	11.32%
Nanjing Miaode ⁽³⁾	Beneficial interest	H Shares (L)	237,152,124	15.97%	9.28%
Fujian Financial Investment Co., Ltd. (福建省金融投資有限責任公司) ⁽⁴⁾	Interest in a controlled corporation	Unlisted Shares (L)	137,144,662	12.83%	5.37%
		H Shares (L)	136,890,758	9.22%	5.36%
Huafu Securities Co., Ltd. (華福證券有限責任公司) ⁽⁴⁾	Interest in a controlled corporation	Unlisted Shares (L)	137,144,662	12.83%	5.37%
		H Shares (L)	136,890,758	9.22%	5.36%
Huafu Growth Investment Co., Ltd. (華福成長投資有限公司) ("Huafu Investment") ⁽⁴⁾	Beneficial interest	Unlisted Shares (L)	137,144,662	12.83%	5.37%
		H Shares (L)	28,544,347	1.92%	1.12%
	Interest in a controlled corporation	H Shares (L)	108,346,411	7.29%	4.24%
Lin Yongzhong (林永忠) ⁽⁴⁾	Interest in a controlled corporation	H Shares (L)	108,346,411	7.29%	4.24%
Zhongjin (Fujian) Venture Capital Co., Ltd. (中金(福建)創業投資有限責任公司) ⁽⁴⁾	Interest in a controlled corporation	H Shares (L)	108,346,411	7.29%	4.24%
Ningbo Meishan Free Trade Port Xingsi Shenglian Investment Partnership (L.P.) (寧波梅山保稅港區興思勝聯投資合夥企業(有限合夥)) ("Xingsi Shenglian") ⁽⁴⁾	Beneficial interest	H Shares (L)	108,346,411	7.29%	4.24%
Changshu Hi-Tech Holding Co., Ltd. (常熟市高新控股有限公司) ⁽⁵⁾	Interest in a controlled corporation	Unlisted Shares (L)	151,680,247	14.19%	5.94%
		H Shares (L)	109,512,397	7.37%	4.29%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of interest	Class of Shares ⁽¹⁾	Number of Shares	Percentage of shareholding in Unlisted Shares/ H Shares ⁽²⁾	Percentage of shareholding in total share capital ⁽²⁾
Changshu Southeast Investment Holding Co., Ltd. (常熟市東南投資控股有限公司)	Beneficial interest	Unlisted Shares (L)	78,624,750	7.35%	3.08%
("Southeast Investment Holding") ⁽⁵⁾	Interest in a controlled corporation	Unlisted Shares (L)	73,055,497	6.83%	2.86%
		H Shares (L)	109,512,397	7.37%	4.29%
Changshu Southeast Industrial Investment Co., Ltd. (常熟東南產業投資有限公司)	Beneficial interest	Unlisted Shares (L)	59,951,372	5.61%	2.35%
("Southeast Investment") ⁽⁵⁾	Interest in a controlled corporation	H Shares (L)	59,951,372	4.04%	2.35%
		Unlisted Shares (L)	13,104,125	1.23%	0.51%
		H Shares (L)	13,104,125	0.88%	0.51%
Wang Zhengdong (王正東) ⁽⁵⁾	Interest in a controlled corporation	H Shares (L)	103,397,862	6.96%	4.05%
Shanghai Royalsea Capital Management Ltd. (上海正海資產管理有限公司) ⁽⁵⁾	Interest in controlled corporations	H Shares (L)	103,397,862	6.96%	4.05%
Wuxi Zhenghai Jinxi Venture Capital Partnership (L.P.) (無錫正海錦璽創業投資合夥企業(有限合夥))	Beneficial interest	H Shares (L)	90,293,737	6.08%	3.53%
("Wuxi Zhenghai") ⁽⁵⁾					

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of 1,069,127,364 Unlisted Shares and 1,485,293,739 H Shares in issue as at June 30, 2026.
- (3) Please refer to Note (3) on page 26 in this report.
- (4) The general partner of Xingsi Shenglian is Zhongjin (Fujian) Venture Capital Co., Ltd. (中金(福建)創業投資有限責任公司), which is held as to 80% by Lin Yongzhong (林永忠). Xingsi Shenglian is also held as to 99.9990% by Huaifu Investment as its limited partner.
- Huaifu Investment is a wholly-owned subsidiary of Huaifu Securities Co., Ltd. (華福證券有限責任公司), which is in turn held as to 46.72% by Fujian Financial Investment Co., Ltd. (福建省金融投資有限責任公司). Fujian Financial Investment Co., Ltd. is wholly owned by the Fujian Provincial Department of Finance (福建省財政廳). Therefore, by virtue of the SFO, each of Zhongjin (Fujian) Venture Capital Co., Ltd. and Lin Yongzhong is deemed to be interested in the Shares held by Xingsi Shenglian, and each of Huaifu Securities Co., Ltd. and Fujian Financial Investment Co., Ltd. is deemed to be interested in the Shares held by Huaifu Investment and Xingsi Shenglian.
- (5) Southeast Investment holds 99.01% of Southeast Xinneng as its limited partner. Southeast Investment is held as to 99.96% by Southeast Investment Holding, which is a wholly-owned subsidiary of Changshu Hi-Tech Holding Co., Ltd. (常熟市高新控股有限公司), which is in turn wholly owned by the Changshu Finance Bureau (State-owned Assets Supervision and Administration Office of Changshu Municipal Government) (常熟市財政局(常熟市政府國有資產監督管理辦公室)). Therefore, by virtue of the SFO: (i) Southeast Investment is deemed to be interested in the Shares held by Southeast Xinneng; (ii) Southeast Investment Holding is deemed to be interested in the Shares held by Southeast Xinneng and Southeast Investment; and (iii) Changshu Hi-Tech Holding Co., Ltd. is deemed to be interested in the Shares held by Southeast Xinneng, Southeast Investment and Southeast Investment Holding.

Save as disclosed above and to the best knowledge of our Directors, as at June 30, 2026, no other persons (other than the Directors, Supervisors and chief executives of the Company) had any interests or short positions in the Shares or underlying Shares of the Company which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

STAFF, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at June 30, 2026, the Group had 7,598 employees (as at December 31, 2025: 6,684 employees). For the six months ended June 30, 2026, the Group's total staff costs amounted to approximately RMB583.1 million, including salaries, wages, bonuses, pension costs, other social security costs, other employee benefits and share-based compensation, as compared to RMB388.5 million for the six months ended June 30, 2025. The Group continued to optimize the incentive-based system in line with business development needs and implemented remuneration policies with competitiveness.

During the six months ended June 30, 2026, our Directors received compensation in the form of, amongst others, fees, salaries, allowances, bonuses, pension costs and share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority.

The Company believes that its long-term growth depends on the expertise, experience and development of its employees. The Company's human resources department is responsible for recruiting, managing and training employees. The Company recruits employees primarily through referrals, headhunting companies, recruitment websites and on-campus recruitment. The Company provides training programs to employees, including new hire training for new employees and continuing technical training for the Company's production and R&D personnel to enhance their skills and knowledge. The Company takes measures to promote equal opportunities, anti-discrimination, and diversity among employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including the sale of treasury shares) of the Company. As at June 30, 2026, the Company did not hold any treasury shares.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three Directors, namely Mr. Gong Zhengliang, Ms. Xiao Min and Mr. Zhang Li. Currently, Mr. Gong Zhengliang is the chairman of the Audit Committee, and he has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2026 and has confirmed that the interim results are in compliance with all applicable accounting principles, standards and requirements and that adequate disclosures have been made. The Audit Committee has also discussed auditing and financial reporting matters. The auditor of the Company has not reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PRE-IPO EQUITY INCENTIVE PLAN

In recognition of the contributions of our employees and to incentivize them to further promote our development, we adopted (i) the share option plan (the **"Share Option Plan"**) approved on January 20, 2023 and effective from December 31, 2021, as amended from time to time, with Nanjing Xuande, Nanjing Mude, Nanjing Chengde, Nanjing Gande and Nanjing Yinde as the Equity Incentive Platforms; and (ii) the share incentive plan (the **"Share Incentive Plan"**, together with the Share Option Plan, **"Pre-IPO Equity Incentive Plans"**) on February 24, 2022, as amended from time to time, with Zhengli No. 1, Zhengli No. 2, Zhengli No. 3, Zhengli No. 4, Zhengli No. 5, Zhengli No. 6, Zhengli No. 7, Zhengli No. 8 and Zhengli No. 9 as the Equity Incentive Platforms.

The terms of the Pre-IPO Equity Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as each of the Pre-IPO Equity Incentive Plans does not involve the grant of new options or awards by our Company after the Listing. The Pre-IPO Equity Incentive Plans will not cause any dilution of the shareholding of our Shareholders after the Listing given all underlying Shares of the options and awards granted under the Pre-IPO Equity Incentive Plans were already issued to the Equity Incentive Platforms.

For further details on the Share Option Plan and the Share Incentive Plan, as well as the structure of our Equity Incentive Platforms, please refer to "Statutory and General Information – Pre-IPO Equity Incentive Plans" in the Prospectus.

CHANGES TO THE BIOGRAPHICAL INFORMATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On May 31, 2026, Mr. Hong Ping (洪平) resigned from his position as a Supervisor. On June 26, 2026, Mr. Wu Hao (吳昊) was elected by the Shareholders as a Supervisor of the Company. Biographical details of Mr. Wu Hao are set out in the announcement of the Company dated May 31, 2026 and the circular of the Company dated June 4, 2026.

For further details, please refer to the announcements of the Company dated May 31, 2026 and June 26, 2026 and the circular of the Company dated June 4, 2026.

Save as disclosed above, there has been no change in the information of the Directors, Supervisors and senior management that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS

Use of Proceeds from the Global Offering

The Company's H Shares were listed on the Stock Exchange on April 14, 2025. The Company received net proceeds of approximately HK\$927.5 million from the Global Offering. As of June 30, 2026, the Group had utilized approximately HK\$729.6 million of the net proceeds from the Global Offering in accordance with the relevant disclosures in the Prospectus, and the remaining unutilized net proceeds amounted to approximately HK\$197.9 million. Details are set out in the table below:

Item		Approximate percentage of total net proceeds	Allocation of net proceeds (HK\$ million)	Unutilized balance of net proceeds as of December 31, 2025 (HK\$ million)	Net proceeds utilized during the Reporting Period (HK\$ million)	Net proceeds utilized as of June 30, 2026 (HK\$ million)	Unutilized balance of net proceeds as of June 30, 2026 (HK\$ million)	Proposed timeline for utilizing unutilized net proceeds
1	Expansion of our production capacity and construction of intelligent manufacturing facilities and flexible manufacturing lines	80.0%	741.9	258.8	62.3	545.4	196.5	
	(1) Construction, equipment purchases and preparation costs in relation to the construction of Phase I of the new production facility in Changshu	44.0%	408.1	–	–	408.1	–	
	(2) Construction, equipment purchases and preparation costs in relation to the construction of Phase II of the new Changshu production facility	36.0%	333.8	258.8	62.3	137.3	196.5	Before December 31, 2027
2	Various R&D activities	10.0%	92.8	15.1	13.7	91.4	1.4	
	(1) Exploring various new battery electrochemistries and advanced materials	5.0%	46.4	15.1	13.7	45.0	1.4	Before December 31, 2027
	(2) Optimizing the next-generation intelligent manufacturing capabilities to improve manufacturing efficiency and product quality, such as root cause analysis system, contactless vision system, quality system for winding and coating, and multi-layer coating technology	1.5%	13.9	–	–	13.9	–	
	(3) Development of high-power battery cells and battery systems for application in low-altitude economy scenarios and related industries	1.5%	13.9	–	–	13.9	–	
	(4) Further developing semi-solid-state and solid-state battery products and technologies, which improves thermal stability and battery safety	1.0%	9.3	–	–	9.3	–	
	(5) Development of high energy density ultra-fast charging battery products and technologies, focusing on the standardized battery cells, platformed battery packs and diversified electrochemistries and advanced materials to improve battery performance in terms of charging speed	1.0%	9.3	–	–	9.3	–	
3	Providing funding for working capital and other general corporate purposes*	10.0%	92.8	–	–	92.8	–	
Total		100.0%	927.5	273.9	76.0	729.6	197.9	

* To fund working capital and other general corporate purposes, primarily for payments for raw materials, energy expenses and administrative expenses, etc.

The Group will utilize the net proceeds from the Global Offering for the proposed purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Use of Proceeds from the Placing

The Company completed the Placing of 45,921,000 new H Shares under the general mandate on the Stock Exchange on October 24, 2025. The net proceeds from the Placing (after deducting the placing commission and other related expenses and professional fees) amount to approximately HK\$500.4 million. As of June 30, 2026, the Group had utilized approximately HK\$204.5 million of the net proceeds from the Placing in accordance with the relevant disclosures in the announcements of the Company dated October 17, 2025 and October 24, 2025, and the remaining unutilized net proceeds amounted to approximately HK\$295.9 million. Details are set out in the table below:

Item	Approximate percentage of total net proceeds	Allocation of net proceeds (HK\$ million)	Unutilized balance of net proceeds as of December 31, 2025 (HK\$ million)	Net proceeds utilized during the Reporting Period (HK\$ million)	Net proceeds utilized as of June 30, 2026 (HK\$ million)	Unutilized balance of net proceeds as of June 30, 2026 (HK\$ million)	Proposed timeline for utilizing unutilized net proceeds
1 To support the Group's construction, equipment purchases and preparation costs in relation to the construction of Phase II of the new Changshu production facility	70.0%	350.4	350.4	78.3	78.3	272.1	
(1) used for the construction of factories, manufacturing lines and supportive warehouses	24.5%	122.6	122.6	78.3	78.3	44.3	Before December 31, 2027
(2) used for the purchase and installation of production equipment, storage equipment, control systems and equipment	42.0%	210.2	210.2	–	–	210.2	Before December 31, 2027
(3) used for preliminary production preparation, trial production and other expenses	3.5%	17.6	17.6	–	–	17.6	Before December 31, 2027
2 Pilot production line construction of all-solid-state batteries	10.0%	50.0	50.0	50.0	50.0	–	
3 Research and development activities	10.0%	50.0	29.8	6.0	26.2	23.8	Before December 31, 2027
4 Working capital and general corporate purposes*	10.0%	50.0	–	–	50.0	–	
Total	100.0%	500.4	430.2	134.3	204.5	295.9	

* For working capital and general corporate purposes, primarily for payments for raw materials, energy expenses and administrative expenses, etc.

The Group will utilize the net proceeds from the Placing for the proposed purposes as set out in the paragraph headed "Use of Proceeds from the Placing" in the announcement of the Company dated October 24, 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
REVENUE	4	5,438,405	3,172,028
Cost of sales		(4,758,040)	(2,603,344)
Gross profit		680,365	568,684
Other income and gains	4	59,390	27,267
Selling and marketing expenses		(19,375)	(16,404)
Administrative expenses		(167,825)	(172,723)
Research and development expenses		(268,148)	(252,858)
Impairment losses on financial assets and contract assets, net	5	(13,328)	(5,182)
Other expenses		(12,124)	(27,331)
Finance costs		(76,602)	(68,223)
Share of profits of joint ventures		169,623	160,250
PROFIT BEFORE TAX		351,976	213,480
Income tax credit	6	19,668	6,945
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		371,644	220,425
Profit attributable to: Owners of the parent		371,644	220,425
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	0.15	0.09

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,277,531	7,604,958
Right-of-use assets	10	487,140	505,749
Goodwill		1,277	1,277
Other intangible assets	11	314,551	354,166
Investments in joint ventures	12	3,291,216	3,510,598
Deferred tax assets		200,611	186,621
Prepayments, other receivables and other assets		76,746	87,584
Total non-current assets		14,649,072	12,250,953
CURRENT ASSETS			
Inventories		2,400,989	1,226,780
Trade and bills receivables	13	2,803,615	1,699,741
Bills receivables at fair value through other comprehensive income		322,194	342,986
Contract assets		1,384	2,201
Prepayments, other receivables and other assets		628,102	264,159
Financial assets at fair value through profit or loss		105,082	108,979
Restricted bank balances		1,048,728	973,490
Time deposits		–	103,722
Cash and cash equivalents		4,821,806	4,182,585
Total current assets		12,131,900	8,904,643
CURRENT LIABILITIES			
Trade and bills payables	14	7,542,062	5,014,434
Other payables and accruals	15	2,610,131	1,676,466
Contract liabilities		34,614	38,684
Interest-bearing bank and other borrowings		2,363,230	1,858,474
Lease liabilities		30,176	31,216
Provision		75,500	59,346
Total current liabilities		12,655,713	8,678,620
NET CURRENT (LIABILITIES)/ASSETS		(523,813)	226,023
TOTAL ASSETS LESS CURRENT LIABILITIES		14,125,259	12,476,976

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		5,030,548	3,835,312
Lease liabilities		113,352	114,049
Provision		457,074	366,018
Deferred income		11,198	24,636
Deferred tax liabilities		39,512	45,190
Total non-current liabilities		5,651,684	4,385,205
Net assets		8,473,575	8,091,771
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	2,554,421	2,554,421
Reserves		5,919,154	5,537,350
Total equity		8,473,575	8,091,771

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent								
	Share capital RMB'000 (Note 16)	Capital reserve* RMB'000	Share-based payment reserve* RMB'000	Other reserve* RMB'000	Merger reserve* RMB'000	Special reserve* RMB'000	Reserve funds* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
As at 1 January 2026	2,554,421	5,122,272	63,204	4,713	2,110,994	4,576	29,262	(1,797,671)	8,091,771
Profit and total comprehensive income for the period (unaudited)	–	–	–	–	–	–	–	371,644	371,644
Share-based payments (unaudited)	–	–	10,160	–	–	–	–	–	10,160
Safety fund appropriation to special reserve (unaudited)	–	–	–	–	–	437	–	(437)	–
As at 30 June 2026 (unaudited)	2,554,421	5,122,272	73,364	4,713	2,110,994	5,013	29,262	(1,426,464)	8,473,575

	Attributable to owners of the parent							
	Share capital RMB'000 (Note 16)	Capital premium* RMB'000	Share-based					Total equity RMB'000
			payment reserve* RMB'000	Other reserve* RMB'000	Merger reserve* RMB'000	Special reserve* RMB'000	Accumulated losses* RMB'000	
As at 1 January 2025	2,386,976	3,935,293	31,529	4,713	2,110,994	3,135	(2,575,518)	5,897,122
Profit and total comprehensive income for the period (unaudited)	–	–	–	–	–	–	220,425	220,425
Share-based payments (unaudited)	–	–	21,316	–	–	–	–	21,316
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs (unaudited)	121,524	777,994	–	–	–	–	–	899,518
Safety fund appropriation to special reserve (unaudited)	–	–	–	–	–	1,165	(1,165)	–
As at 30 June 2025 (unaudited)	2,508,500	4,713,287	52,845	4,713	2,110,994	4,300	(2,356,258)	7,038,381

* These reserve accounts represent the total consolidated reserves of RMB4,529,881,000 and RMB5,919,154,000 in the interim condensed consolidated statements of financial position as at 30 June 2025 and 30 June 2026, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	351,976	213,480
Adjustments for:		
Depreciation of property, plant and equipment	377,736	298,751
Depreciation of right-of-use assets	19,539	17,000
Amortisation of other intangible assets	40,188	42,330
Share-based payment expenses	10,160	21,316
Share of profits of joint ventures	(169,623)	(160,250)
Impairment losses on financial assets and contract assets, net	13,328	5,182
Impairment losses on inventories	48,311	21,875
Finance costs	76,602	68,223
Interest income	(14,714)	(14,962)
Losses on structured deposits and wealth management products	670	–
Losses on disposal of items of property, plant and equipment and other intangible assets, net	3,615	11,105
	757,788	524,050
Increase in inventories	(1,222,520)	(256,086)
Increase in deferred income	(13,438)	–
(Increase)/decrease in restricted bank balances	(75,238)	33,658
Decrease/(increase) in time deposits with original maturity of more than three months to one year when acquired	103,722	(853)
Increase in trade and bills receivables	(1,599,708)	(131,888)
Decrease/(increase) in contract assets	817	(25)
Decrease/(increase) in bills receivable at fair value through other comprehensive income	20,792	(149,788)
Increase in prepayments, other receivables and other assets	34,295	(79,911)
Increase/(decrease) in other payables and accruals	13,014	(47,833)
Increase/(decrease) in trade and bills payables	2,502,665	(109,702)
(Decrease)/increase in contract liabilities	(4,070)	24,223
Increase in provision	107,210	53,784
	625,329	(140,371)
Cash from/(used in) operations		
Interest received	14,714	14,962
Income tax paid	–	(341)
	640,043	(125,750)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from joint ventures	347,005	295,644
Proceeds from disposal of items of property, plant and equipment	2,026	178
Purchases of items of property, plant and equipment, right-of-use assets and other intangible assets	(1,970,517)	(1,598,358)
Subscription of financial assets at fair value through profit or loss	(3,240,000)	–
Redemption of financial assets at fair value through profit or loss	3,243,227	–
Receipt of government grants for property, plant and equipment and right-of-use assets	16,792	–
Disposal of an associate	42,000	–
Net cash flows used in investing activities	(1,559,467)	(1,302,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of listing expenses	–	(1,084)
Proceeds from issuance of ordinary shares relating to the initial public offering	–	903,258
Lease payments	(6,149)	(6,481)
New interest-bearing bank and other borrowings	2,814,757	1,596,303
Repayment of interest-bearing bank and other borrowings	(1,158,166)	(629,327)
Interest paid	(84,764)	(78,939)
Net cash flows from financing activities	1,565,678	1,783,730
NET INCREASE IN CASH AND CASH EQUIVALENTS	646,254	355,444
Cash and cash equivalents at beginning of period	4,182,585	2,199,072
Effect of foreign exchange rate changes, net	(7,033)	(5,819)
Cash and cash equivalents at end of period	4,821,806	2,548,697

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,870,534	3,575,678
Less: Time deposits with original maturity between three months to one year when acquired	1,043,646	102,835
Restricted bank balances	5,082	924,146
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows and statement of financial position	4,821,806	2,548,697

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE AND GROUP INFORMATION

The Company was established in the People’s Republic of China (“PRC”) with limited liability on 26 February 2019 and was converted into a joint stock company on 17 July 2024. The registered office of the Company is located at No. 68 Xin’anjiang Road, Dongnan Community, Changshu, Jiangsu Province, PRC.

The Company and its subsidiaries were principally engaged in developing a multi-pathway portfolio of market-driven and technology-fueled battery products.

2.1 BASIS OF PRESENTATION

The interim condensed consolidated financial information ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. 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 consolidated financial statements for the year ended 31 December 2025.

2.2 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 Group’s consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

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

The nature and the impact of the amended IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity’s rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group’s accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) Annual Improvements to *IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION AND REVENUE

The Group is principally engaged in developing a multi-pathway portfolio of market-driven and technology-fueled battery products. Information reported to the Group’s chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

Almost all the non-current assets of the Group are physically located in the Chinese mainland. The geographical locations of customers are based on the locations at which the customers operate, and almost all of the revenue of the Group was derived from operations in the Chinese mainland during the period.

Information about major customers

During the six months ended 30 June 2026, revenue of approximately RMB3,634,815,000 (30 June 2025: RMB2,823,013,000) was derived from sales to customers which contributed more than 10% of the Group’s total revenue, including sales to a group of entities which are known to be under common control with those customers.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. REVENUE, OTHER INCOME AND GAINS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods		
Power battery	4,576,839	2,985,306
Energy storage system and others	861,566	186,722
Total revenue from contracts with customers	5,438,405	3,172,028
Timing of revenue recognition		
Goods and services transferred at a point in time	5,438,405	3,172,028

Geographical markets

Since almost all of the revenue of the Group was derived from operations in Chinese mainland during the six months ended 30 June 2026 and 2025, revenue from the overseas markets of the Group was assessed as not material.

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants	42,558	11,218
Interest income	14,714	14,962
Others	2,118	1,087
Total other income	59,390	27,267

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of sales of goods	4,709,729	2,581,469
Impairment losses on financial assets and contract assets, net	13,328	5,182
Impairment losses on inventories	48,311	21,875
Foreign exchange differences, net	4,771	15,966

6. 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 operate.

Chinese mainland

The subsidiaries established in Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law.

The Company was qualified as a High and New Technology Enterprises in 2022 and was entitled to a preferential tax rate of 15% from 2022 to 2024. The certificate was renewed in 2025 that the Company entitled to the preferential tax rate of 15% from 2025 to 2027.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax	–	75
Deferred tax credit	(19,668)	(7,020)
Income tax expense recognised in statement of profit or loss	(19,668)	(6,945)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7. DIVIDENDS

No dividends have been paid or declared by the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

The basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The Group had no potentially dilutive ordinary shares in issue during the period.

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Profit attributable to owners of the parent (RMB'000)	371,644	220,425
Weighted average number of ordinary shares outstanding	2,554,420,852	2,439,248,241
Basic and diluted earnings per share (expressed in RMB per share)	0.15	0.09

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB3,072,509,000 (six months ended 30 June 2025: RMB871,700,000).

Assets with a net book value of RMB5,408,000 were disposed of by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB19,576,000), resulting in a net loss on disposal of RMB3,615,000 (six months ended 30 June 2025: RMB11,105,000).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group recorded an addition of right-of-use assets amounting to RMB930,000 (six months ended 30 June 2025: RMB344,397,000).

11. OTHER INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group acquired intangible assets of approximately RMB573,000 (six months ended 30 June 2025: RMB8,314,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. INVESTMENTS IN JOINT VENTURES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Share of net assets	409,010	628,392
Goodwill on acquisition	2,882,206	2,882,206
Total	3,291,216	3,510,598

13. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	3,290,535	2,070,418
Bank acceptance bills receivables	145,299	248,999
	3,435,834	2,319,417
Impairment	(632,219)	(619,676)
Net carrying amount	2,803,615	1,699,741

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	2,764,637	1,472,791
3 to 6 months	32,040	224,833
6 months to 1 year	6,874	1,842
1 to 2 years	64	275
Total	2,803,615	1,699,741

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables, based on recognition date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	7,541,193	5,011,120
1 to 2 years	267	3,060
2 to 3 years	602	254
Total	7,542,062	5,014,434

15. OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Payables for purchase of property, plant and equipment	2,319,463	1,392,012
Payroll and welfare payable	115,847	139,043
Accrued expenses	64,943	55,386
Other tax payables	65,231	33,795
Other payables	44,647	56,230
Total	2,610,131	1,676,466

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid: Share capital	2,554,421	2,554,421

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At the beginning of the period/year	2,554,421	2,386,976
Issuance of ordinary shares related to the initial public offering	–	121,524
Issuance of ordinary shares under general mandate	–	45,921
At the end of the period/year	2,554,421	2,554,421

In connection with the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), 121,523,700 ordinary shares of RMB1 each were issued at a price of HKD8.27 per share for a total cash consideration, before expenses, of approximately HKD1,005,000,000 (equivalent to RMB934,100,000). Dealings in the shares of the Company on the Stock Exchange commenced on 14 April 2025.

In October 2025, 45,921,000 ordinary shares with a nominal value of RMB1.00 each were issued at a price of HK\$10.98 per share, for a total cash consideration before expenses of approximately HK\$504,213,000 (equivalent to RMB460,175,000).

17. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period/year:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment	2,705,904	494,410

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS**(a) Transactions with related parties:**

In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Joint ventures		
Reception of labor services STAES	278	–
Receipt of rental services Jiangsu Aiev New Energy Technologies Co., Ltd.	–	1,959
Purchase of property, plant and equipment Jiangsu Aiev New Energy Technologies Co., Ltd.	6,285	–
Provision of labor services Jiangsu Aiev New Energy Technologies Co., Ltd.	5	–

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Short term employee benefits	6,233	4,704
Share-based payment expenses	2,301	3,386
Pension scheme contributions	453	461
Total compensation paid to key management personnel	8,987	8,551

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2026 were assessed to be insignificant.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of bills receivable at fair value through other comprehensive income 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 values as a result of the Group for bills receivable at fair value through other comprehensive income as at 30 June 2026 were assessed to be insignificant.

The Group invests in financial assets at fair value through profit or loss, which represents wealth management products. The Group has estimated the fair values of these wealth management products based on the net values announced by the issuers at the end of the reporting period.

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

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active markets	inputs		
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bills receivables at fair value through other comprehensive income	–	322,194	–	322,194
Financial assets at fair value through profit or loss	–	105,082	–	105,082
Total	–	427,276	–	427,276

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets Level 1 RMB'000 (Audited)	Significant observable inputs Level 2 RMB'000 (Audited)	Significant unobservable Level 3 RMB'000 (Audited)	
Bills receivables at fair value through other comprehensive income	–	342,986	–	342,986
Financial assets at fair value through profit or loss	–	108,979	–	108,979
Total	–	451,965	–	451,965

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

20. APPROVAL OF THE UNAUDITED INTERIM FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 31 August 2026.

DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CABIA”	China Automotive Battery Innovation Alliance
“CG Code” or “Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules in force during the Reporting Period
“China” or “PRC”	the People’s Republic of China, for the purposes of this interim report and for geographical reference only, unless otherwise indicated, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China, and Taiwan Region
“Company” or “the Company”	Jiangsu Zenergy Battery Technologies Group Co., Ltd. (江蘇正力新能電池技術股份有限公司), a limited liability company incorporated in the PRC on February 26, 2019 as Jiangsu Zenergy Battery Technology Company Limited (江蘇正力新能電池技術有限公司) and converted into a joint stock company with limited liability on July 17, 2024
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Ms. Cao Fang and Mr. Chen Jicheng, together with their close associates, namely Zhengli Consulting, Zenergy Investment, SINOXY VC, Nanjing Miaode, Nanjing Xuande, Zhengli No. 1 and Zhengli No. 2
“Director(s)”	the director(s) of the Company
“Equity Incentive Platforms”	the pre-IPO equity incentive platforms of the Group, namely Nanjing Xuande, Nanjing Mude, Nanjing Chengde, Nanjing Gande, Nanjing Yinde, Zhengli No. 1, Zhengli No. 2, Zhengli No. 3, Zhengli No. 4, Zhengli No. 5, Zhengli No. 6, Zhengli No. 7, Zhengli No. 8 and Zhengli No. 9
“ESS”	energy storage system, a device that can store and output power, consisting of multiple subsystems such as battery system and energy management system
“EV” or “electric vehicle”	new energy vehicles, mainly comprising battery electric vehicles and plug-in hybrid electric vehicles

DEFINITIONS

“Global Offering”	the offer of the Shares for subscription as described in the section headed “Structure of the Global Offering” in the Prospectus
“Group” or “we” or “our” or “us”	the Company and its subsidiaries
“GWh”	a unit of electricity, 1 GWh=1,000,000 KWh
“H Share(s)”	listed ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	the International Financial Reporting Standards
“installed capacity” or “installation”	the volume of battery products installed in EVs or ESSs, usually expressed in electricity unit of GWh, MWh, or KWh
“LFP”	a lithium-ion battery that uses lithium iron phosphate (LiFePO ₄) as the cathode material
“LISA”	interconnected land, sea and air application scenarios for our battery products
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	April 14, 2025, the date on which the H Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“lithium”	a metal chemical element, of which the element symbol is Li, and the atomic number is 3
“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

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MWh”	a unit of electricity, 1MWh=1,000KWh
“Nanjing Chengde”	Nanjing Chengde Enterprise Management Consulting Partnership (Limited Partnership) (南京澄德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“Nanjing Gande”	Nanjing Gande Enterprise Management Consulting Partnership (Limited Partnership) (南京淦德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“Nanjing Miaode”	Nanjing Miaode Enterprise Management Consulting Partnership (Limited Partnership) (南京淼德企業管理顧問合夥企業(有限合夥)), a limited partnership established in the PRC on July 7, 2017, and one of our Controlling Shareholders
“Nanjing Mude”	Nanjing Mude Enterprise Management Consulting Partnership (Limited Partnership) (南京沐德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“Nanjing Xuande”	Nanjing Xuande Enterprise Management Consulting Partnership (Limited Partnership) (南京洙德企業管理顧問合夥企業(有限合夥)), a limited partnership established in the PRC on July 7, 2017, which is an Equity Incentive Platform and one of our Controlling Shareholders
“Nanjing Yinde”	Nanjing Yinde Enterprise Management Consulting Partnership (Limited Partnership) (南京胤德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“NCM”	a type of lithium-ion battery chemistry that uses a combination of Nickel (Ni), Cobalt (Co), and Manganese (Mn) as key materials in the cathode. Given different ratios of nickel, cobalt, and manganese, it can be classified into NCM523, NCM613, NCM811, etc.
“OEM”	automotive original equipment manufacturer
“Placing”	the placing of 45,921,000 H Shares pursuant to the terms of the placing agreement
“Prospectus”	the prospectus of the Company dated April 3, 2025
“R&D”	research and development
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the period commencing from January 1, 2026 and ending on June 30, 2026
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary Share(s) of the Company with a nominal value of RMB1.00 each, comprising H Share(s) and Unlisted Share(s)
“SINOGY VC”	Changshu SINOGY Venture Capital Co., Ltd. (常熟新中源創業投資有限公司), a limited liability company incorporated in the PRC on March 15, 2013, and one of our Controlling Shareholders
“STAES”	Sinogy Toyota Automotive Energy System Co., Ltd. (新中源豐田汽車能源系統有限公司), a limited liability company incorporated in the PRC on November 12, 2013, owned by (i) the Company as to 50%; (ii) Toyota Motor Corporation (a company listed on Tokyo Stock Exchange and Nagoya Stock Exchange (stock code: 7203), on New York Stock Exchange (ticker: TM) and on London Stock Exchange (stock code: TYT)) as to 35%; (iii) Toyota Battery Co., Ltd. (豐田電池有限公司) (formerly known as Primearth EV Energy 株式会社) as to 10%; and (iv) Toyota Motor (China) Investment Co., Ltd. (豐田汽車(中國)投資有限公司) as to 5%
“subsidiary(ies)”	has the meaning ascribed to it under Schedule 1 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Shares”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“United States” or “U.S.”	the United States of America and its territories
“Zenergy Investment”	Changshu Zenergy Investment Co., Ltd. (常熟正力投資有限公司), a limited liability company incorporated in the PRC on August 10, 2016 and held as to 46%, 42% and 12% by Mr. Chen Jicheng, Ms. Cao Fang and SINOGY VC, respectively, and one of our Controlling Shareholders
“Zhengli Consulting”	Changshu Zhengli Management Consulting Co., Ltd. (常熟正力管理諮詢有限公司), a limited liability company incorporated in the PRC on October 28, 2021 and held by each of Ms. Cao and Mr. Chen as to 50%, respectively, and one of our Controlling Shareholders
“Zhengli No. 1”	Changshu Zhengli No. 1 Management Consulting Partnership (Limited Partnership) (常熟正力壹號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 25, 2022, which is an Equity Incentive Platform and one of our Controlling Shareholders

DEFINITIONS

"Zhengli No. 2"	Changshu Zhengli No. 2 Management Consulting Partnership (Limited Partnership) (常熟正力貳號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 29, 2022, which is an Equity Incentive Platform and one of our Controlling Shareholders
"Zhengli No. 3"	Changshu Zhengli No. 3 Management Consulting Partnership (Limited Partnership) (常熟正力叁號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 4"	Changshu Zhengli No. 4 Management Consulting Partnership (Limited Partnership) (常熟正力肆號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 5"	Changshu Zhengli No. 5 Management Consulting Partnership (Limited Partnership) (常熟正力伍號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 6"	Changshu Zhengli No. 6 Management Consulting Partnership (Limited Partnership) (常熟正力陸號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 7"	Changshu Zhengli No. 7 Management Consulting Partnership (Limited Partnership) (常熟正力柒號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 8"	Changshu Zhengli No. 8 Management Consulting Partnership (Limited Partnership) (常熟正力捌號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 31, 2022, which is an Equity Incentive Platform
"Zhengli No. 9"	Changshu Zhengli No. 9 Management Consulting Partnership (Limited Partnership) (常熟正力玖號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"%"	per cent