瑞浦蘭鈞能源股份有限公司
REPT BATTERO Energy Co., Ltd.

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

Stock Code: 0666

2025
ANNUAL REPORT

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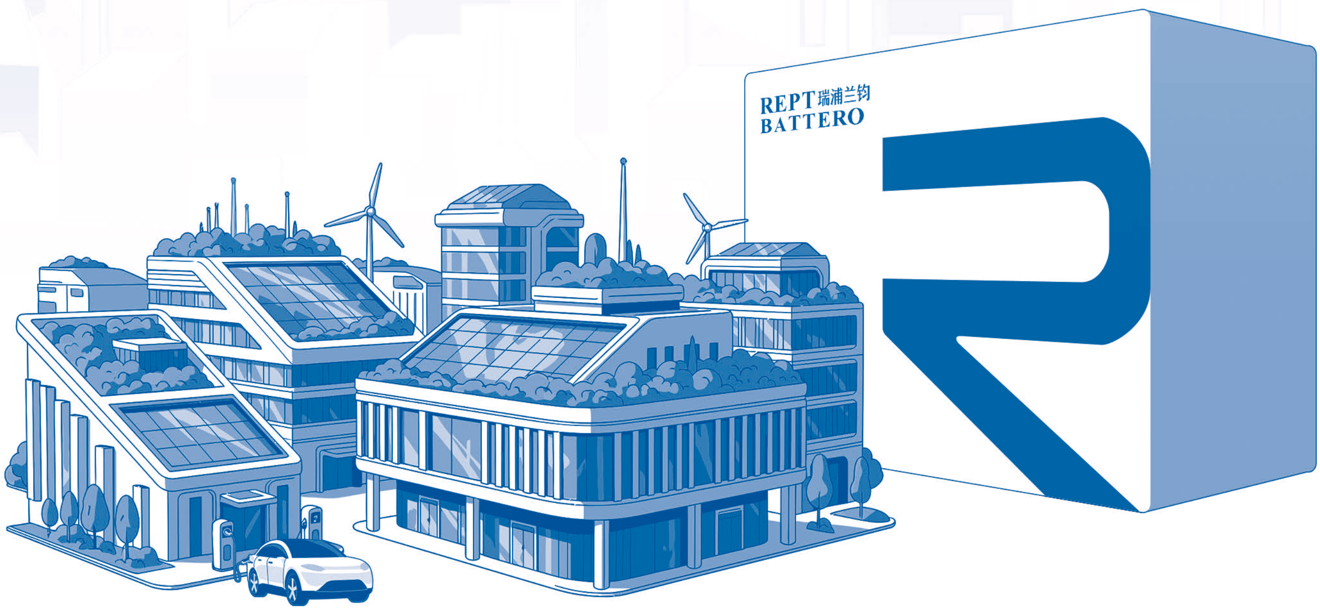

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Cao Hui *(chairman of the Board)*
Mr. FENG, TING *(President)*
Mr. Hu Xiaodong
Dr. Wu Yanjun
Ms. Huang Jiehua *(employee representative Director)*

Non-executive Directors

Mr. Wang Haijun
Ms. Xiang Yangyang
Mr. Wei Yong

Independent Non-executive Directors

Ms. Wong Sze Wing
Dr. Wang Zhenbo
Dr. Ren Shenggang
Dr. Simon Chen

AUDIT COMMITTEE

Ms. Wong Sze Wing *(chairlady)*
Dr. Simon Chen
Dr. Ren Shenggang

NOMINATION COMMITTEE

Dr. Cao Hui *(chairman)*
Ms. Wong Sze Wing
Dr. Ren Shenggang

REMUNERATION AND APPRAISAL COMMITTEE

Dr. Wang Zhenbo *(chairman)*
Dr. Cao Hui
Ms. Wong Sze Wing

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Dr. Cao Hui *(chairman)*
Ms. Xiang Yangyang
Ms. Huang Jiehua

JOINT COMPANY SECRETARIES

Dr. Wu Yanjun
Ms. Zhang Xiao *(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

Dr. Wu Yanjun
Ms. Zhang Xiao

PRINCIPAL BANKERS

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Lucheng District
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COMPANY WEBSITE

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STOCK CODE

0666

FIVE-YEARS FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out as follows:

CONSOLIDATED RESULTS

	Year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(Restated)	(Restated)	(Restated)
Revenue	**24,333,984**	17,795,914	13,748,914	14,647,778	2,109,144
Cost of sales	**(21,612,930)**	(17,058,984)	(13,398,861)	(13,551,915)	(2,431,046)
Gross profit/(loss)	**2,721,054**	736,930	350,053	1,095,863	(321,902)
Other income and gains	**374,488**	423,498	194,264	115,683	15,758
Selling and distribution expenses	**(693,389)**	(537,859)	(379,033)	(320,795)	(72,346)
Administrative expenses	**(610,553)**	(565,413)	(564,194)	(346,533)	(160,590)
Research and development costs	**(766,748)**	(778,678)	(977,362)	(723,379)	(228,993)
Impairment losses on financial and contract assets, net	**39,809**	(142,451)	(297,711)	(81,050)	(1,585)
Impairment losses on property, plant and equipment	**—**	(138,809)	—	—	—
Other expenses	**(47,164)**	(7,916)	(8,388)	(75)	(1,892)
Finance costs	**(306,002)**	(340,855)	(256,850)	(188,925)	(32,659)
Share of profits and losses of					
Joint ventures	**6,373**	458	(1,047)	(1,587)	—
Associate	**(1,156)**	(1,482)	(595)	—	—
Profit/(loss) before tax	**716,712**	(1,352,577)	(1,940,863)	(450,798)	(804,209)
Income tax expense	**(35,792)**	(32)	(2,437)	(25)	—
Profit/(loss) for the year	**680,920**	(1,352,609)	(1,943,300)	(450,823)	(804,209)
Attributable to:					
Owners of the parent	**622,992**	(1,163,089)	(1,471,802)	(354,121)	(717,227)
Non-controlling interests	**57,928**	(189,520)	(471,498)	(96,702)	(86,982)
	680,920	(1,352,609)	(1,943,300)	(450,823)	(804,209)

CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(Restated)	(Restated)	(Restated)
Total assets	**46,472,198**	38,539,480	35,600,577	26,273,036	8,957,954
Total liabilities	**(34,616,691)**	(28,217,284)	(24,058,130)	(14,821,463)	(6,715,074)
Non-controlling interests	**(107,975)**	(50,228)	(231,128)	(702,626)	(213,889)
Equity attributable to owners of the parent	**11,747,532**	10,271,968	11,311,319	10,748,947	2,028,991

CHAIRMAN'S STATEMENT

Dr. Cao Hui
Chairman of the Board
and Executive Director

Dear shareholders, partners and all friends concerned,

On behalf of the Board of REPT BATTERO Energy Co., Ltd., I hereby present to you the annual report of the Group for the year ended 31 December 2025.

The year of 2025 marked a pivotal period of accelerated differentiation within the new energy sector amid cyclical fluctuations, industry competition has shifted from scale expansion to value-driven deepening, posing challenges to the strategic resilience and core competitiveness of enterprises. Amidst such market conditions, we achieved a fundamental leap from consecutive losses to profitability through definite strategic positioning, solid technological expertise and efficient execution, delivering outstanding results for our Shareholders:

- **Market and Sector: multi-dimensional breakthroughs in building a growth moat:** we ranked fifth in terms of shipments of ESS batteries and first in terms of household ESS battery cells globally, maintaining steady progress in the rapidly expanding energy storage sector; the ranking of installed capacity of new energy heavy-duty trucks batteries climbed to second nationwide, with its market share increasing installed capacity recording a substantial year-on-year increase, making itself a strong driver in the process of electrification of commercial vehicles. The annual installed capacity of LFP EV battery remained steady and ranked seventh within the industry. In 2025, our production capacity reached 90 GWh, with the scale effect continuing to be realized.

- **Technology and Products: building a core driving force for profit through innovation:** in the energy storage sector, we have launched the significant 392Ah cell and the Powtrix 3.0 system and thus developed differentiated competitive advantages in grid side projects; the monthly shipments of WenDing ("問頂") batteries exceeded 2GWh, securing the gold prize of the Lingxuan Award (鈴軒獎) and was among the first to obtain the new national standard certification, highlighting the increasingly evident advantage of technology premium. In the passenger vehicle sector, we concurrently launched heavyweight products such as the WenDing ("問頂") Extended-Range Hybrid 4C ultra-fast charging battery and solid-liquid hybrid battery, achieving full-scenario compatibility for both BEV and PHEV and accelerating scaled vehicle integration. Simultaneously, we have successfully expanded into the new sector in low-altitude economy of eVTOL, achieving breakthroughs in multiple fields; in the commercial EV domain, the entire ChenXing (辰星) product series has achieved comprehensive coverage across various scenarios upon iteration and upgrading, synergistic efforts across all sectors solidify the foundation for profitability.

- **Global Strategy and Layout: expanding our global footprint to power international growth:** we have been selected as a Tier 1 by Bloomberg New Energy Finance for eight consecutive quarters and our brand recognition received endorsement from various international authorities; our subsidiaries in Europe and America have steadily progressed their operations, and our Australian subsidiary is about to officially commence business. Energy storage business orders were directed toward high-margin markets such as Europe, America and Australia, optimizing the profit structure to a great extent; we have worked closely with multiple international partners. The Indonesia base served as a strategic foothold for the overseas expansion. It has been ramping up production capacity to reduce trade barriers and enhance international competitiveness.

- **Sustainability and Responsibility: ESG-empowered values and solid foundation for long-term development:** we received a B score for the first time participating in the CDP rating. We were also honored as a Forbes China Sustainable Innovation Enterprise (福布斯中國可持續創新企業), which was in line with the trend of increasing focus on ESG matters from global investments; we have been granted a 12-star certification in terms of after-sales services, demonstrating our commitment to enhancing customer loyalty through efficient response to support sustained business expansion.

These remarkable results were attributable to the consistent efforts in technological innovation, forward-looking decisions on global expansion as well as unwavering resolve in implementing cost reduction and efficiency enhancement. We would like to extend our sincere gratitude to each staff member of REPT BATTERO for their steadfast commitment, pay tribute to all our partners for their accompaniment along this journey, and express our deepest appreciation to the Shareholders for their trust and support.

Looking ahead to 2026, we recognize that the new energy industry has entered a critical phase of technological breakthroughs and value-based competition. The growth model driven by both energy storage and EV battery sectors will continue to strengthen, while industry competition will intensify in the meantime. Only by leading with technology, earning trust through quality, securing advantages with cost competitiveness and maintaining a customer-centric focus can we navigate market cycles to achieve sustained profitability and value growth.

Where our core technology leads, our actions will follow. In the new year, we will focus on four core strategies to create greater value for our Shareholders:

I. **Pioneering with Innovation and Consolidating Our Technological Leadership:** we will further develop WenDing ("問頂") technology system and increase research and development ("**R&D**") efforts in frontier areas such as semi-solid-state/ solid-state batteries, ultra-fast charging and next-generation energy storage to advance the commercialization of technologies such as battery cells with a high capacity of 500Ah+. Leveraging technological barriers, we aim to enhance our capability of product premium pricing with a view to solidifying our core competitiveness.

II. **Expanding presence in high-value markets from a global perspective:** we continue to release high-quality production capacity domestically to solidify the foundation of industrial supply. we coordinate and facilitates overseas the localization operations at the Indonesia base and improve the overseas supply chain layout; we will center on Europe, America and Australia and other high-margin markets to expand incremental demand for household and commercial and industrial energy storage solutions. Meanwhile, we will seize opportunities in emerging markets such as Southeast Asia and Latin America. By synergizing efforts both domestically and internationally, we further increase the proportion of overseas revenue and enhance profitability.

III. **Rooted in Responsibility and Enhancing ESG Investment Values:** we will promote the full integration of ESG into corporate operations, drive low-carbon transformation across the entire industry chain, and explore full life-cycle management of batteries to enhance ESG rating levels. Aligning with the global trend of sustainable investment, we will enhance the appeal of long-term funds.

IV. **Igniting organizational growth momentum with talent as the foundation:** we will refine incentive mechanisms and talent development systems and establish market-oriented and internationalized development platforms, entitling core talents to the achievements in development and providing safeguards for technological innovation and global expansion on an organization level.

The tidal wave of the energy revolution is reshaping the world with unprecedented force. Our mission is to infuse powerful momentum into a sustainable future for humanity; our vision is to become a green energy partner that is accessible and trustworthy for all, driving the global energy transition by ways of technology.

Through persistent cultivation, we have laid a solid foundation for development; the road ahead is vast and we are well-positioned to embrace value realization.

In 2026, let us:

Build our foundation on reliability, break boundaries through innovation, define the future with sustainability, and unite strength through talents. Let us unite our hearts to embark on this new journey and together forge a new "Core" chapter for our era.

Cao Hui
Chairman of the Board and executive Director

Wenzhou, the PRC, 26 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

EV Battery Market

In 2025, the new energy vehicle and EV Battery markets across the world maintained a steady expansion trend, with the continuous released demand for these markets, becoming a significant support for the growth of the global lithium battery industry. According to data from Rho Motion, global sales volume of new energy vehicles reached 20,700 thousand units, representing a year-on-year increase of approximately 20%, and demand for power batteries has grown significantly. According to data from SNE Research, the global installation capacity of EV Battery reached a total of 1,187GWh in 2025, representing a year-on-year increase of 31.7%, with the market size surpassing the threshold of 1,100 GWh for the first time. Among which the installation capacity of EV Battery in international markets outside of China reached 463GWh, representing a year-on-year increase of 26%, emerging as a key engine for growth of the global EV Battery markets. In the European market, according to data from the European Automobile Manufacturers' Association registered number of the pure electric vehicle in the European Union reached 1,880 thousand units in 2025, representing a year-on-year increase of 29.9%, with their market share rising to 17.4%. Major countries such as Germany, France and Spain have implemented subsidy policies for purchasing electric vehicle, effectively stimulating market demand. In the Southeast Asian market, according to data from PricewaterhouseCoopers, Indonesia, as a core market for new energy vehicles in Southeast Asian, saw its sales volume of electric vehicle grow by 49% in 2025, accounting for over 15% of total sales volume of new vehicle. Thailand has introduced tax incentive policies to guide the development of its supporting industries of local EV Battery.

In 2025, China's new energy vehicle market continued to lead globally. The steady climb in the volume of production and sales directly drove a synchronous increase in demand for the EV Battery, with the industry as a whole exhibiting a trend of high-quality development. According to data from the China Association of Automobile Manufacturers, the production and sales volume of China's new energy vehicle reached 16,626 thousand units and 16,490 thousand units respectively in 2025, representing a year-on-year increase of 29% and 28.2%, respectively. The proportion for the sales volume of new energy vehicle to the total sales volume of new vehicle exceeded 50% for the first time, reaching 50.8%. This breakthrough signifies that China's automotive market has officially entered a new development stage dominated by electrification, laying a solid market foundation for the development of the EV Battery industry. In the segmented markets, new energy commercial vehicles emerged as a core highlight of industry growth, demonstrating an accelerated penetration trend. According to data from the China Association of Automobile Manufacturers, domestic sales volume of China's new energy commercial vehicles reached 871 thousand units in 2025, representing a year-on-year increase of 63.7% and accounting for 26.9% of total sales volume of the commercial vehicle. Among which the sales volume in December alone grew by 72% year-on-year, highlighting the strong momentum of electrification transformation in the commercial vehicle sector. Meanwhile, new energy passenger vehicles also maintained a steady growth momentum, with its annual domestic sales volume reaching 13,005 thousand units, accounting for 54% of total passenger vehicle sales volume, and the penetration rate continued to rise steadily. Driven by the robust performance of the new energy vehicle market, China's EV Battery industry continued to release capacity in an orderly manner, with shipment volume achieving rapid growth. According to SNE Research, the total installation volume of China's EV Battery reached 724GWh in 2025, representing a year-on-year increase of 35.7%.

ESS Battery Market

In 2025, the global ESS Battery market maintained stable growth, with its scale continuing to expand. According to data from SNE Research, the total global shipment volume of ESS Battery reached 550GWh in 2025, representing a year-on-year increase of 79%. The shipment volume in international markets outside China amounted to 198GWh. Key overseas markets demonstrated outstanding performance: In the European market, based on data from Solar Power Europe, the newly installed capacity of ESS Battery in Europe reached 27.1GWh in 2025, representing a year-on-year increase of 45%, bringing the cumulative installed capacity to 77.3 GWh. Grid-side energy storage surpassed household energy storage for the first time to become the dominant segment, with approximately 15 GWh of new installations throughout the year, accounting for 55%. This marks an accelerated shift towards large-scale transformation in the European energy storage market. Household energy storage added 9.8GWh of new installations, accounting for 36%, while commercial and industrial energy storage added 2.3GWh of new installations, representing a year-on-year increase of 31%. Among the major countries, Germany led Europe with 6.6GWh of new installations. Italy, driven by the MACSE capacity procurement mechanism, achieved 4.9GWh of new installations. In the U.S. market, the cumulative installed power capacity of energy storage for the first three quarters of 2025 reached 12.6GW, already exceeding the installation scale of 12 GW in the full year 2024. In the third quarter alone, installations reached 5.3GW/14.5GWh. The implementation of relevant guiding policies provided strong policy support for the deployment of utility-scale energy storage projects. In the Australian market, driven by the Cheaper Home Batteries Program by Australian government, approximately 185 thousand sets of new household energy storage systems were installed within six months of the subsidy implementation from July to December 2025, adding approximately 4.3GWh of new energy storage capacity. The demand for household energy storage remained robust, establishing Australia as a significant market for overseas household energy storage.

In 2025, China's energy storage market maintained a high growth driven by the dual effects of energy transition and policy support. The newly grid-connected installed capacity of wind and photovoltaic power system for the full year reached 438 GW, representing a year-on-year increase of 22.3%, which has provided extensive market space for the large-scale application of energy storage systems. The installed capacity of new storage continued to expand, demonstrating strong industry development momentum. According to data from the National Energy Administration, as of the end of December 2025, the cumulative installed capacity of new energy storage nationwide reached 136GW, representing a year-on-year increase of 84%, which has effectively supported the consumption of wind power, photovoltaic and other renewable energy sources, laying a solid foundation for the market demand of ESS Battery. Accompanying the rapid growth of the energy storage market, the shipment volume of the ESS Battery achieved a substantial increase. According to data from SNE Research, China's total shipment volume of energy storage lithium battery reached 352 GWh in 2025, representing a year-on-year growth of 117%. From the perspective of segmented sectors, utility-scale energy storage, as the core growth part, primarily relied on the deployment of large-scale new energy co-located energy storage projects to achieve installed capacity. Commercial and industrial energy storage benefited from the rising demand for green electricity consumption in high-energy-consumption industries and optimized electricity pricing policies, demonstrating a rapid growth trend.

BUSINESS REVIEW

Principal Business

The Group mainly engages in the design, R&D, production and sales of EV and ESS lithium-ion batteries from cell level, battery modules and battery packs to system application. With electrification and intelligence as our core, we drive integrated innovation in market applications. We provide premium solutions and services for global new energy vehicle power and smart electrical energy storage through innovations in material and material portfolio as well as innovations in system structure, environmental limit-pushing manufacturing and business model.

As a high-quality new energy technology enterprise, we adhere to the technology-and innovation-driven development strategy and follow the market trend. With WenDing ("問頂") technology as our cornerstone and cost-efficiency as the main theme, we contribute to the globalization process of NEVs technologies in China, the development of the global new energy power industry and green mobility. We expand application scenarios for new energy storage to promote the widespread adoption of clean energy around the world, facilitating a green and sustainable future.

Main Products

1. EV battery system

   As for EV battery, our main products include LFP battery cells, ternary battery cells, EV battery modules and battery packs, and battery management systems, etc. We have established long-term strategic partnerships with many NEVs companies in ecological chain around the world, and our products are widely used in NEVs field including electric passenger vehicles, commercial vehicles, special vehicles and hybrid vehicles.

2. ESS battery system

   As for ESS battery, we have developed mature technology systems, a complete product matrix and comprehensive solutions. Our main products include ESS battery cells, modules, standardized battery boxes, battery racks, lithium-ion battery tanks for electrical energy storage, lithium-ion battery outdoor cabinets for industrial and commercial energy storage, etc., which can satisfy the application needs of centralized electrical energy storage, industrial and commercial energy storage, and household energy storage (cells and modules) in various scenarios and have been certified by the mandatory national GB standard, the U.S. UL safety standard, International Electrotechnical Commission (IEC) Standards, and other standards. We focus on four major energy storage fields, namely, power generation side, grid side, power side and user side, with a global network of energy storage customers.

Business Achievements

In 2025, the Company achieved a dual breakthrough in strategic transformation and a turnaround from losses into profits, with its operational quality and profitability significantly enhanced. As of 31 December 2025, the total assets of the Group amounted to RMB46,472.20 million, and the net assets amounted to RMB11,855.51 million, representing a steady increase compared with the last year, with its asset structure continuing optimization. During the Reporting Period, the Group achieved a revenue of RMB24,333.98 million, representing an increase of 36.7% as compared with last year; and the net profit amounted to RMB680.92 million for the full year, indicating that its profitability has entered a virtuous cycle. The sales volume of the Group's lithium battery products was 82.7GWh in total, representing an increase of 89.2% over last year. By the end of 2025, our designed production capacity reached 90GWh.

The Company's market position continued to strengthen, establishing a three-pronged business matrix encompassing "Energy Storage + Passenger Vehicles + Commercial Vehicles". According to statistics from SMM, in 2025, the Group ranked among the top five globally in terms of global shipments of ESS battery cells and ranked first globally in terms of shipments of household ESS battery cells. According to the statistics of China Automotive Battery Innovation Alliance, in 2025, the Group ranked seventh in terms of installed capacity among domestic LFP EV battery manufacturers, eighth in terms of installed capacity on plug-in hybrid electric vehicles and sixth in terms of installed capacity on new energy commercial vehicles. According to statistics of Green Heavy Duty Trucks, the Group ranked second in terms of installed capacity on battery swapping heavy-duty truck battery in China in 2025.

In the field of ESS Battery sector, we have achieved comprehensive scenario coverage and a leadership market position. With large-capacity cell technology at our core, we have achieved in-depth coverage across all scenarios, establishing a complete product and service system for long-duration energy storage of household, commercial and industrial, grid-side, and generation-side. Our business has deeply radiated core markets domestically and across six continents globally. Leveraging the large-scale application of high-capacity cells such as the 392Ah, paired with highly integrated energy storage system solutions, we effectively meet the stringent requirements for energy density, cycle life and operational maintenance costs in long-duration storage scenarios, becoming a core force driving the industry's transition from short-term peak shaving to long-duration capacity support. Amidst the industry dividend of significant growth in the shipments of global ESS Battery, we are fully capitalizing on the dual growth opportunities in energy storage of user side and long-duration energy storage, with our profitability continuously optimizing.

In the EV Battery sector, we have established a comprehensive layout encompassing both commercial and passenger vehicles. In the passenger vehicle market, focusing on ultra-fast charging and next generation chemical systems, our WenDing ("問頂") Extended-Range Hybrid 4C ultra-fast charging cells and systems have successfully entered the supply chains of several mainstream automakers, meeting the dual needs of daily commuting and long-distance travel. The proportion of high-quality projects continues to rise. In the commercial vehicle market, benefiting from the rapid increase in penetration in segments such as electric heavy-duty trucks and construction machinery, our customized products, leveraging core strengths such as long lifespan, high safety and large capacity, with a market share of approximately 8% in the 2025 new energy electric heavy-duty truck battery market, and its installation capacity surged by 278% year-on-year, making the Company one of the enterprises with the fastest-growing market share. Meanwhile, we have made forward-looking deployments in the low-altitude economy sector. The aviation-grade battery products developed for eVTOL aircraft, with their ultra-high energy density and reliability, are unlocking growth potential in this emerging market, reserving new momentum for long-term development.

In terms of globalization deployment, synergistic growth in both domestic and international markets has yielded significant results. The domestic market benefited from the "old-for-new replacement" policy for new energy vehicles and special policies for large-scale energy storage construction, leading to sustained demand release. The overseas market has upgraded from simple product exports to "overseas production base establishment" and deep localized operations. With the gradual ramp-up of production capacity at the Indonesia factory, costs are effectively reduced and the impact of trade barriers is mitigated. Deep cultivation in markets such as Europe, North America and Australia has achieved notable success, becoming a crucial engine for our business growth. The Company has been selected as a Tier 1 by Bloomberg New Energy Finance for eight consecutive quarters, with its international brand recognition continuously enhancing, laying a solid foundation for the sustained expansion of overseas operations.

TECHNOLOGICAL AND R&D ACHIEVEMENTS

Our long-term dedication to R&D has enabled us to successfully overcome key technologies for multi-scenario applications, allowing our products to cover application demands across various fields. Building upon a foundation of advanced technology and proprietary innovation capabilities, combined with high-quality intelligent and automated manufacturing capabilities, a comprehensive supply chain layout and integrated management capabilities, as well as an experienced and fully committed leadership team, we possess the ability to stably develop and deliver high-quality products that meet customer requirements.

ESS Battery Products

In 2025, we achieved excellent results in the household energy storage sector, which is the result of our long-term accumulation and breakthroughs in technology and products. Since advancing into the household energy storage sector, we have consistently iterated our products based on real-world application needs. We now offer a comprehensive portfolio including 50Ah and 72Ah battery cells for high-voltage systems, a 100Ah series for low-voltage household energy storage, and high-capacity products such as 280Ah and 314Ah designed for long-duration energy storage requirements. Our ESS battery cells, based on WenDing ("問頂") technology, have achieved comprehensive breakthroughs in capacity and efficiency, delivering a full matrix cell solution. In the fourth quarter of 2025, we launched the WenDing ("問頂") 392Ah battery cell for all application scenarios. This cell supports 1P charging and discharging, meets residential energy storage needs, and is the preferred choice for utility-scale and commercial/industrial energy storage. The 392Ah cell offers a 25% increase in capacity compared to the 314Ah model, with a single-cell energy capacity of 1.25 kWh. It achieves an efficiency of up to 95% under 0.5P operating conditions and supports full-scenario coverage ranging from residential energy storage to grid-side applications, driving the evolution of energy storage cells toward higher capacity and platform universality. WenDing's ("問頂") 392Ah battery cell has achieved significant breakthroughs in energy density and cycle life. It has already passed multiple international certifications and gained recognition from leading domestic and international customers in both residential and commercial/industrial sectors, which will help us further solidify our leading position in next-generation energy storage products.

In the field of long-duration energy storage, we have deployed ultra-high-capacity 588Ah cells, increasing the energy per single cell to 1.88kWh. Leveraging the formidable advantages provided by WenDing ("問頂") technology–namely the shortest electron transfer path and the fastest ion transport speed–these cells achieve a comprehensive balance among energy, safety, efficiency, and cycle life. Featuring over 10,000 cycles and an ultra-long service life of 25–30 years, this cell has become a benchmark product in the long-duration energy storage sector, truly achieving a balance between efficiency and cycle durability, and possesses excellent calendar life. By integrating the 392Ah cell into a standard 20-foot container, the containerized energy storage system reaches 6.25MWh. Compared to the currently prevalent 5MWh systems integrated with 314Ah cells, this represents a comprehensive improvement in both capacity and volumetric energy density. The Powtrix 6.25MWh energy storage system not only inherits the excellent safety performance design of the 5MWh system but also achieves a leap forward in overall comprehensive performance, with a 25% increase in volumetric energy density, a 10% reduction in whole-container integration costs, 16% savings in power station land usage, and an 18% reduction in on-site labor hours. The system boasts high efficiency of 95.5% and 2A active balancing capability, supports stable operation across a wide temperature range of -40°C to 60°C, meets high-intensity seismic requirements, and achieves zero thermal propagation. This system offers convenient transportation, low operation and maintenance costs, and provides a highly reliable and efficient complete solution for energy storage scenarios.

EV Battery Products

In the development of EV battery cells, the Company adopts a dual-track strategy of high specific energy and high quality-cost ratio. For the high specific energy route, we adhere to a progressive development path from liquid-state batteries, semi-solid-state batteries, and solid-state batteries to new battery types. As a major revision unit for *Safety Requirements for Power Batteries for Electric Vehicles (GB38031–2025)* for the mandatory national standard for power batteries, we continue to empower power innovation with WenDing ("問頂") technology. We also focus on the R&D of ultra-fast charging systems, particularly the WenDing ("問頂") Extended-Range Hybrid 4C ultra-fast charging cell and system. Addressing the common challenge of low-temperature operation in liquid-state batteries, we have developed cells and systems for wide-temperature-range use from -40°C to 60°C. This system is matched with a powerful thermal management system to ensure the power system achieves supercharging capabilities of consistent 4C charging and peak 6C fast charging. While comprehensively enhancing fast-charging capability, the system also balances requirements of high energy density and high safety. The 4C ultra-fast charging system features a volumetric utilization rate of 70%, a system-level energy density of 140 Wh/kg, IP68 rating, and excellent characteristics of zero thermal propagation under abuse, fully meeting the demands of multi-scenario applications, ensuring worry-free daily commutes and long-distance travel.

In the semi-solid-state system, we have researched and developed a manganese-based semi-solid-state battery. Leveraging core processes such as the single-crystallization and precise doping of low-cost manganese-based materials, this product finds a perfect balance between cost, safety and performance, and is nearing mass production. The WenDing ("問頂") semi-solid-state high-nickel/silicon-carbon battery, with its high energy density of 300–350 Wh/kg, wide temperature range and high-power performance, is targeting new application scenarios such as eVTOL aircraft and humanoid robots, demonstrating limitless application potential.

Commercial EV Products

ChenXing (辰星) 268Ah super-fast charging batteries, with a maximum capability of sustained 4C super-fast charging, have become a "profit multiplier" for trunk logistics, enabling a 15-minute recharge for 240 kilometers. It is estimated that the 27 minutes saved per refueling session will generate at least an additional RMB300,000 in income over five years. ChenXing (辰星) 324Ah long-life batteries deliver unparalleled durability with a 30% extended lifespan, alleviating anxiety over battery life in enclosed scenarios. Their performance has been upgraded from 8 years/1.2 million kilometers to 10 years/1.5 million kilometers in a single leap.

ChenXing (辰星) ternary lithium batteries have achieved flexible configurations ranging from 800 to 1000kWh through an integrated chassis solution, reducing weight by 1.5 to 2 tons as compared to iron-lithium systems. This has effectively enhanced load-bearing capacity and driving range of vehicles. It is projected that the system will record a rapid return on investment within 1.5 to 1.8 years and generate an additional income of approximately RMB200,000 to RMB300,000 for customers within five years based on estimates. In terms of safety, ChenXing (辰星) ternary lithium batteries integrate "Venturi (文丘里)" safety technology at both battery cell and system levels, establishing a multi-layered protection system. Leveraging the control capability of Tsingshan industries across the industry chain, ChenXing (辰星) ternary lithium batteries ensure stable product supply and cost control, building a sustainable value cooperation alliance for customers.

The F battery boxes have achieved a breakthrough in "megawatt-level super-fast charging" for electric heavy-duty trucks with a system capacity of 600kWh and a direct charging capability of 1.5C. The S-box battery racks, featuring a frameless design, attains a 13% increase in capacity while reducing height by 10%, achieving "more power for the same price". The height of the dedicated battery pack for heavy-duty truck chassis has been reduced from over 2 meters to below 650mm. The system features an extra-high capacity of LFP 800kWh, with weight integration efficiency boosted to 80%. This "large and stable" design has fundamentally resolved issues of high center of gravity and weight deficit, lowering the center of gravity for enhanced driving safety.

FUTURE PROSPECTS

Technology and Product Innovation

Strong R&D capabilities are the key to our success. We have several R&D centers in Shanghai, Wenzhou and Jiashan, which focus on the R&D of battery materials and technologies, battery cells and system design, new product development and iteration, etc. As of the end of the Reporting Period, we had 1,294 R&D personnel involved in R&D functions. As of the end of the Reporting Period, the Group had 3,419 granted patents, including 304 invention patents, 3,047 utility model patents and 68 design patents. The invention patents covered following technical fields such as lithium-ion secondary battery materials and structures, system integration, battery management system, production processes and equipment and battery recycling. Among which over 10 patents were involved with solid-state batteries. Furthermore, as of the end of the Reporting Period, the Group had 307 registered trademarks.

We have a series of technologies with advantages in terms of battery materials, battery design and battery structure, production technique and equipment, which help us build up a product portfolio that is able to achieve safety, reliability, long driving range and strong performance, while improving production efficiency. We have the following R&D highlights:

- High-capacity, long-duration energy storage cells. In line with the national medium-to long-term energy storage strategy, we have planned to develop the long-duration energy storage battery cells with a high capacity of 500Ah+ series through proprietary WenDing ("問頂") 2.0 technology to effectively improve the integration efficiency of battery cells and reduce cost. Based on a premise that the volume of the standard 20 ft prefabricated cabin is kept unchanged, the newly upgraded 6.25 MWh energy storage systems enable the capacity of the entire cabin exceeding 6.25MWh through the application of large capacity battery cells and the optimization of the cabin layout, further providing customers with all-round ESS products that have three major advantages: economic benefits, safety performance and cycle life. The energy storage platform applies BMS active equalization to the whole platform, which will increase the efficiency by 20 times compared with conventional passive equalization, thus significantly reducing the time cost of operation and maintenance of the station and improving the availability of the system; in terms of the system's environmental tolerance, we will further improve a series of system's performance in extremely low temperature (-30ºC), extremely high temperature (55ºC), wind and sand resistance, low noise, high-altitude, and short-term network construction, etc., so as to make the system fully adaptable to the global harsh environment and solve customers' pain points; furthermore, we will develop a new liquid cooling technology to enable the 6.25+MWh storage container system to support 0.5P operation, while also meeting long-duration energy storage requirements of 8 hours or above.

- In the field of passenger vehicle, we focus on the technology roadmap for flash-charging lithium iron phosphate (LFP) battery. Based on the average 4C ultra-fast charging cell platform, we further enhance the energy density and charging rate of its cells. By integrating the 5th-generation LFP and ultra-fast charging graphite technologies, the charging time from 10% to 80% state of charge (SOC) is compressed to within 8 minutes. Concurrently, we optimise low-temperature power performance, expand the safety boundary of the cells, and continuously increase the installation share of the Company's LFP power batteries.

- In the field of commercial vehicles, the focus is on ternary lithium battery systems. As for the large-capacity long-haul logistics scenario in the future, we have developed the S-type standard box using stacked technology, with single box capacity of 113kWh and single box strength that meets the requirements of three times the national standard, and is adaptable to a variety of working conditions such as heavy-duty trucks and mining trucks; the total capacity of system can reach 683kWh, which can help traditional heavy-duty trucks to realize a 50% increase in the reserve capacity without changing the chassis conditions; the unique structural design can help to significantly reduce the cost of vehicle, and lower the centre of gravity so as to improve driving safety. The exclusive directional decompression and fire extinguishing technology can ensure that, in the event of thermal runaway of a battery cell, no fire occurs outside the pack, providing the commercial vehicle system with exceptional safety.

- In the field of new batteries, we are focusing on comprehensive breakthroughs in solid-state battery technologies. For the existing semi-solid-state battery cells, we are further enhancing their fast-charging capabilities to meet current market demands in the EV battery sector. Concurrently, we are actively laying out plans for solid-state battery cells and multi-electron reaction system cells. We are conducting in-depth research on core and critical technologies such as solid-state electrolyte materials, the performance of solid electrolyte reaction interfaces and solid-state battery production processes. Furthermore, we are actively participating in the formulation of relevant national standards.

- In the field of recycling technologies, under the overarching ESG management framework, we continuously conduct R&D on technologies such as EV battery cascaded use solutions and element recycling, to maximize the cost-effectiveness of EV batteries and enhance the utilization rate of recycled elements. Concurrently, we are collaborating with manufacturers of positive and negative electrode materials who possess recycling technologies, to reuse recovered materials for producing green and environmentally friendly batteries for new application scenarios, thereby contributing to the Company's initiatives for green and environmentally friendly and ESG. Currently, we have obtained the qualification for echelon use of wasted EV batteries of NEVs issued by the Ministry of Industry and Information Technology.

Synergy Advantages in the Industry Chain

As the core asset of Tsingshan Group in new energy segment, we have established friendly and efficient collaborative relationships with various raw material suppliers. We will also be able to capitalize on Tsingshan's various strategic endeavors in the upstream of the industry value chain and have opportunities to make strategic cooperation in upstream raw material suppliers and secure supplies of important raw materials. As the industrial parks under construction and in operation by Tsingshan Group and/or its associates require further transformed into green energy supply and green power transportation mode, constructing an integrated solution around photovoltaic power generation and green power transportation, etc., so as to promote the eco-friendly development of the mining industry and reduce the transportation cost, we, in addition to supplying ESS battery products to Tsingshan Group and/or its associates, supply EV battery products for the use of engineering transportation equipment such as electric heavy-duty trucks of Tsingshan Group and/or its associates from 2024 to 2026. For details, please refer to our circular dated 26 March 2024.

Globalization Strategy

We are committed to building a globalized industrial strategy to meet the demand for high-performance battery products in the global market. Currently, we have established subsidiaries in the United States, Germany, Southeast Asia and other regions, and further established subsidiaries in Australia and Japan to actively expand the international market, and we have established in-depth cooperation with the world's leading energy storage and new energy automakers. We established a production facility in Indonesia and are exploring the possibility of expanding our production capacity to other countries or regions in the future. Such initiatives will allow us to enhance our brand influence worldwide, have closer access to local customers and diversify our geopolitical risk exposure.

We are planning the construction of a battery manufacturing factory in Indonesia, which had a planned annual production capacity in the first phase of 8GWh for power and energy storage batteries and systems, as well as battery components. Please refer to our announcement dated 9 January 2025 for details.

OPERATING RESULTS AND ANALYSIS

The table below is extracted from the Group's consolidated statement of profit or loss and other comprehensive income, which presents the absolute amount and as a percentage of the Group's total revenue for the years indicated, together with changes (expressed in percentage) from 2024 to 2025.

Consolidated statement of profit or loss and other comprehensive income

	Year Ended 31 December				Year-on-Year Change
	2025		2024		
	(in RMB thousands, except for percentages)				
Revenue	**24,333,984**	**100.0%**	17,795,914	100.0%	36.7%
Cost of sales	**(21,612,930)**	**(88.8)%**	(17,058,984)	(95.9)%	26.7%
Gross profit	**2,721,054**	**11.2%**	736,930	4.1%	269.2%
Other income and gains	**374,488**	**1.5%**	423,498	2.4%	(11.6)%
Selling and distribution expenses	**(693,389)**	**(2.8)%**	(537,859)	(3.0)%	28.9%
Administrative expenses	**(610,553)**	**(2.5)%**	(565,413)	(3.2)%	8.0%
Research and development expenses	**(766,748)**	**(3.2)%**	(778,678)	(4.4)%	(1.5)%
Impairment losses on financial and contract assets, net	**39,809**	**0.2%**	(142,451)	(0.8)%	(127.9)%
Impairment losses on property, plant and equipment	**—**	**—**	(138,809)	(0.8)%	Not applicable
Other expenses	**(47,164)**	**(0.2)%**	(7,916)	0.0%	495.8%
Finance costs	**(306,002)**	**(1.3)%**	(340,855)	(1.9)%	(10.2)%
Share of profits and losses of:					
Joint ventures	**6,373**	**0.0%**	458	0.0%	1,291.5%
An associate	**(1,156)**	**0.0%**	(1,482)	0.0%	(22.0)%
Profit/(loss) before tax	**716,712**	**2.9%**	(1,352,577)	(7.6)%	Not applicable
Income tax expenses	**(35,792)**	**(0.1)%**	(32)	0.0%	111,750.0%
Profit/(loss) for the year	**680,920**	**2.8%**	(1,352,609)	(7.6)%	Not applicable
Attributable to:					
Owners of the parent	**622,992**	**2.6%**	(1,163,089)	(6.5)%	Not applicable
Non-controlling interests	**57,928**	**0.2%**	(189,520)	(1.1)%	Not applicable
	680,920	**2.8%**	(1,352,609)	(7.6)%	Not applicable

	Year Ended 31 December				Year-on-Year Change
	2025		2024		
	(in RMB thousands, except for percentages)				
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	**(2,047)**	**0.0%**	485	0.0%	(522.1)%
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Equity investments designated at fair value through other comprehensive income: Changes in fair value	**3,175**	**0.0%**	179	0.0%	1,673.7%
Total comprehensive profit/(loss) for the year	**682,048**	**2.8%**	(1,351,945)	(7.6)%	Not applicable
Attributable to:					
Owners of the parent	**624,301**	**2.6%**	(1,162,425)	(6.5)%	Not applicable
Non-controlling interests	**57,747**	**0.2%**	(189,520)	(1.1)%	Not applicable
	682,048	**2.8%**	(1,351,945)	(7.6)%	Not applicable
Loss per share attributable to ordinary equity holders of the parent					
Basic and diluted — For profit/(loss) for the year (RMB)	**0.27**		(0.51)		Not applicable

Revenue

The Group's revenue increased by 36.7% from RMB17,795.9 million in 2024 to RMB24,334.0 million in 2025, primarily due to the sustained revenue growth driven by the continued increase in shipment volume of EV and ESS battery products.

The table below sets forth a breakdown of the Group's revenue by product usage for the years indicated:

	Year Ended 31 December				Year-on-Year Change
	2025		2024		
	(in RMB thousands, except for percentages)				
EV battery products	**10,013,413**	**41.1%**	7,384,491	41.5%	35.6%
ESS battery products	**13,561,333**	**55.7%**	7,259,021	40.8%	86.8%
Other businesses					
Sales of wastes	**528,875**	**2.2%**	488,395	2.7%	8.3%
R&D services	**31,665**	**0.1%**	33,010	0.2%	(4.1)%
Others	**198,698**	**0.8%**	2,630,997	14.8%	(92.4)%
Subtotal	**759,238**	**3.1%**	3,152,402	17.7%	(75.9)%
Total	**24,333,984**	**100.0%**	17,795,914	100.0%	36.7%

Sales volume of both EV batteries and ESS batteries of the Group in 2025 exceeded that of 2024, the Group's revenue from sales of EV battery products increased by 35.6% from RMB7,384.5 million in 2024 to RMB10,013.4 million in 2025, and revenue from sales of ESS battery products increased by 86.8% from RMB7,259.0 million in 2024 to RMB13,561.3 million in 2025.

The Group's revenue from other businesses decreased by 75.9% from RMB3,152.4 million in 2024 to RMB759.2 million in 2025, primarily due to the uncertainties brought about by tariff policies and overseas customers paused their battery components orders.

Cost of Sales

The Group's cost of sales increased by 26.7% from RMB17,059.0 million in 2024 to RMB21,612.9 million in 2025, primarily due to the increase in sales volume of battery products.

Gross Profit and Gross Profit Margin

The table below sets forth a breakdown of the Group's gross profit and gross profit margin by product usage for the years indicated:

	Year Ended 31 December				Year-on-Year Change
	2025		2024		
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin	
	(in RMB thousands, except for percentages)				
EV battery products	**1,190,012**	**11.9%**	187,473	2.5%	534.8%
ESS battery products	**1,461,951**	**10.8%**	388,439	5.4%	276.4%
Other businesses	**69,091**	**9.1%**	161,018	5.1%	(57.1)%
Total	**2,721,054**	**11.2%**	736,930	4.1%	269.2%

As a result of the foregoing, the Group's gross profit increased by 269.2% from RMB736.9 million in 2024 to RMB2,721.1 million in 2025 and its gross profit margin increased from 4.1% in 2024 to 11.2% in 2025.

The gross profit of EV battery products increased by 534.8% from RMB187.5 million in 2024 to RMB1,190.0 million in 2025, and its gross profit margin increased from 2.5% in 2024 to 11.9% in 2025, mainly due to increased orders for EV battery products, the realization of economies of scale, and the Company's efforts to reduce costs and improve efficiency. The gross profit of ESS battery products increased by 276.4% from RMB388.4 million in 2024 to RMB1,462.0 million in 2025, and its gross profit margin increased from 5.4% in 2024 to 10.8% in 2025, mainly because the realization of scale effect and the Company's cost reduction and efficiency in line with the increased orders of ESS battery products. The gross profit of other businesses decreased by 57.1% from RMB161.0 million in 2024 to RMB69.1 million in 2025, and its gross profit margin increased from 5.1% in 2024 to 9.1% in 2025, mainly because the uncertainties brought upon by the tariff policies and overseas customers paused their battery components orders.

Other Income and Gains

Other income and gains decreased by 11.6% from RMB423.5 million in 2024 to RMB374.5 million in 2025, primarily due to the general decline in bank deposit interest rates resulting in a reduction in interest income.

Selling and Distribution Expenses

Selling and distribution expenses increased by 28.9% from RMB537.9 million in 2024 to RMB693.4 million in 2025, primarily due to the increase in provision for warranties resulting from the increase in sales revenue.

Administrative Expenses

Administrative expenses increased by 8.0% from RMB565.4 million in 2024 to RMB610.6 million in 2025, primarily due to the increase in personnel expenses resulting from the continuous growth in business volume.

Research and Development Expenses

Research and development expenses decreased by 1.5% from RMB778.7 million in 2024 to RMB766.7 million in 2025, primarily due to the refined management of research and development expenses by focusing on high value projects and internal integration.

Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets, net decreased by 127.9% from RMB142.5 million in 2024 to RMB-39.8 million in 2025, primarily due to the Group's continuous enhancement of the management of clients' credit risk resulting in the ongoing optimization of the ageing structure.

Other Expenses

Other expenses increased from RMB7.9 million in 2024 to RMB47.2 million in 2025, primarily due to increase in gain or loss on disposal of assets.

Finance Costs

Finance costs decreased by 10.2% from RMB340.9 million in 2024 to RMB306.0 million in 2025, primarily due to the Group's repayment of part of the financial institution loans and decrease in interest rate of certain borrowings obtained from financial institutions, leading to a decrease in interest expense payable.

Income Tax Expenses

Income tax expenses increased from RMB0.0 million in 2024 to RMB35.8 million in 2025, primarily due to the Company's achievement of turnaround to profitability and the completion by certain subsidiaries of the offset of their accumulated historical losses.

Profit for the Year

As a result of the foregoing, the Group's profits for the year increased from a loss of RMB1,352.6 million in 2024 to RMB680.9 million in 2025.

LIQUIDITY AND CAPITAL RESOURCES

In 2025, the Group financed its operations primarily through banking facilities, equity fund raised, cash generated from operating activities, net proceeds from the global offering of the Company in December 2023 (the "**Global Offering**"), and net proceeds from the global placement of the Company in November 2025. The Group monitors its bank balances on a daily basis and conducts monthly reviews of its cash flows. We also prepare a monthly cash flow plan and forecast, which is submitted for approval by our Chief Financial Officer, to ensure that we are able to maintain an optimum level of liquidity and meet our working capital needs.

In addition, we also used cash to purchase wealth management products. The underlying financial assets of the wealth management products generally are a basket of assets with a combination of money market instruments such as money market funds, inter-bank lending and time deposits, debt, bonds and other assets such as assets in insurance, trust fund plans and letters of credit. We form our portfolio of wealth management products with the view of achieving (i) a relatively low level of risk, (ii) good liquidity and (iii) an enhanced yield. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including but not limited to our overall financial condition, market and investment conditions, economic developments, investment cost, duration of investment and the expected returns and potential risks of such investment.

The Group has sufficient liquidity to meet its day-to-day liquidity management and capital expenditure requirements and to control its internal operating cash flows.

Cash and Cash Equivalents

As of 31 December 2025, the Group had cash and cash equivalents of RMB4,783.4 million, which primarily consisted of cash and unrestricted bank balances and time deposits, as compared with RMB4,285.7 million as of 31 December 2024. The Group's cash and cash equivalents are denominated in Renminbi.

Bank and Other Borrowings

As of 31 December 2025, the Group's interest-bearing bank and other borrowings were approximately RMB9,691.2 million, as compared with RMB9,999.7 million as of 31 December 2024. The Group's bank and other borrowings are denominated in Renminbi. As of 31 December 2025, except for the interest-bearing bank and other borrowings with an aggregate amount of approximately RMB1,101.2 million which were charged at fixed interest rates, the remaining borrowings were charged at floating interest rates. Of the Group's interest-bearing bank and other borrowings as of 31 December 2025, RMB3,442.2 million will mature within one year and the remaining will mature after one year.

Net Proceeds from the Global Offering

For net proceeds from the Global Offering, please refer to "Use of Proceeds from the Global Offering" of this annual report.

Capital Structure

As at 31 December 2025, the Group had net assets of RMB11,855.5 million, comprising current assets of RMB25,838.1 million, non-current assets of RMB20,634.1 million, current liabilities of RMB25,985.3 million and non-current liabilities of RMB8,631.4 million.

The Group's gearing ratio is calculated by dividing total liabilities by total assets. As at 31 December 2024 and 31 December 2025, the Group's gearing ratio was 73.2% and 74.5%, respectively.

Cash Flows

The Group's net cash flows generated from operating activities was RMB3,135.9 million in 2025, as compared with the net cash flows generated from operating activities of RMB1,156.9 million in 2024. The Group's net cash flows used in investing activities was RMB2,838.1 million in 2025, as compared with RMB5,298.2 million in 2024. The Group's net cash flows generated from financing activities was RMB181.6 million in 2025, as compared with net cash flows generated from financing activities of RMB26.2 million in 2024.

Interest Rate Risk and Exchange Rate Risk

The Group's exposure to the risk of changes in fair value relates primarily to its bank borrowings with a floating interest rate. As of 31 December 2025, we have not used any derivatives to hedge interest rate risk.

The Group's exposure to the foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations. We seek to limit our exposure to foreign currency risk by minimizing our net foreign currency position. As of 31 December 2025, we also engaged in foreign exchange hedging activities by entering into forward foreign exchange contracts and other methods to address our exposure to foreign currency risk.

Capital Expenditure and Commitments

For the year ended 31 December 2025, the capital expenditures incurred by the Group were approximately RMB3,054.0 million, primarily relating to purchases of property, plant and equipment and purchases of right-of-use assets and other intangible assets. As of 31 December 2025, the capital commitments of the Company were RMB3,927.6 million, which were related to the construction of plants that had been contracted but not yet paid for.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2025, the Group did not have any material acquisitions and disposals of subsidiaries or associated companies.

Pledge of the Group's Assets

As at 31 December 2025, the total pledged assets of the Group amounted to approximately RMB17,387.8 million, representing an increase of RMB8,927.8 million as compared with the beginning of 2025, which was mainly due to the increase in funding requirements resulting from the continuous growth of the manufacturing business of the Group's subsidiaries.

Future Plans for Material Investments or Capital Assets

Save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of the Company dated 8 December 2023 (the "**Prospectus**"), the Group has also set up a Southeast Asian Subsidiary. The Group will continue to explore new opportunities for business development. The Group expects to fund its capital expenditures, working capital and other financing needs with cash generated from operating activities, bank financing, proceeds from the Global Offering and funds from other financing sources.

Contingent Liabilities

As at 31 December 2025, we did not have any contingent liabilities.

Subsequent Events

Save as disclosed in this annual report (including disclosed in note 43 to the financial statements), the Group has no material subsequent events after 31 December 2025 as of the date of this annual report.

DIRECTORS

Name	Age	Position	Responsibilities	Date of first appointment	Date of joining the Group
Dr. Cao Hui (曹輝)	47	Chairman of the Board, executive Director	Responsible for the major strategic decisions of the Group, and supervising the corporate governance and compliant operation	Appointed on 25 October 2017 as the chairman of the Board and president, on 31 March 2022 as a Director, and re-designated as an executive Director on 11 November 2022	8 October 2017
Mr. FENG, TING	37	President, executive Director	Responsible for the formulation and implementation of the strategic plan of the Group, and the overall management of daily operation affairs	Appointed on 29 October 2024 as the president of the Company and on 27 June 2025 as an executive Director	1 January 2024
Mr. Hu Xiaodong (胡曉東)	52	Executive Director	Advising on business plans, major decisions and investment activities of the Group	Appointed on 12 June 2020 as a Director, re-designated as a non-executive Director on 11 November 2022, and re-designated as an executive Director on 26 March 2025	12 June 2020
Dr. Wu Yanjun (吳艷軍)	51	Executive Director, Board secretary and one of the joint company secretaries	Formulation of corporate development strategies as well as external cooperation, financing and investment of the Group, information disclosure, operation of the Board, the Supervisory Committee and the General Meeting	Appointed on 31 March 2022 as a Director and the Board secretary, re-designated as an executive Director and appointed as one of the joint company secretaries on 11 November 2022	8 February 2022
Ms. Huang Jiehua (黃潔華)	44	Executive Director (employee representative Director) and chief financial officer	Responsible for the accounting and financial management of the Group	Appointed on 1 August 2021 as the chief financial officer, on 4 August 2022 as a Director, and re-designated as an executive Director on 11 November 2022, and appointed on 31 December 2025 as the employee representative Director	1 August 2021

Name	Age	Position	Responsibilities	Date of first appointment	Date of joining the Group
Mr. Wang Haijun (王海軍)	58	Non-executive Director	Advising on business plans, major decisions and investment activities of the Group	Appointed on 31 March 2022 as a Director, and re-designated as a non-executive Director on 11 November 2022	31 March 2022
Ms. Xiang Yangyang (項陽陽)	36	Non-executive Director	Advising on business plans, major decisions and investment activities of the Group	Appointed on 31 March 2022 as a Director, and re-designated as a non-executive Director on 11 November 2022	31 March 2022
Mr. Wei Yong (衛勇)	53	Non-executive Director	Advising on business plans, major decisions and investment activities of the Group	Appointed on 11 April 2022 as a Director, and re-designated as a non-executive Director on 11 November 2022	11 April 2022
Ms. Wong Sze Wing (黃斯穎)	47	Independent non-executive Director	Supervising and providing independent judgment to the Board	11 November 2022	Listing Date
Dr. Wang Zhenbo (王振波)	52	Independent non-executive Director	Supervising and providing independent judgment to the Board	11 November 2022	Listing Date
Dr. Ren Shenggang (任勝鋼)	51	Independent non-executive Director	Supervising and providing independent judgment to the Board	11 November 2022	Listing Date
Dr. Simon Chen	66	Independent non-executive Director	Supervising and providing independent judgment to the Board	11 November 2022	Listing Date

Executive Directors

Dr. Cao Hui (曹輝), aged 47, was appointed as the chairman of the Board and the president of the Company on 25 October 2017, as a Director on 31 March 2022, and was re-designated as an executive Director on 11 November 2022. Dr. Cao resigned as the president of our Company on 29 October 2024. Dr. Cao is responsible for the formulation of the strategic direction of the Group. He has also served as a director of Guangdong REPT BATTERO since October 2017, a director of REPT SAIC since April 2022, a director of Chongqing REPT BATTERO since March 2023, and the general partner of Wenzhou Ruili since August 2021.

Dr. Cao has over 20 years of experience in lithium-ion battery industry. Prior to joining the Company in October 2017, Dr. Cao successively served as a senior engineer at Shanghai Institute of Space Power-Sources (上海空間電源研究所) from March 2006 to February 2009, and a vice general manager of Shanghai Aerospace Power Technology Co., Ltd. (上海航天電源技術有限責任公司) from February 2009 to October 2017.

Dr. Cao obtained a bachelor's degree and a master's degree in metallurgy of non-ferrous metals from Central South University (中南大學) in July 2000 and June 2003, respectively, and a doctoral degree in materials physics and chemistry from the Shanghai Institute of Microsystem and Information Technology, Chinese Academy of Sciences (中國科學院上海微系統與信息技術研究所) in March 2006. He was recognized as a researcher (研究員) by the Professional and Technical Position Evaluation Committee of Shanghai Aerospace Bureau (上海航天局專業技術職務評審委員會) in August 2014.

Dr. Cao has received multiple awards for his achievements, including the third prize of the "Shanghai Science and Technology Award" (上海市科學技術獎) by the People's Government of Shanghai in November 2015; "Shanghai Youth May Fourth Medal" (上海市青年五四獎章) by the Shanghai Committee of the Communist Youth League and the Shanghai Municipal Human Resources and Social Security Bureau in April 2016; "Shanghai Pioneer in Outstanding Technologies" (上海市優秀技術帶頭人) by the Shanghai Science and Technology Committee in April 2017; and an "Outstanding Talent in 'special Support Plan for High-level Talents of Wenzhou City" (溫州市"高層次人才特殊支持計劃"傑出人才) by the Office of the Leading Group for Talent Work, Wenzhou City Committee of the Communist Party of China in December 2019.

Mr. FENG, TING, aged 37, was appointed as the president of the Company on 29 October 2024 and an executive Director on 27 June 2025. He is responsible for formulating and implementing the strategic plan of the Group, and the overall management of daily operational affairs. Mr. FENG, TING also serves as the chairman of BatteroTech Jiashan, a subsidiary of the Company, the chairman of BatteroTech Jiaxing, a subsidiary of the Company, and a director of PT REPT BATTERO INDONESIA.

Mr. FENG, TING worked at Cinda Securities Co., Ltd. (信達證券股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 601059) from 2015 to 2020, where he successively served as a project specialist and a manager in the asset management department and the investment banking department. From 2021 to 2023, he worked at Shanghai SIGMA Hightech Co., Ltd. (上海希格瑪高技術有限公司) as a deputy general manager, and was responsible for marketing and investment. Since 2024, Mr. FENG, TING worked at BatteroTech Co., Ltd (蘭鈞新能源科技有限公司) as the chairman and worked at Jiaxing BatteroTech Corporation Limited (嘉興蘭鈞科技有限公司) as the chairman. Mr. FENG, TING obtained a bachelor's degree in economics from the University of British Columbia in Canada in 2011. He received a master of science degree from Northwestern University in the United States in 2012 and a master of science degree from Columbia University in the United States in 2013. He is currently a doctoral candidate at Johns Hopkins University in the United States.

Mr. FENG, TING is the spouse of Ms. Xiang Yangyang, a non-executive Director of the Company, and the son-in-law of Mr. Xiang Guangda, the Controlling Shareholder of the Company.

Mr. Hu Xiaodong (胡曉東) (with former name as Hu Dong (胡冬)), aged 52, was appointed as a Director on 12 June 2020, re-designated as a non-executive Director on 11 November 2022 and re-designated as an executive Director on 26 March 2025. He has also served as a director and vice chairman of the board of BatteroTech Shanghai since July 2020 and July 2022, respectively, a director of BatteroTech Jiashan since December 2020, a director of BatteroTech Wuhan since January 2021, a director of Zhejiang Ruiyuan since June 2022, a director of Guangdong REPT BATTERO since July 2021, and a director of BatteroTech Jiaxing since April 2023.

Mr. Hu has served as the chairman of the board of Yongqing Technology since September 2019. He has served as a director of Ruitu Energy since November 2022. He has also served as a director of Zhejiang Yongtuo New Material Technology Co., Ltd. (浙江永拓新材料科技有限公司) since September 2021, a director of Zhejiang Qingmowan Energy Technology Co., Ltd. (浙江青墨灣能源科技有限公司) since October 2021, a director of Ruizhou Energy Co., Ltd. (瑞洲能源有限公司) since June 2020, a director of Wenzhou Xinyongtuo New Materials Co., Ltd. (溫州新永拓新材料有限公司) since January 2022, and a director of Zhejiang Weiming Shengqing Energy New Materials Co., Ltd. (浙江偉明盛青能源新材料有限公司) since August 2022.

Mr. Hu served in various positions as the deputy secretary of the Communist Party of China committee of Taishun County of Wenzhou City and the district mayor of Lucheng District of Wenzhou City from September 1997 to April 2019; and the general manager of Wenzhou Mingcheng Construction Investment Group Co., Ltd. (溫州市名城建設投資集團有限公司) from April 2019 to September 2019.

Mr. Hu obtained an associate degree in Chinese secretary of the department of administration from Wenzhou University (溫州大學) in July 1994; a bachelor's degree in law, through long-distance education, from Peking University (北京大學) in July 2005; and a master's degree in economics and management, through long-distance education, from the Central Party School of the Communist Party of China (中共中央黨校) in July 2012.

Dr. Wu Yanjun (吳艷軍), aged 51, was appointed as a Director and the Board secretary on 31 March 2022, and was re-designated as an executive Director and appointed as one of the joint company secretaries on 11 November 2022. Dr. Wu is responsible for the formulation of corporate development strategies as well as the external cooperation, financing and investment of the Group. He has served as a director of REPT SAIC since April 2022, and a director of Chongqing REPT BATTERO since March 2023. He has also served as a director of XCMG Tsingshan (Xuzhou) New Energy Vehicle Co., Ltd. (徐工青山(徐州)新能源汽車股份有限公司), an associate of Mr. Xiang, since May 2021.

Prior to joining the Group in February 2022, Dr. Wu successively served as a marketing manager at Canadian Inco Metals (Shanghai) Co., Ltd. (加商英可金屬(上海)有限公司) from April 2005 to July 2009, a marketing manager for Vale Minerals China Co., Ltd. (淡水河谷英可金屬(上海)有限公司) from March 2009 to February 2010, and a nickel and stainless steel industry consultant for Shanghai Jinyan Business Consulting Firm (General Partnership) (上海金研商務諮詢事務所(普通合夥)) from February 2010 to October 2010. Dr. Wu then served as a deputy general manager of Shanghai Dingtang Metals Co., Ltd. (上海鼎唐金屬材料有限公司) from October 2010 to June 2011, a deputy general manager of Yangjiang Century Tsingshan Nickel Industry Co., Ltd. (陽江世紀青山鎳業有限公司) (currently known as Guangdong Century Tsingshan Nickel Industry Co., Ltd. (廣東世紀青山鎳業有限公司)) from June 2011 to March 2013, vice president of Tsingtuo Industrial Group Co., Ltd. (青拓實業集團有限公司) (currently known as Tsingtuo Group Co., Ltd. (青拓集團有限公司)) from March 2013 to February 2014, and the general manager of Shanghai Tsingshan Trading Co., Ltd. (上海青山貿易有限公司) from March 2014 to February 2022.

Dr. Wu obtained a bachelor's degree in metal materials and heat treatment from Central South University of Technology (中南工業大學) (now known as Central South University (中南大學)) in July 1998, a master's degree in materials science from Central South University in June 2001, and a doctoral degree in microelectronics and solid state electronics from Shanghai Jiao Tong University (上海交通大學) in March 2005. Dr. Wu obtained the qualification of intermediate economist (中級經濟師) issued by the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部) in November 2022.

Ms. Huang Jiehua (黃潔華), aged 44, was appointed as the chief financial officer of the Company on 1 August 2021, as a Director on 4 August 2022, and was re-designated as an executive Director on 11 November 2022. She was appointed as the employee representative Director on 31 December 2025. Ms. Huang is responsible for the accounting and financial management of the Group. She has served as a supervisor of Zhejiang Ruiyuan since May 2022, and a supervisor of REPT SAIC since April 2022. Ms. Huang Jiehua also serves as a director of our Company's subsidiaries, Infinitude Holding Limited, Infinitude International Trading Limited, and Infinitude International Investment Limited.

Prior to joining the Group in August 2021, Ms. Huang served in REPT Technology Group Co., Ltd. (瑞浦科技集團有限公司) consecutively as a deputy general manager of finance department from August 2011 to April 2016, and the general manager of finance department from May 2016 to July 2021.

Ms. Huang obtained an associate degree in accounting, through long-distance education, from Zhejiang Institute of Economics and Trade (浙江經貿職業技術學院) in February 2008.

Non-executive Directors

Mr. Wang Haijun (王海軍), aged 58, was appointed as a Director on 31 March 2022 and re-designated as a non-executive Director on 11 November 2022.

Mr. Wang has served as a director and the president of Shanghai Decent since February 2007 and April 2007, respectively, and has served as the chairman of the board and president of Shanghai Decent since January 2024. Prior to that, he served as the general manager of Zhejiang Tsingshan Iron & Steel Co., Ltd. (浙江青山鋼鐵有限公司) from March 2004 to March 2005, and the chairman of the board of Tsingshan Holding Group Shanghai International Trading Co., Ltd. (青山控股集團上海國際貿易有限公司) from January 2005 to March 2007. From June 1992 to August 1995, Mr. Wang served as a deputy director of the liquid hydrogen and liquid oxygen rocket engine research laboratory at Beijing Aerospace Propulsion Institute (北京航天動力研究所). From August 1995 to March 2004, he served in multiple positions in Danieli Beijing Representative Office (意大利達涅利公司北京代表處), with his last positions as a deputy chief representative of Beijing Representative Office, and simultaneously, the chief representative of Shanghai Representative Office.

Mr. Wang obtained a master's degree in aerospace propulsion from the First Research Institute of the Ministry of Astronautics Industry (航空航天工業部第一研究院, currently known as China Academy of Launch Vehicle Technology (中國運載火箭技術研究院)) in August 1992.

Ms. Xiang Yangyang (項陽陽), aged 36, was appointed as a Director on 31 March 2022 and re-designated as a non-executive Director on 11 November 2022. Ms. Xiang also serves as a director of PT REPT BATTERO INDONESIA, a subsidiary of our Company.

Ms. Xiang has served as the general manager of the strategic investment department of Shanghai Decent since July 2018. She served in multiple positions in Citibank N.A., Singapore, including a management associate from July 2013 to August 2016. From December 2016 to July 2018, Ms. Xiang served in Golden Harbor International Pte Ltd as a deputy general manager.

Ms. Xiang obtained a bachelor's degree in economics and business from Brandeis University in May 2013. Ms. Xiang has been a candidate of the Finance CEOs Program of PBC School of Finance, Tsinghua University since 2019. Ms. Xiang Yangyang is the spouse of Mr. FENG, TING, president of the Company, and the daughter of Mr. Xiang Guangda, the Controlling Shareholder of our Company.

Mr. Wei Yong (衛勇), aged 53, was appointed as a Director on 11 April 2022 and re-designated as a non-executive Director on 11 November 2022.

Mr. Wei has served as the acting chief financial officer and vice president of SAIC Motor (上汽集團) (a company listed on the Shanghai Stock Exchange, stock code: 600104) since September 2016 and July 2019, respectively. He has also served as the general manager of SAIC HK Investment Co., Ltd. (上海汽車香港投資有限公司) since September 2016. Prior to that, Mr. Wei served as a special officer of the strategic committee of the board of Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)總公司) (currently known as Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司)) from October 2003 to December 2004. Mr. Wei held various positions in SAIC Motor (上汽集團), including (i) the deputy head of the president office from December 2004 to April 2011; (ii) an executive director of capital operation department from April 2011 to August 2015; (iii) a securities business representative from March 2012 to July 2019; (iv) the head of office of the board from June 2014 to March 2017; (v) an executive director of securities business department from August 2015 to September 2016; (vi) the general manager of both securities business department and financial business department from September 2016 to August 2019; and (vii) the board secretary from May 2018 to July 2019. From September 2016 to September 2021, he served as the general manager of SAIC Investment Management Co., Ltd. (上海汽車集團投資管理有限公司).

Mr. Wei successively served various positions in the comprehensive affairs division of the research office of Shanghai Committee of the Communist Party of China including (i) a senior staff member from December 1996 to April 2000; (ii) a principal staff member from April 2000 to February 2001; and (iii) deputy division researcher from February 2001 to January 2002, and in the economy division of the research office of Shanghai Committee of the Communist Party of China as a deputy division director from January 2002 to October 2003.

Mr. Wei obtained a bachelor's degree in economics from School of Finance majoring in insurance, and a master's degree in economics majoring in monetary banking from Shanghai University of Finance and Economics (上海財經大學) in June 1993 and December 1995, respectively.

Independent Non-executive Directors

Ms. Wong Sze Wing (黃斯穎), aged 47, was appointed as our independent non-executive Director on 11 November 2022 with effect from the Listing Date.

Ms. Wong served as a manager at PricewaterhouseCoopers from September 2001 to October 2006. She then successively served as the chief financial officer of Orange Sky Entertainment Group (International) Holding Company Limited (橙天娛樂集團(國際)控股有限公司) from August 2007 to July 2008. She served as the joint company secretary of AirPower Technologies Limited (氣體動力科技有限公司, formerly known as: Yingde Gases Group Company Limited (盈德氣體集團有限公司)) from February 2009 to March 2017 and has served as its chief financial officer since July 2010. She has been an independent non-executive director of Orange Sky Golden Harvest Entertainment (Holdings) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1132) since April 2010, an independent non-executive director of Rici Healthcare Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1526) since June 2016, an independent non-executive director of Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 1772, and listed on the Shenzhen Stock Exchange, stock code: 002460) from July 2018 to May 2024, and an independent non-executive director of Giant Biogene Holding Co., Ltd (a company listed on the Hong Kong Stock Exchange, stock code: 2367) since April 2022. She also served as an independent non-executive director of Wangsu Science and Technology Co., Ltd. (網宿科技股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 300017) from April 2017 to June 2023, an independent director of Zhejiang Dahua Technology Co., Ltd. (浙江大華技術股份有限公司, a company listed on the Shenzhen Stock Exchange, stock code: 002236) from May 2017 to August 2020 and an independent non-executive director of Xinjiang La Chapelle Fashion Co., Ltd. (新疆拉夏貝爾服飾股份有限公司, a company listed on the Hong Kong Stock Exchange, stock code: 06116) from January 2021 to June 2021. She served as an independent non-executive director of WUXI LEAD INTELLIGENT EQUIPMENT CO., LTD. (無錫先導智能裝備股份有限公司, its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0470), and its A Shares are listed on the Shenzhen Stock Exchange (stock code: 300450)) since October 2025, an independent non-executive director of CNGR Advanced Material Co., Ltd. (中偉新材料股份有限公司, its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2579), and its A Shares are listed on the Shenzhen Stock Exchange (stock code: 300919)) since November 2025.

Ms. Wong obtained a bachelor's degree in business administration from University of Hong Kong in November 2001. She also obtained an executive master of business administration degree from China Europe International Business School in July 2012. Ms. Wong became a chartered member and then a fellow of the Hong Kong Institute of Certified Public Accountants.

Dr. Wang Zhenbo (王振波), aged 52, was appointed as our independent non-executive Director on 11 November 2022 with effect from the Listing Date.

Dr. Wang has served in Harbin Institute of Technology (哈爾濱工業大學) since July 1998, consecutively held positions as a lecturer, and an associate researcher, and currently serves as a professor and doctoral supervisor since December 2013 and April 2011, respectively, with his researches mainly focusing on advanced chemical power supplies, hydrogen fuel cells, electrocatalysis, and nanoelectrode materials. He served as the head of department of electrochemical engineering of Harbin Institute of Technology from May 2019 to May 2021. He has also served as a distinguished professor at Shenzhen University (深圳大學) since September 2020.

Dr. Wang obtained a bachelor's degree in electrochemical production process in July 1998, a master's degree in applied chemistry in January 2003, and a doctoral degree in applied chemistry in December 2005 from Harbin Institute of Technology.

Dr. Wang was selected as a member of Young and Middle-Aged Industrial Leaders of Science and Technology by Ministry of Science and Technology of the PRC (科技部中青年科技創新領軍人才) in October 2018, as a member of National High-Level Personnel (國家級高層次人才) in February 2019, as a member of Industry Leading Talent of Taishan, Shandong Province (山東省泰山產業領軍人才) in December 2017, as a member of Program of Innovative and Entrepreneurial Talent of Jiangsu Province (江蘇省「雙創人才」) in July 2019, and was elected in the Longjiang Scholars Program of Heilongjiang Province (黑龍江省「龍江學者」) as a distinguished professor in October 2017. He was awarded the Highly Cited Chinese Researchers by Elsevier for eight consecutive years from 2014 to 2021. He won the First Prize of Natural Science in Heilongjiang Province (黑龍江省自然科學一等獎) twice in July 2008 and December 2018, respectively, the Second Prize of Zhejiang Province Achievement Transformation Award (浙江省科技成果轉化二等獎) in 2012, and the First Prize of Harbin Institute of Technology Teaching Achievement Award (哈爾濱工業大學教學成果一等獎) in December 2019.

Dr. Ren Shenggang (任勝鋼), aged 51, was appointed as our independent non-executive Director on 11 November 2022 with effect from the Listing Date.

Dr. Ren has served in Central South University (中南大學) since July 2004, and is currently serving as a professor since October 2010, the secretary of Party Committee from January 2019 to November 2023 and a doctoral supervisor since July 2012 at business school, the director of the center for research on national governance policy and business organization since December 2019, and the deputy executive director of the collaborative innovation center of building a resource-conserving, environment-friendly society and ecological civilization, which was approved as a "2011 Collaborative Innovation Center" of Hunan Province, since September 2018.

Dr. Ren obtained a doctoral degree in management in June 2004 from Fudan University. He was selected into the "Program for New Century Excellent Talents in University" of the Ministry of Education (教育部新世紀優秀人才支持計劃) in December 2012.

Dr. Simon Chen, aged 66, was appointed as our independent non-executive Director on 11 November 2022 with effect from the Listing Date.

Dr. Chen has served as an independent director in TSP Canada Towers Inc. since November 2014 and as the R&D director of Wenzhou Zhenzhong Foundation Construction Machinery Technology Co., Ltd. (溫州振中基礎工程機械科技有限公司) since 2022. Prior to that, he served in the faculty of civil engineering (currently known as the college of civil engineering and architecture) of Zhejiang University (浙江大學) as a lecturer from August 1985 to December 1988. After that, he served as a postdoctoral researcher in the University of Alberta from August 1993 to October 1994, and the chief engineer in Waiward Construction Management Inc. from October 1994 to March 1997. He then served in Atomic Energy of Canada Ltd from May 1997 to July 2006. He then served as the SCM strategic manager in Suncor Energy Inc. from 2007 to 2008, an onshore manager in Westinghouse-Shaw Consortium from 2008 to 2011, a technical advisor in China General Nuclear Power Corporation (中國廣核集團有限公司) in April 2014, and a senior manager in TC Energy Corporation from April 2014 to October 2020.

Dr. Chen obtained a bachelor's degree in civil engineering and a master's degree in structural engineering from the faculty of civil engineering of Zhejiang University in July 1982 and July 1985, respectively. He then obtained a doctoral degree in structural engineering from the University of Alberta in November 1993.

SENIOR MANAGEMENT

Name	Age	Position	Responsibilities	Date of first appointment	Date of joining the Group
Mr. FENG, TING	37	President	Responsible for the strategic planning of the Group and overall management of daily operation affairs	29 October 2024	1 January 2024
Dr. Wu Yanjun (吳艷軍)	51	Executive Director, Board secretary and one of the joint company secretaries	Formulation of corporate development strategies as well as external cooperation, financing and investment of the Group	Appointed on 31 March 2022 as a Director and the board secretary, re-designated as an executive Director and appointed as one of the joint company secretaries on 11 November 2022	8 February 2022
Ms. Huang Jiehua (黃潔華)	44	Executive Director (employee representative Director) and chief financial officer	Responsible for the accounting and financial management of the Group	Appointed on 1 August 2021 as the chief financial officer, and on 4 August 2022 as a Director, and re-designated as an executive Director on 11 November 2022, and appointed on 31 December 2025 as the employee representative Director	1 August 2021
Dr. Hou Min (侯敏)	49	Vice president	Responsible for R&D of cell, module and system technology and test and trial production platform management of the Group	1 November 2017	1 November 2017
Mr. Yu Zhaoyu (余招宇)	47	Vice president	Construction of production facilities and production operations of the Group	8 October 2017	8 October 2017
Mr. Cao Kai (曹楷)	44	Vice president	Responsible for R&D of passenger car pack and BMS technology in the technology center of the Group, and system manufacturing management of the Group	Appointed on 1 February 2018 as the director of system technology and on 20 April 2022 as a vice president	22 January 2018

For the biographical details of Mr. FENG, TING, Dr. Wu Yanjun and Ms. Huang Jiehua, please refer to “Executive Directors” in this section.

Dr. Hou Min (侯敏), aged 49, was appointed as a vice president of the Company on November 1, 2017 and is responsible for the R&D of cell, module and system technology and test and trial production platform management of the Group. Dr. Hou has also served as the general manager of REPT Qingchuang since November 2017.

Prior to joining the Group in November 2017, Dr. Hou served as an assistant researcher in Chengdu Institute of Organic Chemistry, Chinese Academy of Sciences (中國科學院成都有機化學研究所) from 2003 to 2005, and consecutively as a R&D engineer and the director of R&D of Shanghai Nandu Energy Technology Co., Ltd. (上海南都能源科技有限公司) from 2006 to 2009. She then served as the manager of technology center of Shanghai Aerospace Power Technology Co., Ltd. (上海航天電源技術有限責任公司) from 2009 to 2017.

Dr. Hou obtained a bachelor's degree in chemical engineering and technology, and a master's degree in applied chemistry from Harbin Institute of Technology in July 2000 and July 2003, respectively. She obtained a doctoral degree in chemical engineering and technology from Harbin Institute of Technology in January 2022. She was recognized as a senior engineer by the Professional and Technical Position Evaluation Committee of Shanghai Aerospace Bureau (上海航天局專業技術職務評審委員會) in August 2013, and a chief senior engineer by the Shanghai Natural Science Research Series Senior Professional and Technical Title Qualification Evaluation Committee (上海市自然科學研究系列高級專業技術職務任職資格評審委員會) in December 2020.

Dr. Hou has also received multiple honors for her achievements in battery industry, including the second prize of "Technology Innovation Individual Award" by Shanghai Academy of Spaceflight Technology (上海航天技術研究院) in February 2015; the third prize of "Science and Technology Invention Award" by the China Aerospace Science and Technology Corporation (中國航天科技集團有限公司) in April 2015; the third prize of "Shanghai Science and Technology Award" by Shanghai Municipal People's Government in November 2015; the honorary title of "Star of Effectiveness and Excellence" (創效創優明星) by Shanghai Academy of Spaceflight Technology in January 2017; and the honorary title of "Red-Flag Bearer on March 8th" (三八紅旗手) by Shanghai Academy of Spaceflight Technology in March 2017, and she was selected as a Leading Talent for Scientific and Technological Innovation in "Special Support Plan for High-level Talents" of Wenzhou City by the Leading Group for Talent Work of Wenzhou Municipal Committee of the Communist Party of China in October 2020. She was appointed as an expert of Wenzhou Science and Technological Innovation Think Tank (溫州市科技創新智庫專家) in October 2021. Dr. Hou has participated in the development of more than 100 patents, and has published several academic papers.

Mr. Yu Zhaoyu (余招宇), aged 47, was appointed as a vice president of the Company on 8 October 2017 and is responsible for the construction of production facilities and production operations of the Group. He has also served as the chairman of the Board of REPT Qingchuang since January 2018, a director and the general manager of Zhejiang Ruixu since December 2019, the chairman of the board and general manager of REPT SAIC since April 2022, a director of Wenzhou Xinke Technology Co., Ltd. (溫州芯殼科技有限公司), since April 2022, and the chairman and manager of Chongqing REPT BATTERO since March 2023. He has also served as the executive director and general manager of Liuzhou Qingyu Information Technology Services Co., Ltd. (柳州青宇信息技術服務有限公司) since April 2022.

Prior to joining the Group in October 2017, Mr. Yu worked as a director of process engineering department in Zhejiang Narada Power Source Co., Ltd. (浙江南都電源動力股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300068) from February 2009 to February 2011, and manager of manufacturing center of Shanghai Aerospace Power Technology Co., Ltd. (上海航天電源技術有限責任公司) from March 2015 to September 2017.

Mr. Yu obtained a bachelor's degree in metallurgical engineering from Central South University in June 2003. He was recognized as a senior engineer by China Aerospace Science and Technology Corporation in August 2014.

Mr. Yu has received the honorary title of "Star of Effectiveness and Excellence" (創效創優明星) by Shanghai Academy of Spaceflight Technology in February 2015, and was recognized as a leading talent in scientific and technological innovation of "Luofeng Leading Goose Plan" (羅峰領雁計劃) of Wenzhou City in July 2020.

Mr. Cao Kai (曹楷), aged 44, was appointed as the director of system technology of the Company on 1 February 2018, and as a vice president of the Company on 20 April 2022. He is responsible for the R&D of passenger car pack and BMS technology in the technology center of the Group, and system manufacturing management of the Group. He has also served as a director of SAIC REPT EV Battery System Co., Ltd. (賽克瑞浦動力電池系統有限公司) since April 2022.

Prior to joining the Group in February 2018, Mr. Cao worked in Raintree Scientific Instruments (Shanghai) Co., Ltd. (睿勵科學儀器(上海)有限公司) from January 2006 to December 2006. He then held a professional technical position in Pan Asia Technical Automotive Center Co., Ltd. (泛亞汽車技術中心有限公司) from December 2009 to April 2016. He served in several positions in Changzhou Durui Lianxing Investment Management Co., Ltd. (常州杜瑞聯行投資管理有限公司), including an assistant chief engineer for EV batteries from April 2016 to August 2016 and a counsel from August 2016 to February 2018.

Mr. Cao obtained a bachelor's degree in automotive engineering from Tsinghua University in July 2002, and a master's degree in optical engineering from Shanghai Institute of Optics and Fine Mechanics, Chinese Academy of Sciences (中國科學院上海光學精密機械研究所) in July 2005.

JOINT COMPANY SECRETARIES

Dr. Wu Yanjun (吳艷軍) is one of our joint company secretaries. For the biographical details of Dr. Wu, please refer to "Executive Directors" in this section.

Ms. Zhang Xiao (張瀟) is one of our joint company secretaries. Ms. Zhang is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services, and has over thirteen years of experience in the corporate secretarial field. Ms. Zhang has been admitted as an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom in 2019.

Ms. Zhang obtained a bachelor's degree in computer science from The Chinese University of Hong Kong in 2010, a master's degree in corporate governance from The Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in 2018 and a master's degree in accounting from Hong Kong Baptist University in 2024.

REPORT OF THE DIRECTORS

The Board is pleased to present this annual report and the audited financial statements of the Group for the year ended 31 December 2025.

GLOBAL OFFERING

The Company was incorporated in the PRC on 25 October 2017 and converted into a joint stock limited liability company on 7 April 2022. The Shares were listed on the Main Board of the Hong Kong Stock Exchange on 18 December 2023 through the Global Offering. The Company listed on the Stock Exchange with an initial issue of 116,070,200 H Shares. The net proceeds raised from the Global Offering amounted to approximately HK$2,013.1 million. For details of the Global Offering, please refer to the Prospectus.

PRINCIPAL BUSINESSES AND ACTIVITIES

The Group mainly engages in the design, R&D, production and sales of EV and ESS lithium-ion batteries from cell level, battery modules and battery packs to system application. With electrification and intelligence as our core, we drive integrated innovation in market applications. We provide premium solutions and services for global new energy vehicle power and smart electrical energy storage through innovations in material and material portfolio as well as innovations in system structure, environmental limit-pushing manufacturing and business model.

As a high-quality new energy technology enterprise, we adhere to the technology-and innovation-driven development strategy and follow the market trend. With WenDing ("問頂") technology as our cornerstone and cost-efficiency as the main theme, we contribute to the globalization process of NEVs technologies in China, the development of the global new energy power industry and green mobility. We expand application scenarios for new energy storage to promote the widespread adoption of clean energy around the world, facilitating a green and sustainable future. There were no significant changes in the nature of the Group's activities during the year ended 31 December 2025.

BUSINESS REVIEW AND PROSPECT

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the "Management Discussion and Analysis" section. Particulars of important events affecting the Group that have occurred since the end of the financial year are provided in the "Management Discussion and Analysis" section. An analysis of the Group's performance during the year using financial key performance indicators and details of the capital structure of the Company are provided in the "Management Discussion and Analysis" section.

In addition, information of the Company's environmental policies and performance can be found in the section headed "Environmental Policies and Performance" of this report of the Directors. The Company's compliance with relevant laws and regulations which have a significant impact on the Group are provided in the section headed "Compliance with Laws and Regulations" of this report of the Directors. The description of possible risks and uncertainties facing the Group is set out in the section headed "Principal Risks and Uncertainties" of this report of the Directors. An account of the Company's relationship with its employees, customers, and suppliers is disclosed in the section headed "Relationship with Stakeholders" of this report of the Directors.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 89 and 90.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Group during the year are set out in "Management Discussion and Analysis" of this annual report on pages 10 to 26.

FINAL DIVIDEND

The Board resolved not to recommend any final dividend for the year ended 31 December 2025 (2024: nil).

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The AGM will be held by the Company on Friday, 26 June 2026. A notice convening the AGM will be published and dispatched (if necessary) to the Shareholders in accordance with the requirements of the Articles of Association and the Listing Rules in due course. In order to ascertain Shareholders' entitlement to attend and vote at the AGM, the H Share register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive), during which periods no transfer of H Shares will be registered.

In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant Share certificates must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 22 June 2026. The record date for determining the eligibility to attend and vote at the AGM is Friday, 26 June 2026, and shareholders whose names appear on the Company's register of members on such date shall be entitled to attend and vote at the meeting.

SHARE CAPITAL

As at 31 December 2025, the authorised share capital of the Company was RMB2,336,874,050, divided into 2,336,874,050 Shares of RMB1.00 each. Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 31 to the financial statements.

SUBSIDIARIES

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

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Wong Sze Wing, Dr. Simon Chen and Dr. Ren Shenggang. Currently, Ms. Wong Sze Wing is the chairlady of the Audit Committee, and she 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 audited consolidated financial statements of the Group for the year ended 31 December 2025 and has confirmed that it has complied 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.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2025 are set out in note 32 to the financial statements on page 161 and the consolidated statement of changes in equity on page 93, respectively.

DISTRIBUTABLE RESERVES

As calculated in accordance with the applicable laws in the PRC where the Company was registered, the Company had no distributable reserves available as at 31 December 2025.

DONATIONS

During the year ended 31 December 2025, neither the Company nor its subsidiaries made any charitable donations.

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Company and its subsidiaries as at 31 December 2025 are set out in note 28 to the financial statements.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Stock Exchange on 18 December 2023 and the net proceeds raised from the Global Offering were approximately HK$2,013.1 million. For the year 2025, the Group has used approximately HK$ 258.6 million of the net proceeds from the Global Offering according to those disclosed in the Prospectus, and the actual net proceeds that has not yet been used amounted to approximately HK$834.0 million. The use of proceeds from the Global Offering is as follows:

Item	Approximate % of the total net proceeds %	Available net proceeds raised from the Global Offering (in HK$ millions)	Unutilized net amount as at 31 December 2024 (in HK$ millions)	Actual net amount utilized for the year 2025 (in HK$ millions)	Unutilized net amount as at 31 December 2025 (in HK$ millions)	Expected timeline for the balance of net proceeds raised
For the expansion of our production capacity	80%	1,610.5	922.7	88.7	834.0	31 December 2026
For the R&D of core technologies for advanced lithium-ion batteries, advanced materials and optimized manufacturing processes	10%	201.3	169.9	169.9	—	31 December 2025
For the working capital and general corporate purpose	10%	201.3	0	—	—	31 December 2024
Total	100%	2,013.1	1,092.6	258.6	834.0	

Note: The expected timeline is based on the Company's current best estimate of future market conditions and business operations, which are subject to be adjusted according to the development of future market conditions and actual business needs.

As approved at the meeting of the Board of Directors of the Company held on 31 December 2024, the expected timeline for the balance of net proceeds for expanding production capacity is adjusted from 31 December 2024 to 31 December 2026 based on the Group's current view of future market conditions and business operations.

Save for the aforesaid extension of the expected timeline for the balance of net proceeds for the expansion of production capacity, there has been no material change or material delay in the use or utilization of the proceeds from the listing of the Group, and the Group will continue to utilize the remaining net proceeds in accordance with the plan as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, purchases from the Group's five largest suppliers accounted for 27.4% of the Group's total purchases. In addition, purchases from the Group's single largest supplier accounted for 7.3% of the Group's total purchases during the same period.

For the year ended 31 December 2025, the revenue from the Group's five largest customers accounted for 34.2% of the Group's total revenue. In addition, the revenue from the Group's single largest customer accounted for 10.3% of the Group's total revenue during the same period.

For the year ended 31 December 2025, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders (which, to the knowledge of the Directors, owned more than 5% of the number of issued Shares of the Company) had interests in the five largest suppliers or customers of the Company.

SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL

The Company did not have any significant investment, acquisition and disposal for the year ended 31 December 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Company are set out in note 13 to the financial statements.

CHANGES TO BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The changes in the particulars of the Directors and Supervisors during the Reporting Period and as of the date of this annual report are set out as follows:

(i) Mr. Hu Xiaodong was re-designated from a non-executive Director to an executive Director of the Company on 26 March 2025.

(ii) Dr. Cao Hui, Mr. Hu Xiaodong, Dr. Wu Yanjun and Ms. Huang Jiehua were re-elected as executive Directors at the annual general meeting of the Company (the "**2024 AGM**") convened on 27 June 2025. Mr. FENG, TING was elected as executive Director at the 2024 AGM, Mr. Wang Haijun, Ms. Xiang Yangyang and Mr. Wei Yong were re-elected as non-executive Directors at the 2024 AGM, Ms. Wong Sze Wing, Dr. Wang Zhenbo, Dr. Ren Shenggang and Dr. Simon Chen were re-elected as independent non-executive Directors at the 2024 AGM. Mr. Yu Xinhua retired as a non-executive Director at the AGM. The term of office for each of our Directors shall be three years from the date of approval of relevant resolutions at the 2024 AGM until the expiration of term of office of the second session of the Board. Mr. Qu Enci and Mr. Fang Yihui were re-elected as shareholder representative supervisors at the 2024 AGM. The term of office for each of our shareholder representative supervisors shall be three years from the date of approval of relevant resolutions at the 2024 AGM until the expiration of term of office of the second session of the Supervisory Committee. For further details, please refer to the announcements of the Company dated 26 March 2025 and 27 June 2025 and the circular dated 6 June 2025.

(iii) Ms. Jin Shanyan was re-elected as the employee representative Supervisor of the second session of the Supervisory Committee at the employee representative meeting of the Company held on 3 June 2025. Her term of office shall be three years from the date of the 2025 AGM until the expiration of the term of office of the second session of the Supervisory Committee. For further details, please refer to the announcement of the Company dated 3 June 2025.

(iv) According to the Company Law, relevant regulatory rules of the CSRC and other provisions, and in light of the Company's actual conditions, the Shareholders of the Company resolved to abolish the Supervisory Committee at the 2025 first extraordinary general meeting held on 31 December 2025. The incumbent Supervisors of the Company automatically ceased to hold office on 31 December 2025 and the Company will no longer have a Supervisory Committee or Supervisors. The Audit Committee will assume the duties and powers of the Supervisory Committee as stipulated by the Company Law. For further details, please refer to the announcements of the Company dated 9 December 2025 and 31 December 2025 and the circular dated 15 December 2025.

(v) Ms. Huang Jiehua (黃潔華) ("**Ms. Huang**"), our executive Director, has resigned as an executive Director due to adjustment to the corporate governance structure of the Company, with effect from 31 December 2025. At the employee representative meeting of the Company convened on 31 December 2025, Ms. Huang was elected as the employee representative Director of the second session of the Board, for a term commencing from 31 December 2025 and ending upon the expiry of the term of office of the second session of the Board. For further details, please refer to the announcement of the Company dated 31 December 2025.

(vi) Ms. Wong Sze Wing (黃斯穎), our independent non-executive Director, has served as an independent non-executive director of WUXI LEAD INTELLIGENT EQUIPMENT CO., LTD. (無錫先導智能裝備股份有限公司, its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0470), and its A Shares are listed on the Shenzhen Stock Exchange (stock code: 300450)) since October 2025, an independent non-executive director of CNGR Advanced Material Co., Ltd. (中偉新材料股份有限公司, its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2579), and its A Shares are listed on the Shenzhen Stock Exchange (stock code: 300919)) since November 2025.

Save as disclosed in this annual report, during the Reporting Period and until the date of this annual report, there has been no change in the information of Directors, Supervisors and senior management that is required to be disclosed under Rule 13.51B(1) of the Listing Rules. Information about the details of the Directors and senior management of the Company is set out in the section headed "Directors and Senior Management".

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has confirmed all the independent non-executive Directors to be independent.

SERVICE CONTRACTS OF DIRECTORS

The Company has entered into a service contract with each of the Directors. The term of appointment of each Director is three years following each Director's appointment date, which may be terminated pursuant to relevant terms of the respective service contract.

None of the Directors has entered into any service contract with the Company or any of its subsidiaries which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, (i) there were no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party and in which any of the Directors or its connected entities had, directly or indirectly, a material interest at any time during the Reporting Period; (ii) there were no contracts of significance in relation to the Group's business between the Company, or any of its subsidiaries and a Controlling Shareholder or any of its subsidiaries at any time during the Reporting Period; and (iii) there were no contracts of significance in relation to the Group's business whether or not for provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries at any time during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

INTERESTS OF DIRECTORS IN BUSINESSES COMPETING WITH THE COMPANY

The Directors have confirmed that other than business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group.

NON-COMPETITION UNDERTAKING

Mr. Xiang, Zhejiang Tsingshan, Shanghai Decent, Tsingshan Group, Yongqing Technology, Ruitu Energy and Wenzhou Jingli (each being our Controlling Shareholder) entered into a non-competition undertaking in favor of the Company on 4 December 2023 (the "**Non-competition Undertaking**"). For more details, please refer to the section headed "Relationship with the Controlling Shareholders — Non-competition Undertaking" in the Prospectus of the Company.

The Company has received an annual declaration in writing from each of Mr. Xiang, Zhejiang Tsingshan, Shanghai Decent, Tsingshan Group, Yongqing Technology, Ruitu Energy and Wenzhou Jingli confirming that it had complied with the non-competition undertaking provided to the Company. The independent non-executive Directors reviewed the status of compliance and enforcement of the non-competition undertaking and confirmed that all of the undertakings have been complied with by each of the abovementioned Controlling Shareholders for the period from the date of the Non-competition Undertaking to 31 December 2025.

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

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and 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 those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, 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 applied to the Supervisors) were as follows:

Interests/Short Positions in the Shares of the Company

Name	Nature of Interest/Capacity	Class of Shares	Number of Shares held	Approximate Percentage of Shareholding in the H Shares[(1)]	Approximate Percentage of Shareholding in the Total Issued Share Capital[(2)]
Dr. Cao Hui	Interest in controlled corporations[(3)]	H Shares	360,000,000 (Long position)	38.53%	15.41%
Mr. FENG, TING	Interest in controlled corporations[(4)]	H Shares	24,000,000 (Long position)	2.57%	1.03%
Ms. Xiang Yangyang	Interest of spouse[(5)]	H Shares	24,000,000 (Long position)	2.57%	1.03%

Notes:

(1) Calculated based on a total of 934,422,124 H Shares in issue as at 31 December 2025.

(2) Calculated based on a total of 2,336,874,050 Shares in issue as at 31 December 2025.

(3) As of 31 December 2025, Dr. Cao Hui is the general partner of Wenzhou Ruili, and held approximately 41.1% limited partnership interests in Shanghai Fuqin Enterprise Development Partnership (Limited Partnership) (上海孚勤企業發展合夥企業(有限合夥), "**Shanghai Fuqin**"), which held approximately 72.7% limited partnership interests in Wenzhou Jingli. By virtue of the SFO, Dr. Cao Hui is deemed to be interested in the Shares held by Wenzhou Ruili and Wenzhou Jingli.

(4) As of 31 December 2025, Mr. FENG, TING is the general partner of Wenzhou Qingshan. By virtue of the SFO, Mr. FENG, TING is deemed to be interested in the Shares held by Wenzhou Qingshan.

(5) As of 31 December 2025, by virtue of the SFO, Ms. Xiang Yangyang is deemed or taken to be interested in the Shares held by her spouse, Mr. FENG, TING.

Interests/Short Positions in Associated Corporations

Name	Name of Associated Corporation	Nature of Interest/Capacity	Amount of Registered Capital Held	Approximate Percentage of Interest as of 31 December 2025
Dr. Cao Hui	Yongqing Technology	Beneficial owner	RMB5,800,000	1%
Dr. Wu Yanjun	Qingtuo Group Co., Ltd. (青拓集團有限公司)[1]	Beneficial owner	RMB4,400,000	0.25%
Mr. Hu Xiaodong	Yongqing Technology	Beneficial owner	RMB8,700,000	1.5%
Mr. Wang Haijun	Zhejiang Qingjia New Material Technology Co., Ltd. (浙江青甲新材料科技有限公司)[2]	Beneficial owner	RMB1,600,000	2%
Mr. FENG, TING	BatteroTech Shanghai[3]	Interest in controlled corporations	RMB200,000,000	20%
Ms. Xiang Yangyang	BatteroTech Shanghai[4]	Interest of spouse	RMB200,000,000	20%

Notes:

(1) As of 31 December 2025, Tsingshan Group is the largest shareholder of Qingtuo Group Co., Ltd. with shareholding of 48.85% in Qingtuo Group Co., Ltd.

(2) As of 31 December 2025, Zhejiang Qingjia New Material Technology Co., Ltd. is a non-wholly owned subsidiary of Yongqing Technology.

(3) As of 31 December 2025, Wenzhou Chenshan Enterprise Management Partnership (Limited Partnership) ("**Wenzhou Chenshan**") and Wenzhou Futang Enterprise Management Partnership (Limited Partnership) ("**Wenzhou Futang**") held registered capital of RMB143,000,000 and RMB57,000,000 respectively in Shanghai Lan Jun, an associated corporation of our company. Mr. FENG, TING is the general partner of both Wenzhou Chenshan and Wenzhou Futang. Therefore, in accordance with Part XV of the Securities and Futures Ordinance, Mr. FENG, TING is deemed to have an interest in the total registered capital of RMB200,000,000 (accounting for 20% of the total registered capital of BatteroTech Shanghai) of BatteroTech Shanghai, the associated corporation of our company, held by Wenzhou Chenshan and Wenzhou Futang.

(4) In accordance with the Securities and Futures Ordinance, Ms. Xiang Yangyang is deemed or taken to have an interest in the shares in which her spouse, Mr. FENG, TING, has an interest.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company have an interest or short position in the Shares or debentures of the Company or any interests in the shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which: (i) will have 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 which they are taken or deemed to have under such provisions of the SFO); (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) will be 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 applied to the Supervisors).

Interests of Substantial Shareholders

So far as the Directors are aware, as at 31 December 2025, the following persons (other than the Directors and chief executive of the Company) had interest or short positions in the Shares of the Company which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

Name	Nature of Interest/Capacity	Class of Shares	Number of Shares held	Approximate Percentage of Shareholding in the Relevant Class of Shares(1)	Approximate Percentage of Shareholding in the Total Issued Share Capital(2)
Wenzhou Jingli	Beneficial owner	H Shares	264,000,000 (Long position)	28.25%	11.30%
Yongqing Technology(3)	Beneficial owner	Domestic Unlisted Shares	1,089,419,482 (Long position)	77.68%	46.62%
	Interest in controlled corporations	H Shares	264,000,000 (Long position)	28.25%	11.30%
Ruitu Energy(3)	Interest in controlled corporations	H Shares	264,000,000 (Long position)	28.25%	11.30%
Shanghai Fuqin(3)	Interest in controlled corporations	H Shares	264,000,000 (Long position)	28.25%	11.30%
Tsingshan Group(4)	Interest in controlled corporations	Domestic Unlisted Shares	1,089,419,482 (Long position)	77.68%	46.62%
	Interest in controlled corporations	H Shares	264,000,000 (Long position)	28.25%	11.30%
Shanghai Decent(4)	Interest in controlled corporations	Domestic Unlisted Shares	1,089,419,482 (Long position)	77.68%	46.62%
	Interest in controlled corporations	H Shares	264,000,000 (Long position)	28.25%	11.30%
Mr. Xiang(5)	Interest in controlled corporations	Domestic Unlisted Shares	1,089,419,482 (Long position)	77.68%	46.62%
	Interest in controlled corporations	H Shares	264,000,000 (Long position)	28.25%	11.30%
Wenzhou Ruili	Beneficial owner	H Shares	96,000,000 (Long position)	10.27%	4.11%
Dr. Cao Hui(3)(6)	Interest in controlled corporations	H Shares	360,000,000 (Long position)	38.53%	15.41%
Jiaxing SAIC Qirui Equity Investment Partnership (Limited Partnership) (嘉興上汽頎瑞股權投資合夥企業(有限合夥), "**Jiaxing SAIC**")	Beneficial owner	Domestic Unlisted Shares	187,828,067 (Long position)	13.39%	8.04%
Qingdao SAIC Innovation and Upgrade Industry Equity Investment Fund Partnership (L.P.) (青島上汽創新升級產業股權投資基金合夥企業(有限合夥), "**Qingdao SAIC**")(7)	Beneficial owner	Domestic Unlisted Shares	56,285,178 (Long position)	4.01%	2.41%
	Interest in controlled corporations	Domestic Unlisted Shares	187,828,067 (Long position)	13.39%	8.04%

Notes:

(1) Calculated based on a total of 1,402,451,926 Domestic Unlisted Shares in issue and a total of 934,422,124 H Shares in issue as at 31 December 2025.

(2) Calculated based on a total of 2,336,874,050 Shares in issue as at 31 December 2025.

(3) As of 31 December 2025, Yongqing Technology held 100% equity interests in Ruitu Energy, which was the general partner of Wenzhou Jingli. Shanghai Fuqin held approximately 72.7% limited partnership interests in Wenzhou Jingli. Ruitu Energy was the general partner of Shanghai Fuqin and Dr. Cao Hui held approximately 41.1% limited partnership interests in Shanghai Fuqin. Therefore, each of Yongqing Technology, Ruitu Energy, Shanghai Fuqin and Dr. Cao Hui was deemed to be interested in the 264,000,000 H Shares held by Wenzhou Jingli under the SFO.

(4) As of 31 December 2025, Tsingshan Group and Shanghai Decent held 51% and 43.5% equity interests in Yongqing Technology, respectively. Therefore, each of Tsingshan Group and Shanghai Decent was deemed to be interested in the 1,089,419,482 Domestic Unlisted Shares in issue and 264,000,000 H Shares directly held by Yongqing Technology and Wenzhou Jingli, respectively, under the SFO.

(5) As of 31 December 2025, Mr. Xiang directly held approximately 22.3% equity interests in Tsingshan Group. Mr. Xiang also held indirect equity interests in Tsingshan Group through (a) Shanghai Decent, of which Mr. Xiang was an approximately 71.5%-shareholder, which directly held approximately 23.7% equity interests in Tsingshan Group and (b) Zhejiang Tsingshan, of which Mr. Xiang was an approximately 80%-shareholder, which directly held approximately 11.5% equity interests in Tsingshan Group. Therefore, Mr. Xiang directly and indirectly controlled approximately 57.5% equity interests in Tsingshan Group and was deemed to be interested in the 1,089,419,482 Domestic Unlisted Shares in issue and 264,000,000 H Shares directly held by Yongqing Technology and Wenzhou Jingli, respectively, under the SFO.

(6) As of 31 December 2025, Dr. Cao Hui was the general partner of Wenzhou Ruili. Therefore, Dr. Cao Hui was deemed to be interested in the 96,000,000 H Shares held by Wenzhou Ruili under the SFO.

(7) As of 31 December 2025, Qingdao SAIC held 49.95% limited partnership interests in Jiaxing SAIC. Therefore, Qingdao SAIC was deemed to be interested in the 187,828,067 Domestic Unlisted Shares in issue held by Jiaxing SAIC under the SFO.

As of 31 December 2025, Shanghai Shangqi Investment Management Partnership (Limited Partnership) (上海尚頎投資管理合夥企業(有限合夥), "**Shangqi Capital**") was the general partner and fund manager of Jiaxing SAIC and was also one of the general partners and the fund manager of Qingdao SAIC. Jiaxing Qihe Equity Investment Partnership (Limited Partnership) (嘉興頎合股權投資合夥企業(有限合夥), "**Jiaxing Qihe**") held 45% limited partnership interests in Shangqi Capital. Shanghai Qiyuan Business Consulting Co., Ltd (上海頎元商務諮詢有限公司, "**Shanghai Qiyuan**") was the general partner of Shangqi Capital. Mr. Feng Ji (馮戟) held 80% equity interests in Shanghai Qiyuan. Shanghai Hengxu Innovative Private Fund Management Co., Ltd. (上海恒旭創領私募基金管理有限公司, "**SAIC Hengxu**") was the other general partner of Qingdao SAIC. Shanghai Qijia Business Management Consulting Partnership (Limited Partnership) (上海頎嘉企業管理諮詢合夥企業(有限合夥), "**Shanghai Qijia**") held 45% equity interests in SAIC Hengxu. Shanghai Shengqi Enterprise Management Consulting Co., Ltd. (上海晟頎企業管理諮詢有限公司, "**Shanghai Shengqi**") was the general partner of Shanghai Qijia. Mr. Lu Yongtao (陸永濤) held 90% equity interests in Shanghai Shengqi and 68.8% limited partnership interests in Shanghai Qijia. SAIC Motor Financial Holdings Co., Ltd (上海汽車集團金控管理有限公司, "**SAIC Financial Holdings**") held 40% limited partnership interests in Shangqi Capital and 40% equity interests in SAIC Hengxu. SAIC Motor Corporation Limited (上海汽車集團股份有限公司, "**SAIC Motor**") directly held approximately 99.63% limited partnership interests in Qingdao SAIC. SAIC Financial Holdings is a wholly-owned subsidiary of SAIC Motor. Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司), "**SAIC**") held 62.69% equity interests in SAIC Motor.

Therefore, each of Shangqi Capital, Jiaxing Qihe, Shanghai Qiyuan, Mr. Feng Ji, SAIC Hengxu, Shanghai Qijia, Shanghai Shengqi, Mr. Lu Yongtao, SAIC Financial Holdings, SAIC Motor and SAIC was deemed to be interested in the 187,828,067 Shares directly held by Jiaxing SAIC, and the 56,285,178 Domestic Unlisted Shares in issue directly held by Qingdao SAIC under the SFO.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors and chief executive of the Company) had any interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

DEBENTURE ISSUED

The Company has not issued any debentures during the year ended 31 December 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any of its associated corporations were granted to any Directors or their respective spouse or children under 18 years of age and no such rights have been exercised by them during the year ended 31 December 2025. Neither the Company nor any of its subsidiaries were a party to any arrangements to enable any Directors or their respective spouses or children under the age of 18 years to acquire such rights from the Company or any other body corporate.

EQUITY-LINKED AGREEMENT

No equity-linked agreements were entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the Reporting Period.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance for Directors and senior management and such permitted indemnity provision is currently in force and was in force throughout the year ended 31 December 2025. Save for the foregoing, during the Reporting Period and as at the time of approval of this annual report, the Company had no other permitted indemnity provision in force.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance or guarantee to its affiliated companies during the Reporting Period, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its Controlling Shareholder nor breach the terms of any loan agreements that are significant to its operations during the Reporting Period.

SHARE OPTION SCHEME

The Company did not adopt any share option scheme.

SHARE INCENTIVE SCHEME

The Company approved and adopted the 2021 Share Incentive Scheme of the Company in August 2021 and the 2022 Share Incentive Scheme of the Company in March 2022 (collectively, the "**Share Incentive Schemes of the Company**"). BatteroTech Shanghai approved and adopted the 2022 Share Incentive Scheme in November 2022 (the "**Share Incentive Scheme of BatteroTech Shanghai**"). Neither the Share Incentive Schemes of the Company nor the Share Incentive Scheme of BatteroTech Shanghai (collectively, the "**Share Incentive Schemes**") constitute a share scheme under Chapter 17 of the Listing Rules, as these plans are implemented through certain employee shareholding platforms in the form of limited partnerships, which do not involve the direct issuance of new shares of the Company or any of its subsidiaries by the Company or any of its subsidiaries, or the grant of existing shares of the Company or any of its subsidiaries to participants of the Share Incentive Schemes. Participants become partners of the corresponding employee shareholding platform upon being granted the partnership interests. Participants hold indirect interests in the Company or its subsidiary through their partnership interests in the employee shareholding platform. Interests equivalent to a total of 360,600,000 Shares may be granted under the Share Incentive Schemes of the Company. As of the date of this annual report, interests that correspond to 274,313,100 Shares have been granted to participants of the 2021 Share Incentive Scheme of the Company, interests that correspond to 17,559,445 Shares have been granted to participants of the 2022 Share Incentive Scheme of the Company, and the remaining interests that correspond to 68,727,455 Shares have been transferred to Ruitu Energy and Ruizhou Energy Co., Ltd. in accordance with the terms of the Share Incentive Schemes of the Company and are not re-granted due to reasons such as the cessation of employment of the relevant participants. Interests that correspond to the capital contribution of RMB24,342,434 to Wenzhou Chenshan Enterprise Management Partnership (Limited Partnership) (溫州辰杉企業管理合夥企業(有限合夥)) may be granted under the Share Incentive Scheme of BatteroTech Shanghai. As of the date of this annual report, all such interests have been granted to participants of the Share Incentive Scheme of BatteroTech Shanghai.

For further details of the Share Incentive Schemes and the employee shareholding platforms, please refer to the section headed "Statutory and General Information — The Share Incentive Schemes" in the Prospectus.

H SHARE INCENTIVE SCHEME

On 13 December 2024, the Company adopted the H Share Incentive Scheme. The underlying shares under this Scheme are sourced from H shares acquired by the trustee at the then market price through on-market and/or off-market transactions, in accordance with the Company's instructions and the relevant provisions of the Scheme rules, using the funds of the incentive Scheme. The H Share Incentive Scheme does not involve the issuance of any new shares or the grant of share options in respect of any new shares. According to Chapter 17 of the Listing Rules, the H Share Incentive Scheme constitutes a share Scheme paid for by existing shares, and therefore is subject to the applicable disclosure requirements of Rule 17.12 of the Listing Rules. The main terms of the Scheme rules of the H Share Incentive Scheme (the "**Scheme**") are summarized as follows:

(a) Purpose of the Scheme

The purposes of the H Share Incentive Scheme are: to promote the achievement of long-term sustainable development and performance goals of the Company; to closely align the interests of the Grantees with those of the Shareholders, investors and the Company, thereby enhancing the cohesion of the Company and facilitating the maximisation of the value of the Company; and to improve the Company's incentive mechanism to attract, motivate and retain Directors, senior management, employees and experts and consultants of the Group who have made outstanding contributions to the sustainable operation, development and long-term growth of the Company.

(b) Participants of the Scheme

Persons who are eligible to participate in the H Share Incentive Scheme include any current director, senior management or employee of the Group (including any person to whom Awarded Shares are granted under the H Share Incentive Scheme as an inducement to enter into a contract of employment) and experts and consultants of the Group (the "**Eligible Participants**")

A person shall not be considered as an Eligible Participant if, as at the Grant Date:

(i) he/she has been publicly censured or declared as an ineligible candidate by securities regulatory institutions in the last 12 months;

(ii) he/she has been imposed with administrative penalties by securities regulatory institutions in the last 12 months due to material non-compliance of laws or regulations;

(iii) he/she is prohibited from participating in the H Share Incentive Scheme as required by laws and regulations;

(iv) he/she has committed other material violation of relevant requirements of the Group or caused material damage to the interest of the Group as determined by the Board; or

(v) there exists any other circumstances prescribed by the Board for the purpose of safeguarding the Group's interests and ensuring the Group's compliance with applicable laws and regulations relating to the operation of the Scheme.

The Board and/or the Delegatee(s) may select any Eligible Participant to be a Grantee of the H Share Incentive Scheme in accordance with the Scheme Rules.

(c) Scheme Limit

In any event, the maximum number of Awarded Shares which may be granted under the H Share Incentive Scheme shall not exceed 3% of the Company's total Shares in issue as at the Adoption Date (the "**Scheme Limit**"), which is 68,306,222 H Shares, representing 2.92% of the issued shares of the Company as at the date of this annual report. The Board and/or the Delegatee(s) shall not make any further grant of Awarded Shares which will result in the Scheme Limit being exceeded without Shareholders' approval.

As the shares under the H Share Incentive Scheme are existing shares, the total number of shares available for issuance under the H Share Incentive Scheme is 0.

(d) Individual Sublimit

The H Share Incentive Scheme does not specify a limit on the number of shares granted to a single Grantee.

(e) Duration and the Remaining Term of the Scheme

Subject to any early termination as may be determined by the Board according to the Scheme Rules, the H Share Incentive Scheme shall be valid and effective for a term of ten years commencing on the date (i.e., 13 December 2024) on which the adoption of the Scheme is approved by the Shareholders' general meeting (the "**Scheme Period**"), after which no additional Awarded Shares shall be granted. If there are any Awarded Shares that are granted but unvested by the end of the H Share Incentive Scheme term, the H Share Incentive Scheme will be extended until such Awarded Shares have vested.

Therefore, as at the date of this annual report, the remaining term of the H Share Incentive Scheme is approximately 8 years and 9 months.

(f) Grant and the Grant Price

Subject to the terms and conditions of the Scheme, the Board and/or the Delegatee(s) may at their absolute discretion and on such terms and conditions as the Board and/or the Delegatee(s) thinks fit, grant the Awarded Shares to any Eligible Participant at the Grant Price. The Grant Price shall be paid in cash by the Grantees to the Company's designated account within a reasonable period specified by the Board of Directors from time to time before any vesting date (if any). The amount of the relevant Grant Price shall be determined by the Board and/or the Delegatee(s) and set forth in the Award Letter.

The Grant Price and payment method shall be determined by the Board under the Scheme when granting the Awarded Shares, after taking into consideration the Grantees' positions, experience, performance and contribution to the Group.

(g) Vesting

Subject to all applicable laws, rules or regulations, the Board and/or the Delegatee(s) may determine the vesting criteria and conditions and the vesting periods for the Awarded Shares to be granted to each Grantee pursuant to the H Share Incentive Scheme. Save for any other resolution of the Board, the vesting period in respect of any Awarded Shares granted shall be no less than 12 months from (and including) the Grant Date.

The Board considers that such discretion gives the Company more flexibility to attract talents or reward Eligible Participants with exceptional performance or contribution to the Group with accelerated vesting. Hence, the Board (and the Remuneration and Appraisal Committee in respect of grants of Awarded Shares to the Directors and/or senior management) is of the view that the shorter vesting period is in line with market practice, appropriate and consistent with the purpose of the H Share Incentive Scheme.

Vesting of the Awarded Shares are subject to, among other things, the performance targets as described in the Scheme and any other conditions as may be specified in the Award Letter. If a Grantee fails to meet the vesting conditions applicable to the grant of any Awarded Shares, unless waived by the Board and/or Delegatee(s), all or any of the Awarded Shares which shall otherwise be vested during such vesting period shall not be vested and shall lapse immediately in respect of such Grantee and be returned to the Trustee to satisfy other awards under the H Share Incentive Scheme.

The Board and/or the Delegatee will instruct and cause the Trustee, except in any unforeseen circumstances, to give a vesting notice to the relevant Grantee within such reasonable period as the Trustee and the Board and/or the Delegatee may agree from time to time before any vesting date, and the vesting notice shall contain a confirmation of the satisfaction of the vesting conditions by the Grantee and the vesting date, a confirmation of the payment method of the Grant Price and a confirmation of the details of the Grantee's bank account to pay the corresponding cash to the Grantee.

If a Grantee satisfies the vesting conditions applicable to the grant of such Award and accepts the vesting of relevant Awarded Shares, such Grantee shall confirm in writing his acceptance and fully pay the relevant Grant Price in cash to vest the relevant Awarded Shares.

After the relevant Awarded Shares are duly vested in accordance with the aforementioned procedures, subject to compliance with the relevant laws, regulations, rules and regulatory documents of the places where the Company is established and listed, as well as the articles of association of the Company, the Trustee shall transfer and/or dispose the Awarded Shares vested in the Grantees in accordance with the instruction of the Grantees pursuant to the H Share Incentive Scheme.

(h) Interests in the Awarded Shares

During the Scheme Period, unless and until the Awarded Shares are vested and actually transferred to the Grantees in accordance with the Scheme Rules (if applicable), the Grantees shall not deal with the Awarded Shares granted in any way, including but not limited to the sale, transfer, pledge, mortgage, encumbrance or creation of any benefits for others, or to entering into any agreement to do any of the foregoing.

For the avoidance of doubt, prior to the vesting and transferral of the Awarded Shares (if applicable), all Grantees shall not have any interest or rights (such as voting rights, allotment rights or right issues, etc.) attached to any of the Target Shares except for dividend rights.

The Trustee shall not exercise any voting rights attached to any Target Shares held by the Trustee under the H Share Incentive Scheme.

From the date of the H Share Incentive Scheme up to the date of this annual report, no Awarded Shares were granted, canceled or lapsed under the Scheme. No service provider sublimit was set under the Scheme.

As the shares under the H Share Incentive Scheme are existing shares, the number of shares that may be issued during the Reporting Period in respect of the awards granted under the H Share Incentive Scheme divided by the weighted average number of shares in issue during the Reporting Period is not applicable.

SUFFICIENCY OF PUBLIC FLOAT

Pursuant to Rule 8.08 of the Listing Rules, there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities shall be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by public.

We have applied to the Hong Kong Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules to grant, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 8.08(1) of the Listing Rules so that the minimum percentage of our Shares from time to time held by the public will be 13.5% of the enlarged issued share capital of the Company, subject to the conditions that we:

(a) make appropriate disclosure of the lower percentage of the public float in the Prospectus;

(b) will ensure an open market in the H Shares, and the number of H Shares to be held by the public and their distribution would enable the market to operate properly with a lower percentage;

(c) will confirm the sufficiency of its public float in successive annual reports after the completion of the Listing; and

(d) will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum 13.5% public float of H Shares.

We undertake that we will increase the public float percentage to not less than 15.0% through further H-share capital issuance plans, failing which the Company will procure one or more of its current Shareholders to apply for H share full circulation to convert certain Domestic Unlisted Shares they own into H shares, completion of which is subject to CSRC's approval, within a period of three years from the Listing Date and make appropriate announcement and/or disclosure after the Listing pursuant to the Listing Rules in respect of such conversion of Domestic Unlisted Shares into H Shares.

Further, in order to ensure continual compliance with the Company's obligations under the Listing Rules in relation to the minimum public float, the Company will implement appropriate measures and mechanisms, including monitoring its H Share register, relevant disclosures made under Part XV of the Securities and Futures Ordinance and other relevant sources of information available to the Company. In the event that the public float percentage falls below the minimum percentage prescribed by the Hong Kong Stock Exchange, the Directors and the Controlling Shareholders will take appropriate steps, which may include:

(a) a further issue of equity; and/or

(b) the Controlling Shareholders placing a portion of their shares to independent third parties, to ensure that the minimum percentage of public float prescribed by the Hong Kong Stock Exchange is complied with.

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the Latest Practicable Date, the Company is not aware of any deviation from the above confirmation.

OTHER MATTERS DURING THE REPORTING PERIOD

Placing of New H Shares under General Mandate

The Placing is intended to meet the Company's needs for globalized capabilities and production capacity expansion, as well as to enhance the Company's operating cash flow. On 31 October 2025 (before trading hours of the Stock Exchange), the Company entered into the Placing Agreement with 4 Placing Agents, pursuant to which the Placing Agents have agreed, severally, and not jointly or jointly and severally, as the Company's placing agents, to procure, on a best effort basis, not less than six Placees, who together with their respective ultimate beneficial owner(s) (where applicable) will be Independent Third Parties, to subscribe for up to 60,000,000 H Shares/Placing Shares at the Placing Price of HK$13.35 per Placing Share. For further details, please refer to the Company's announcement dated 31 October 2025.

On 7 November 2025, all the conditions set out in the Placing Agreement have been fulfilled and the Closing took place in accordance with terms and conditions of the Placing Agreement. On 7 November 2025, a total of 60,000,000 H Shares/Placing Shares have been successfully placed by the Placing Agents to no less than six Placees at the Placing Price of HK$13.35 per Placing Share pursuant to the terms and conditions of the Placing Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the Placees and their respective ultimate beneficial owner(s) (where applicable) is an Independent Third Party and not connected with the Company and its connected persons; and (ii) none of the Placees has become a substantial shareholder (as defined in the Listing Rules) of the Company upon the Closing. For further details, please refer to the Company's announcement dated 7 November 2025.

The closing price per Share of the H Shares as quoted on the Stock Exchange on 30 October 2025, being the day prior to the date of the Placing Agreement, was HK$15.11. The gross proceeds and net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing were approximately HK$801.00 million and HK$794.32 million, respectively. On such basis, the net Placing Price was approximately HK$13.24 per Placing Share.

The net proceeds from the Placing (after deducting the Placing commission and other relevant costs and expenses of the Placing) will be used as follows: (i) 85% for the construction of new production facilities and expansion of existing capacity; and (ii) 15% for supplementing working capital. It is expected that the full amount of the aforesaid two allocations will be fully utilised on or before 31 December 2026.

As the net proceeds from the Placing were received in November 2025, the Group did not utilize any of the net proceeds from the Placing during the period from November 2025 to 31 December 2025. As at 31 December 2025, the unutilised net proceeds from the placing amounted to HK$794.32 million.

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

The share capital structure of the Company consists of 2,336,874,050 ordinary Shares, including 934,422,124 overseas listed foreign Shares and 1,402,451,926 Domestic Unlisted Shares. The number of overseas listed foreign Shares initially issued and listed on the Stock Exchange by the Company is 116,070,200, representing 5.10% of the total share capital after the issuance.

During the Reporting Period, neither the Group nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares of the Company (as defined under the Listing Rules), if any). The Company did not have any treasury shares as at 31 December 2025.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

Connected Transaction

On 9 December 2025, Jiaxing BatteroTech Corporation Limited (嘉興蘭鈞科技有限公司) (a subsidiary of the Company, "**BatteroTech Jiaxing**") entered into the Construction Contract with Fujian Tsingtuo Equipment Manufacturing Co., Ltd. (福建青拓設備製造有限公司) ("**Fujian Tsingtuo**"), pursuant to which BatteroTech Jiaxing agreed to engage Fujian Tsingtuo to provide construction services for the Project, at a tentative contract price of RMB65,976,588.77 (tax inclusive).

Mr. Xiang is the Controlling Shareholder of the Company and through Tsingshan Group and Shanghai Decent, the Controlling Shareholders of the Company, Mr. Xiang controls an aggregate of 88.0% equity interest in Fujian Tsingtuo. Accordingly, under Rule 14A.07 of the Listing Rules, Fujian Tsingtuo is an associate of the Controlling Shareholder of the Company and is therefore a connected person of the Company. The transactions contemplated under the Construction Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

For further details of the above connected transaction, please refer to the announcement published by the Company on 9 December 2025.

Continuing Connected Transactions

The details of Group's non-exempt continuing connected transactions during the Reporting Period are set out below:

I. Products Sales Framework Agreement

On 4 December 2023, the Company entered into a product sales framework agreement (the "**Product Sales Framework Agreement**") with Tsingshan Group, pursuant to which, the Group has agreed to sell, and Tsingshan Group and its associates have agreed to purchase battery products including but not limited to energy storage systems, ESS battery pack, battery modules accessories, and battery components (collectively, the "**Battery Products**") with a term commencing from the Listing Date to 31 December 2025. The price of the Battery Products to be sold by the Group under the Product Sales Framework Agreement shall be determined on an arm's length basis with reference to prices provided to independent third parties by the Group, and in any event shall not be lower than the prices provided to independent third parties by the Group if under similar conditions. Tsingshan Group is a Controlling Shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions with Tsingshan Group constitute continuing connected transactions of the Company.

On 20 June 2024, the Company's annual general meeting of shareholders reviewed and approved the revision of the annual caps for the transactions under the existing products sales framework agreements for 2024 and 2025 from RMB195.00 million and RMB195.00 million respectively to RMB1,306 million and RMB1,642 million, set the annual cap amount for 2026 at RMB3,190.00 million, and approved the supplementary agreement for renewing the term of the existing products sales framework agreement. For further details, please refer to the Company's circular dated 30 May 2024 and the Company's announcement of the poll results dated 20 June 2024.

The annual cap for above continuing connected transaction for the year ended 31 December 2025 was RMB1,642 million, and the actual transaction amount for the year ended 31 December 2025 was approximately RMB77.8 million.

II. Materials Purchasing Framework Agreement

On 12 December 2022, the Company entered into a strategic cooperation agreement in relation to material procurement (as modified by a supplemental agreement) (the "**Materials Purchasing Framework Agreement**") with Yongqing Technology, pursuant to which, Yongqing Technology and its associates have agreed to sell, and the Group has agreed to purchase raw materials (including but not limited to lithium compounds, ternary precursors, separators and graphite), with a term of three years commencing from 1 January 2023 for producing battery products. The price of raw materials to be purchased by the Group under the Materials Purchasing Framework Agreement shall be determined on an arm's length basis with reference to traded prices on such raw material listed on the website of the Shanghai Metal Market ("**SMM**"), and if under similar conditions of purchase, shall not be less favorable than (i) then trade price of such raw material listed on the website of the SMM; (ii) price of such raw material provided to independent third parties by Yongqing Technology and its associates during relevant time; and (iii) quotation of such raw material obtained by the Group from independent third parties during relevant time (if available). Yongqing Technology is a Controlling Shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions with Yongqing Technology constitute continuing connected transactions of the Company.

The annual cap for above continuing connected transaction for the year ended 31 December 2025 was RMB8,917 million, and the actual transaction amount for the year ended 31 December 2025 was nil.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the continuing connected transactions. The Company confirms that the signing and execution of the specific agreements under the above continuing connected transactions for the year ended 31 December 2025 have followed the pricing principles of those continuing connected transactions.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

CONFIRMATION OF AUDITOR

The Board confirmed that the auditor of the Company has been engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing its findings and conclusions in respect of the abovementioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules, and concluded that:

(i) nothing has come to their attention that causes the auditor to believe that the abovementioned continuing connected transactions have not been approved by the Board;

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to their attention that causes the auditor to believe that the transactions were not carried out, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and

(iv) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes the auditor to believe that the amounts have exceeded the related annual caps for the year ended 31 December 2025.

The related party transactions mentioned in note 38 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company which are required to be disclosed under Chapter 14A of the Listing Rules and do not constitute connected transactions that are not fully exempted under Rule 14A.73 of the Listing Rules except for those related party transactions between the Group and their connected persons as disclosed above which constituted connected transaction or continuing connected transactions, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the year ended 31 December 2025 in accordance with the disclosure requirements under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

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

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had 12,685 full-time employees, staff cost of the Group for the Reporting Period amounted to RMB2,267.04 million. As at 31 December 2025, a substantial majority of the Group's employees are based in China.

In compliance with the CG Code, the Remuneration and Appraisal Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Company offers the Directors and senior management with remuneration in the form of salaries, allowances, contribution to pension schemes, discretionary bonuses, share incentive scheme and other benefits in kind subject to applicable laws, rules and regulations.

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

The aggregate amount of remuneration for our Directors for the year ended 31 December 2025 was approximately RMB54.46 million. Further details are set out in note 8 to the financial statements. None of our Directors waived any remuneration during the aforesaid periods.

Details of remuneration of the five highest paid individuals of the Company for the year ended 31 December 2025 is set out in note 9 to the financial statements.

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

Save as disclosed above, no other payments of remuneration have been made, or are payable, during the Reporting Period, by our Group to any of our Directors or their representatives.

In addition, pursuant to code provision E.1.5 of the CG Code, the annual remuneration of senior management (other than Directors) during the year ended 31 December 2025 fell within the following bands:

Remuneration band (including share-based payments)	Number of persons
HK$11,500,001 to HK$12,000,000	1
HK$13,000,001 to HK$13,500,000	1
HK$14,000,001 to HK$14,500,000	1

The Group has social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. The Group's liability in respect of these funds is limited to the contributions payable in each of the reporting period. Contributions to the defined contribution plans by the Group for its employees are fully and immediately vested when the contributions are made and may not be reduced by contributions forfeited by employees who leave the plans prior to vesting fully in the contributions.

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 set out in Part 2 of the CG Code during the Reporting Period.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025, prepared in accordance with IFRSs, have been audited by Ernst & Young. The Company has not changed its auditors since the Listing Date.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

TAX ALLOWANCES

The Company is not aware of any particular tax allowances granted to the Shareholders due to their interests in its securities.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognizes the importance of compliance with regulatory requirements and the risks and consequences of non-compliance with such requirements. The Group has allocated abundant resources to ensure ongoing compliance with laws and regulations and to maintain healthy relationships with regulators through effective communications. During the Reporting Period, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on it.

PRINCIPAL RISKS AND UNCERTAINTIES

Technology Risk

Technological innovation is critical to our success, and we make significant investments in product R&D. However, as R&D activities are inherently uncertain, we cannot assure that our R&D projects will be successful or be completed within the anticipated time frame and budget, or that our newly developed products will achieve wide market acceptance or enjoy the advantages as we expected. If we fail to keep up with the latest technological development and industry trends, we may suffer a decline in our competitive position. Even if such products can be successfully launched, we cannot assure that they will be accepted by our customers and achieve anticipated sales target or profit. We will further adhere to our dual-focus on EV and ESS batteries, actively seizing the opportunities in both the EV and ESS battery markets. We plan to focus our R&D efforts to improve energy density, cycle life, safety, fast-charging and cost-effectiveness of our products, thereby offering innovative, eco-friendly, reliable and safe products with competitive prices to our customers.

Market Risk

The global lithium-ion battery market is highly competitive and concentrated, and we expect that the competition will be even more intense in the future. Our existing competitors may seek to increase their market shares through various measures, such as continued R&D efforts, increased production capacity, optimized production process and active marketing campaigns. Our competitors may also seek to increase their market shares through the reduction of price. We expect to face competition from both existing and new competitors as we expand our business into new business lines, geographic regions and product categories. Competitive pressure could also have an adverse impact on the demand for and pricing of our products, which in turn affects our growth and market share. Even if there is sufficient downstream demand for EV and ESS battery products, there is no guarantee that we will always succeed in competing with other market players for orders from downstream customers. If we fail to compete effectively, we may not be able to retain or expand our market share, which would have a material adverse effect on our business, results of operations and financial condition. We plan to further increase our sales by improving product offerings and increasing bargaining power, as well as optimizing customer base and improving product mix.

Financial Risks

The Group is exposed to a variety of financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For further details, including relevant sensitivity analysis, please see note 42 to the financial statements.

The Group's exposure to the risk of changes in fair value relates primarily to the Group's bank borrowings with a floating interest rate. As of 31 December 2025, we have not used any derivatives to hedge interest rate risk.

The Group's exposure to foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations. We seek to limit our exposure to foreign currency risk by minimizing our net foreign currency position. As of 31 December 2025, we also engaged in foreign exchange hedging activities by entering into forward foreign exchange contracts and other methods to address our exposure to foreign currency risk.

The Group's trading terms with its customers are mainly on credit and therefore the Group is exposed to the related credit risk. The credit term is generally from one to three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control process to minimize credit risk. The Group trades only with recognized and creditworthy third parties and there is no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Concentrations of credit risk are managed by customer/counterparty and by industry sector.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is not exposed to any significant environmental risks. The Company is committed to minimizing its impact on the environment by integrating the concept of low-carbon development into its daily operations, building green factories, and creating an atmosphere of promoting energy conservation and environmental protection. In environmental management, we strictly comply with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) and other relevant laws and regulations, and comprehensively identify risks and opportunities, including those related to the use of energy resources, the handling of pollutants and wastes and climate change, to continuously improve our environmental management performance. During the Reporting Period, we were not subject to any material penalties imposed by government authorities for non-compliance with applicable PRC environmental laws and regulations.

We have established a sound environmental and occupational health and safety management system, formulated the Environmental and Occupational Health and Safety Management Manual and other documents, implemented environmental, health and safety policies, and clarified the roles and responsibilities of various departments and related management workflow. We also have a solid energy management system in place and strive to reduce energy consumption and carbon emissions during our manufacturing process. As at the end of the Reporting Period, we have obtained the ISO14001 environmental management system certification and the ISO50001 energy management certification.

Detailed information on the environment and social practices adopted by the Company is set out in the Environmental, Social and Governance (ESG) Report which will be presented in a separate report and published on the website of the Company at www.reptbattero.com under the "Investor Relations" section and the website of HKEXnews at www.hkexnews.hk.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that the employees, customers and suppliers are keys to corporate sustainability and are keen on developing long-term relationships with stakeholders. The Company places significant emphasis on human capital and strives to foster an environment in which the employees can unlock their full potential and to assist their personal and professional growth. The Company provides a fair and safe workplace, promoting diversity to our staff, providing competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts on-going efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions. The Company understands that it is important to maintain good relationship with customers. The Group is committed to offering quality products to its customers. The Group has established procedures for handling customers' feedback and customer satisfaction surveys in order to ensure customers' feedback is dealt with in a prompt and timely manner. The Group is also dedicated to developing good relationship with suppliers to ensure long-term stable supply.

By order of the Board
REPT BATTERO Energy Co., Ltd.
Dr. Cao Hui
Chairman and Executive Director

Hong Kong
26 March 2026

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2025 (the "**Reporting Period**").

CORPORATE GOVERNANCE PRACTICES

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 Board of the Company is committed to maintaining high corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and applied the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

The Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code.

CULTURE AND VALUES

Pursuant to code provision A.1.1 of the CG Code, the Board requires that the Company's mission, beliefs and strategies be developed and that they be aligned with the Company's culture.

The Company upholds the corporate vision of "Innovative smart energy to light up the green future" and the corporate goal of "Becoming a global expert in new energy power and energy storage systems". To this end, we have formulated a corporate culture of "Efficiency and integrity with forge-ahead spirit, continuous improvement for customer satisfaction".

BOARD OF DIRECTORS

Board Composition

The Board delegates certain responsibilities to various dedicated committees, namely, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Environmental, Social and Governance Committee in accordance with relevant PRC laws, regulations, the Articles of Association and the Listing Rules. The Company has entered into a service contract with each of our Directors for a term of three years following each Director's respective appointment date, which may be terminated pursuant to relevant terms of the respective service contract.

The Board currently comprises twelve directors, consisting of five Executive Directors, three Non-executive Directors and four Independent Non-executive Directors.

The composition of the Board is as follows:

Executive Directors

Dr. Cao Hui *(Chairman)*
Mr. FENG, TING *(President)*
Mr. Hu Xiaodong
Dr. Wu Yanjun
Ms. Huang Jiehua *(Employee Representative Director)*

Non-executive Directors

Mr. Wang Haijun
Ms. Xiang Yangyang
Mr. Wei Yong

Independent Non-executive Directors

Ms. Wong Sze Wing
Dr. Wang Zhenbo
Dr. Ren Shenggang
Dr. Simon Chen

Mr. FENG, TING obtained legal advice referred to in Rule 3.09D of the Listing Rules on 27 June 2025 and he has confirmed he understood his obligations as a Director of the Company.

The biographical information of the Directors are set out in the section headed "Directors and Senior Management" on pages 27 to 37 of the Annual Report for the Reporting Period. To the best knowledge of the Directors, save as disclosed in this annual report, none of them has any personal relationship (including financial, business, family or other material/relevant relationship(s)) with any other Directors and the chief executives of the Company. The Company considers that the composition of the Board has been well balanced. Each of the Directors has the relevant experience, knowledge and expertise to contribute to the Company's business. The executive Directors oversee the day-to-day operations of the Group, while the independent non-executive Directors provide independent judgement to the decision-making process of the Board.

Chairman and President

The roles of the chairman of the Board (the "**Chairman**") and president (the "**President**") are separate and shall not be performed by the same individual to ensure better checks and balances and hence achieve better corporate governance. Dr. Cao Hui is the Chairman of the Company and Mr. FENG, TING is the President of the Company.

The role of the Chairman is primarily to assume leadership responsibility for the Board, ensuring the Company establishes sound corporate governance practices and procedures. The Chairman ensures that all Directors receive adequate explanations on matters raised at Board meetings and obtain sufficient, thorough, reliable and timely information, and that all Directors are encouraged to make active and comprehensive contributions to the Company's affairs.

The primary responsibilities of the President include managing daily operations, implementing major strategies and actions adopted by the Board, developing and formulating business plans, budgets, strategies, and operational and financial objectives for the Board's consideration, and establishing and maintaining appropriate internal control measures and systems.

Independent Non-executive Directors

As at the end of the Reporting Period, the Company has complied with Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors, representing more than one-third of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors also meet the guidelines for assessment of their independence pursuant to Rule 3.13 of the Listing Rules. The Company has confirmed all the independent non-executive Directors to be independent. The Board will assess the independence of the independent non-executive Directors annually.

Appointment, re-election and removal of directors

Non-employee representative Directors shall be elected or replaced at the shareholders' general meetings for a term of 3 years, subject to re-election upon expiry of the said term. The general meeting may, subject to compliance with relevant laws and administrative regulations, remove any director whose term of office has not expired by way of an ordinary resolution (provided that such director's claim for damages under any contract shall not be affected thereby). The term of office of a Director shall be calculated from the date of the resolution passed at the general meeting at which he was elected to serve as a Director (unless otherwise provided by a resolution of such general meeting) till the expiry of the term of the current session of the Board. Employee representative Directors shall be elected by the Company's employees at an employee representative meeting or through other means of democratic election, without requiring consideration and approval at a general meeting. If the date of democratic election of employee representatives in the new Board of Directors is earlier than the date of formation of the new Board of Directors, their term of office shall commence on the date of formation of the new Board of Directors; if it is later than the date of formation of the new Board of Directors, their term of office shall commence on the date of democratic election. Where election of directors fails to be timely conducted upon expiry of the term of office of the former directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

The Company convened the meeting of the Board on 26 March 2025 and resolved (i) the redesignation of Mr. Hu Xiaodong from non-executive Director to executive Director with effect from 26 March 2025; and (ii) upon the term of Directors of the first Board of Directors being expired on 31 March 2025, Dr. Cao Hui, Mr. Hu Xiaodong, Dr. Wu Yanjun and Ms. Huang Jiehua were nominated for re-election as executive Directors, Mr. FENG, TING was nominated for election as an executive Director, Mr. Wang Haijun, Ms. Xiang Yangyang and Mr. Wei Yong were nominated for re-election as non-executive Directors, and Ms. Wong Sze Wing, Dr. Wang Zhenbo, Dr. Ren Shenggang and Dr. Simon Chen were nominated for re-election as independent non-executive Directors. The term of appointment for each of our Directors shall be three years from the date of approval by the shareholders at the AGM. The Company held a meeting of the Supervisory Committee on the same day and resolved to nominate Mr. Qu Enci and Mr. Fang Yihui for re-election as shareholder representative supervisors. The term of appointment for each of our Supervisors shall be three years from the date of approval by the shareholders at the AGM. For further details, please refer to the Company's announcement dated 26 March 2025.

Ms. Huang Jiehua (黃潔華) ("**Ms. Huang**"), our executive Director, has resigned as an executive Director due to adjustment to the corporate governance structure of the Company, with effect from 31 December 2025. At the employee representative meeting of the Company convened on 31 December 2025, Ms. Huang was elected as the employee representative Director of the second session of the Board, for a term commencing from 31 December 2025 and ending upon the expiry of the term of office of the second session of the Board. For further details, please refer to the announcement of the Company dated 31 December 2025.

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

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

Responsibilities, Accountabilities and Contributions of the Board and the Management

The Company has formalized and adopted written terms on the division of functions reserved to the Board and those delegated to the management of the Company. The Board is responsible for and has general powers over the management and operation of the business of the Company, including determining business strategies and investment plans, implementing resolutions passed at general meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. The Board is also responsible for developing and reviewing the policies and practices of the Company on internal control and compliance with legal and regulatory requirements. As of the Latest Practicable Date, the Board consists of twelve Directors, including five executive Directors, three non-executive Directors and four independent non-executive Directors.

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

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

(1) to develop and review the policies and practices on corporate governance of the Company and make recommendations to the Board;

(2) to review and monitor the training and continuous professional development of Directors and senior management;

(3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and

(5) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. The newly appointed Directors will also be provided with a detailed induction to the Group's businesses by senior management. Pursuant to code provision C.1.4 of the CG Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors.

The training records of the Directors for Reporting Period are summarized as follows:

Directors	Training (Note)
Executive Directors	
Dr. Cao Hui	✔
Mr. FENG, TING	✔
Mr. Hu Xiaodong	✔
Dr. Wu Yanjun	✔
Ms. Huang Jiehua	✔
Non-executive Directors	
Mr. Wang Haijun	✔
Ms. Xiang Yangyang	✔
Mr. Wei Yong	✔
Independent Non-executive Directors	
Ms. Wong Sze Wing	✔
Dr. Wang Zhenbo	✔
Dr. Ren Shenggang	✔
Dr. Simon Chen	✔

Note: During the Reporting Period, all Directors attended training sessions and received training materials.

Board Activities

Board meetings comprise regular meetings and extraordinary meetings. Board meetings shall be held at least four times a year and at approximately quarterly intervals.

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly. All Directors shall be notified of the convening of a regular meeting of the Board at least fourteen days prior to the convening of the meeting, and of an ad hoc meeting at least five days prior to the convening of the meeting. The responsible body of the Company shall serve a written notice convening the Board meeting to each Director and general manager by hand, fax, express mail service or other means of electronic communication. The agenda of the meeting and accompanying Board papers will be sent to the Directors or members of Board committees at least three days prior to the date of the meeting to ensure that they have sufficient time to review the relevant papers and are fully prepared to attend the meeting. If a Director or a member of a Board committee is unable to attend a meeting, he/she will be informed of the matters to be discussed and may inform the chairman of the meeting of his/her views prior to the meeting. The joint company secretaries of the Company shall keep minutes of meetings and provide copies of such minutes to all Directors for their information and records.

Minutes of meetings of the Board and Board committees shall record in detail the matters considered and decisions reached by the Board and Board committees. Such details include, but are not limited to, any questions raised by the Directors. Draft minutes of each Board meeting and Board committee meeting shall be issued to the relevant Director for comment within a reasonable time after the meeting. Minutes of Board meetings shall be open for inspection by the Directors.

During the Reporting Period, the Company held 2 general meetings of shareholders. The Board of Directors held 10 Board meetings. The Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee and Environmental, Social and Governance Committee held 6 meetings, 2 meetings, 1 meeting and 1 meeting respectively. The attendance records of each Director at the above-mentioned meetings are set out below:

Name of Director	Board	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	Environmental, Social and Governance Committee	General Meeting
	Attendance/Number of Meetings during the Reporting Period					
Executive Directors						
Dr. Cao Hui	10/10	—	2/2	1/1	1/1	2/2
Mr. FENG, TING	7/7	—	—	—	—	2/2
Mr. Hu Xiaodong	10/10	—	—	—	—	2/2
Dr. Wu Yanjun	10/10	—	—	—	—	2/2
Ms. Huang Jiehua	10/10	—	—	—	1/1	2/2
Non-executive Directors						
Mr. Wang Haijun	10/10	—	—	—	—	2/2
Ms. Xiang Yangyang	10/10	—	—	—	1/1	2/2
Mr. Wei Yong	10/10	—	—	—	—	2/2
Independent Non-executive Directors						
Ms. Wong Sze Wing	10/10	6/6	2/2	1/1	—	2/2
Dr. Wang Zhenbo	10/10	—	—	1/1	—	2/2
Dr. Ren Shenggang	10/10	6/6	2/2	—	—	2/2
Dr. Simon Chen	10/10	6/6	—	—	—	2/2

Note: Mr. Hu Xiaodong was re-designated as an executive Director on 26 March 2025. Mr. FENG, TING was elected as an executive Director on 27 June 2025.

In addition, during the Reporting Period, Dr. Cao Hui, the chairman of the Board, held a meeting with the independent non-executive Directors without the presence of other Directors.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and Environmental, Social and Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which clearly state their authority and duties. The terms of reference of the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee are posted on the Company's website and the HKEXnews website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

Audit Committee

Rule 3.21 of the Listing Rules requires the Audit Committee to comprise non-executive Directors only, with a minimum of three members with independent non-executive Directors in majority and at least one member with appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee consists of three independent non-executive Directors, namely Ms. Wong Sze Wing, Dr. Ren Shenggang and Dr. Simon Chen, with Ms. Wong Sze Wing currently serving as the chairlady.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to oversee the financial reporting, risk management and internal control systems and procedures of the Company, review the financial information of the Company, effectiveness of the internal audit function, consider issues relating to the external auditor and its appointment, arrangements to enable employees of the Group to raise concerns about possible improprieties in financial reporting, internal control and perform other duties and corporate governance responsibilities as may be assigned by the Board. The Audit Committee shall discuss the risk management and internal control system with the management to ensure that the management has performed its duty to establish and maintain effective systems, consider major investigation findings on risk management and internal control matters as delegated by the Board and to ensure the coordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness.

During the Reporting Period, 6 Audit Committee meetings were held to review, the annual financial results and reports for the year ended 31 December 2024, the interim financial results and reports as of 30 June 2025, the accounting principles and practices adopted by the Company, significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditor and engagement of non-audit services and relevant scope of works and whistleblowing policy and system.

The auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. The Audit Committee also met with the auditor without the presence of management. The Audit Committee is satisfied with the independence and engagement of the auditor.

Remuneration and Appraisal Committee

Rule 3.25 of the Listing Rules requires an issuer to establish a Remuneration and Appraisal Committee chaired by an independent non-executive Director and comprising a majority of independent non-executive Directors. The Remuneration Committee adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendation to the Board on the remuneration packages of Directors and senior management.

The Remuneration and Appraisal Committee consists of three members, namely, Dr. Cao Hui, an executive Director, Ms. Wong Sze Wing, an independent non-executive Director, and Dr. Wang Zhenbo, an independent non-executive Director, with Dr. Wang Zhenbo currently serving as the chairman.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration and Appraisal Committee are to advise on and formulate the remuneration and appraisal policy in respect of the Directors, senior management and other management members of the Group, assess the performance of Directors and senior management and make recommendations to the Board on the remuneration packages of Directors and senior management.

During the Reporting Period, 1 Remuneration and Appraisal Committee meeting was held to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management.

REMUNERATION POLICY

The remuneration system of the Company includes basic remuneration, bonuses and employee benefits. The Company continued to optimize and promote the talent incentive scheme, and established a hierarchical and classified incentive system for different employee categories. The remuneration of the Company's employees is mainly determined based on factors such as market conditions, position value, individual performance and personal ability, and differentiated remuneration structure and remuneration grades are determined according to the characteristics of different positions and posts. The Company adopts the performance management model, and motivates the employees and stimulates their potential to the greatest extent through the employees' promotion and salary adjustment, performance incentives, equity incentives, talent policies and more.

The Company provides its Directors and senior management members with remuneration in forms of salaries, allowances, contribution to pension schemes, discretionary bonuses, share award scheme and other benefits in kind in accordance with applicable laws, rules and regulations.

The aggregate amount of remuneration of the Directors for the year ended 31 December 2025 amounted to RMB54.46 million.

Highest Paid Individuals and the Remuneration of the Directors and Chief Executives

For details of the Directors' and chief executives' remuneration and the five individuals with highest emoluments, please refer to notes 8 and 9, respectively of the financial statements in this annual report.

Details of the remuneration of the senior management for the year ended 31 December 2025 (divided by range) are set out in the "Employees and Remuneration" section of the Directors' Report in this annual report.

Nomination Committee

The Nomination Committee consists of three members, namely Dr. Cao Hui, as an executive Director, Ms. Wong Sze Wing and Dr. Ren Shenggang, as independent non-executive Directors, with Dr. Cao Hui currently serving as the chairman.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee are to review the structure, size and composition of the Board, assess the independence of the independent non-executive Directors and make recommendations to the Board on the appointment and removal of Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the reporting period, the Nomination Committee held two meetings. During these sessions, the Committee reviewed nomination applications for qualification assessments of company directors and senior executives, revised the "Board Nomination Committee Work Guidelines," and formulated the "Board Member Diversity and Employee (including Senior Management) Diversity Policy." The Nomination Committee considered an appropriate balance of diversity of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will be primarily responsible for identifying candidates, formulating selection standards and procedures, examining candidates for directors and senior management of the Company, and providing recommendation to the Board. The Nomination Committee will give adequate consideration to this policy in identifying and selecting suitably qualified candidates to become directors of the Company.

Selection of Board candidates shall be based on a range of measurable diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, cultural and education background, professional experience, skills, relevant knowledge and/or length of service.

As at the Latest Practicable Date, the Board comprises twelve Directors, three of which are female. Our three female Directors are between the age group of 36–47. We have six senior management, two of which are female.

The Company aims to maintain an appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

The Board will consider the measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. At present, the Nomination Committee considered that the Board is sufficiently diverse. The Board possesses a good gender diversity with three women on the Board and has a well-balanced cultural background, educational background, industry experience and professional experience.

As at the Latest Practicable Date, the proportion of female representation at board level is 25%. The Nomination Committee has reviewed and targeted to maintain at least the current level for female representation of the Board, with the ultimate goal of achieving gender parity. The Nomination Committee will continue reviewing the targeted female representation percentage over time. In considering the Board's succession, the Nomination Committee would identify and select the potential candidates for Directors in accordance with the Company's Directors Nomination Policy and Board Diversity Policy and may engage independent professional headhunters to identify potential candidates for independent non-executive directors.

Currently, among 12,685 employees of the Group, the male to female ratio in the workforce of the Group is approximately 2:1, which is line with the industry-specific characteristics. The Company has also taken, and continues to take, steps to promote gender diversity at all levels of its workforce. Opportunities for recruitment, promotion, training and career development are equally opened to all eligible employees without discrimination.

The Board has reviewed and will continue to review the Board Diversity Policy annually to ensure its implementation and effectiveness.

Director Nomination Policy

The Board has delegated certain responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following factors:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive directors on the Board and independence of the proposed independent non-executive directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

Director Nomination Policy was adopted by the Company setting out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company, maintain the continuity of the Board and build appropriate leadership at Board level.

Environmental, Social and Governance Committee

The Board established the Environmental, Social and Governance Committee on 26 March 2024. 1 meeting of the ESG Committee was held during the Reporting Period.

The Environmental, Social and Governance Committee consists of three members, namely Dr. Cao Hui and Ms. Huang Jiehua as executive Directors and Ms. Xiang Yangyang as a non-executive Director, with Dr. Cao Hui currently serving as the chairman.

The main responsibilities of the Environmental, Social and Governance Committee are to assist the Board in reviewing policies and overseeing matters with respect to environmental, social and governance, including quality of working environment, environmental protection, operating practices, community participation and social responsibility.

Corporate Governance Functions

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

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

Board Independence

The Board has established mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board. The implementation and effectiveness of following mechanisms were reviewed by the Board at the Board meetings in March 2026:

(a) Four out of the twelve Directors are independent non-executive Directors, which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.

(b) The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive director before appointment and the continued independence of the current long-serving independent non-executive Directors on an annual basis. All independent non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.

(c) All Directors are entitled to engage independent professional advisors as and when it is required.

(d) All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committees meetings.

(e) The chairman of the Board will meet with the independent non-executive Directors at least annually without the presence of the executive Directors.

(f) A Director (including independent non-executive Directors) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.

(g) No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors.

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

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 (the "**Model Code**") 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 during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems. The Audit Committee is responsible to review and supervise our financial reporting process and internal control system. The Audit Committee consists of three members, namely Ms. Wong Sze Wing, who serves as chairlady of the committee, Dr. Simon Chen and Dr. Ren Shenggang.

To monitor the ongoing implementation of risk management policies and corporate governance measures, the Company has established risk management systems with relevant procedures and the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. The Audit Committee consists of three members, namely Ms. Wong Sze Wing, who serves as chairlady of the committee, Dr. Simon Chen and Dr. Ren Shenggang. For the qualifications and experience of these committee members, see the section headed "Directors and Senior Management" in this annual report;

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- provide anti-corruption and anti-bribery compliance training periodically to senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in employee handbooks; and

- provide training session for the Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information disclosure. Self-evaluation has been conducted annually to confirm that internal control policies are properly complied with by each department.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, formulated treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board on all material findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period. Based on the internal controls established and maintained by the Group, the reviews performed by the management and the Audit Committee, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal control and risk management systems were adequate and effective to address the financial, compliance, operational risks which the Group considers material and relevant to its operation.

The internal audit department is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems associated with our major business processes, identify deficiencies and improvement opportunities, provide recommendations on remedial actions and review the implementation status of these remedial actions. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee and has not identified any material deficiencies in the internal control system.

The Board, as supported by the Audit Committee as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, staff qualifications and experiences and relevant resources.

The Company has established a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company.

The Company has also established anti-corruption policies, which aims at preventing or penalizing illegal behaviors such as corruption and money-laundering. Anti-corruption has been added as a metric for assessing the overall performance of the Group, to encourage all employees to behave properly and legally. The Company continues to promote anti-corruption systems, promises to operate in good faith, and maintains a clean and upright business environment. The Company actively establishes integrity supervision for clean operation and healthy development. The internal audit department of the Company is a permanent anti-corruption department, responsible for the daily oversight of the headquarters and subsidiaries.

The Group has adopted a Guidelines on Disclosure on Inside Information which sets out comprehensive guidelines in respect of handling and dissemination of inside information. This Guidelines sets out the procedures and internal controls to ensure timely disclosure of inside information on the Group and the fulfilment of the Groups' continuous disclosures obligations, including:

- the processes for identifying, assessing and escalating potential inside information to the designated representative of the Board;
- restrict access to inside information to a limited number of employees on a "need to know" basis;
- identified members of senior management who are authorized to release inside information; and
- the requirements of all directors and employees of the Group to observe such guidelines.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

The Board shall be responsible for presenting a clear and understandable assessment of annual and interim reports, inside information and other disclosures required under the Listing Rules and other regulatory requirements. The senior management has provided to the Board such interpretations and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements and position, which are submitted to the Board for approval.

The Directors are not aware of any event or circumstance of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The auditor's statement of reporting responsibilities on the Company's consolidated financial statements for the Reporting Period are set out in the section headed "Independent Auditor's Report" of this annual report.

AUDITOR'S REMUNERATION

During the Reporting Period, the remuneration paid/payable to the external auditor of the Group, Ernst & Young, in respect of audit services during the Reporting Period amounted to RMB2.75 million, and the remuneration paid/payable by the Group to Ernst & Young (China) Advisory Limited, in respect of non-audit services amounted to RMB0.18 million, which were related to the preparation services for the "Master File and Local File for Transfer Pricing for the year 2024–2025".

JOINT COMPANY SECRETARIES

Dr. Wu Yanjun and Ms. Zhang Xiao are joint company secretaries of the Company. All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Dr. Wu Yanjun, an executive Director of the Company, has been designated as the primary contact person for Ms. Zhang at the Company which would work on the Company's corporate governance and secretarial and administrative matters.

Dr. Wu Yanjun and Ms. Zhang Xiao have undertaken not less than 15 hours of relevant professional training during the year ended 31 December 2025 in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

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

PROCEDURES FOR SHAREHOLDER REQUEST TO CONVENE EXTRAORDINARY GENERAL MEETING OR CLASS MEETING

For a Shareholder request to convene an extraordinary general meeting or a class meeting, the procedures should be adopted in compliance with the article 60 of the Articles of Association.

According to the article 60 of the Articles of Association, Shareholders individually or jointly holding more than 10% of the Company's shares (including preferred shares with restored voting rights), may sign one or several written requests with the same format and content and submit to the Board to request convening an extraordinary general meeting and explain the agenda for the meeting. The Board shall give a written reply on whether to convene an extraordinary general meeting or not within 10 days upon receipt of the aforesaid written request. The aforesaid number of shares held shall be calculated as at the date of the written request. If the Board agrees to hold the meeting, the Board shall issue a notice of holding a general meeting within five days after a Board resolution is made, but any modification to the original request in the notice shall be subject to the consent of the relevant Shareholder or Shareholders. If the Board disagrees to hold the meeting or no feedback is provided within 10 days after the request is received, the Shareholder holding or Shareholders aggregately holding over 10% of the shares of the Company (including preferred shares with restored voting rights) shall have the right to propose the holding of an extraordinary general meeting to the Audit Committee, but shall request it in writing. If the Audit Committee agrees to hold the meeting, it shall issue a notice of holding a general meeting within five days after receiving the request, but any modification to the original request in the notice shall be subject to the consent of the relevant Shareholder or Shareholders. If the Audit Committee fails to issue a notice of holding a general meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the general meeting, and a Shareholder holding or Shareholders aggregately holding over 10% of the shares of the Company (including preferred shares with restored voting rights) for 90 consecutive days may convene and preside over the meeting on its or their own initiative.

For the general meeting convened by the Audit Committee or Shareholders on its/their own, the expenses necessary for the meeting shall be borne by the Company, and the Board and the secretary to the Board shall cooperate.

For a Shareholder request to propose new resolutions at the general meeting, the procedures should be adopted in compliance with article 61 of the Articles of Association, pursuant to which when the Company convenes a general meeting, Shareholders holding more than 1% of our Company's shares, either individually or jointly, may submit ad hoc proposals in writing to the convener 10 days before the general meeting is convened. The convener shall issue a supplementary notice of the general meeting to other Shareholders within two days after receipt of the proposal, and include the matters into the agenda of the meeting and submit it to the general meeting for consideration.

PROCEDURES FOR MAKING ENQUIRIES

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

Computershare Hong Kong Investor Services Limited
Address: Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
E-mail: rept-battero.ecom@computershare.com.hk
Tel: (852) 2862 8555
Fax: (852) 2865 0990

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

Recipient: Office of the Board of REPT BATTERO Energy Co., Ltd.
Address: No. 205, Binhai 6th Road, Wenzhouwan New District, Longwan District, Wenzhou, Zhejiang
E-mail: IR@reptbattero.com

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

Shareholders may propose a resolution at a general meeting to nominate candidates for Directors. According to article 82 of the Articles of Association, the general meeting shall vote on each candidate for Director (excluding employee representative Directors) one by one. In the event of a temporary vacancy of Director, the Board shall propose to elect or replace one at the general meeting. According to article 61 of the Articles of Association, when a company convenes a Shareholders' General Meeting, shareholders individually or jointly holding more than 1% of a company's shares (including preferred shares with restored voting rights) may submit ad hoc proposals in writing to the convener 10 days before the Shareholders' General Meeting is convened. Accordingly, if a Shareholder proposes to nominate a candidate for election as a Director, such notice of intent and a notice signed by the nominated candidate indicating his/her willingness to accept the appointment shall be duly lodged with the Company's registered office for the attention of the Company Secretary and the Board. Further information on the procedures for Shareholders to nominate a person for election as a Director is available on the Company's website. In addition, the Shareholders may refer to the above procedures to put forward any other proposals at the general meetings.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings.

The Company has put in place the Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

To promote effective communication, the Company maintains a website at www.reptbattero.com where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Company has also established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) the provision of updated and key information of the Group available on the Company's website and the HKEXnews website; (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's share registrar in Hong Kong serving the Shareholders in respect of all share registration matters; (vi) holding press conference(s) from time to time; and (vii) convening investor meeting and/or analyst briefings, which are led by our executive Directors with existing and potential investors.

Having considered the multiple channels of communication and Shareholders engagement held during the year, the Board is satisfied that the Shareholders communication policy has been properly implemented during 2025 and is effective.

DIVIDEND POLICY

The Group adopted a dividend policy (the "**Dividend Policy**") on December 5, 2025. A summary of the policy is disclosed as below.

1. Purpose

2. The purpose of this policy is to formulate guidance to the Board of the Company to determine whether to declare and pay dividends and the level of dividends to be paid to the Shareholders of the Company.

3. General Policy

   3.1. The Company's dividend distribution policy values the reasonable investment return of its investors. The dividend distribution policy shall be consistent and stable, while balancing the long-term interests of the Company, the overall interests of all Shareholders and the sustainable development of the Company.

4. Factors for Declaring Dividends

4.1. Prior to declaring or recommending payment of a dividend, the Board shall take into consideration the following factors:

- the actual and expected financial performance of the Company
- the expected working capital requirements, capital expenditure requirements and future expansion plans of the Company
- the current and future liquidity position of the Company
- the economic conditions and other internal or external factors that may have an impact on the Company's business or financial performance and condition
- any other factors that the Board deems appropriate.

4.2. The payment of dividends by the Company shall also comply with applicable laws and regulations.

4.3. The payment ratio of a dividend may vary from year to year. The Company does not guarantee that it will pay any specific amount of dividends in any specified period.

5. Approval

5.1. The Board may determine and pay to the Shareholders of the Company such interim dividend(s) as the Board thinks fit, and may recommend the payment of a final dividend, subject to approval by the Shareholders at the general meeting of the Company.

Since incorporation, we have not declared or paid any dividends on our Shares. We do not have any present plan to declare or pay any dividends on our Shares in the foreseeable future.

Any future plan to pay dividends will be made at the discretion of the Board subject to approval of our Shareholders. Any declaration as well as the amount of such declaration and payment will be subject to our Articles of Association and the relevant laws. Even if we decide to pay dividends, the form, frequency and amount may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board may deem relevant.

AMENDMENTS TO ARTICLES OF ASSOCIATION

A copy of the Articles of Association is available on the websites of the Company and the HKEXnews website. Given that the Company should implement the relevant provisions under the Company Law and the rules and regulations of the CSRC, and taking into account the Company's actual situation, the Company proposes to abolish the Supervisory Committee and amend the Company's Articles of Association and Rules of Procedure. On 31 December 2025, the Company held the 2025 first extraordinary general meeting, at which the amended Articles of Association and Rules of Procedure were considered and approved, and took effect from 31 December 2025. For further details, please refer to the Company's circular dated 15 December 2025 and the poll results announcement dated 31 December 2025.

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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

OPINION

We have audited the consolidated financial statements of REPT BATTERO Energy Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 89 to 185, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(Continued)*

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

Key audit matter	How our audit addressed the key audit matter
Allowance for inventories	
As at 31 December 2025, the Group's inventories amounted to approximately RMB3,504 million and the loss allowance for impairment of inventories amounted to approximately RMB181 million. Inventories are stated at the lower of cost and net realisable value. Management reviews the net realisable values of inventories at the end of the reporting period based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated selling expenses to determine the loss allowance for impairment of inventories. Since the assessment of net realisable value involves significant estimation uncertainty, and in view of the significance of the amount, the allowance for inventories was considered a key audit matter. Related disclosures are included in note 3 "Significant accounting judgements and estimates", note 19 "Inventories", respectively, to the financial statements.	Our audit procedures, among others, included obtaining an understanding of and evaluating management's key controls relating to the assessment of the loss allowance for impairment of inventories, evaluating the reasonableness and appropriateness of the methods and assumptions used to calculate the net realisable values of inventories, testing, on a sample basis, the estimated selling price of inventories, and evaluating the reasonableness of the estimated costs of completion and selling expenses. We also focused on the adequacy of the related disclosures in the notes to the financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses ("ECL") on trade receivables	
As at 31 December 2025, the Group's trade receivables amounted to approximately RMB4,898 million and an provision of ECL on trade receivables amounted to approximately RMB316 million. Management applied judgements in assessing the provision for ECL. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped based on ageing of invoices of various customer segments with similar loss patterns and collectively assessed for impairment allowance. The ECL rates are determined based on historical observed default rates and adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. Since the impairment assessment involved significant estimation uncertainty, and in view of the significance of the amount, provision for ECL on trade receivables was considered a key audit matter. Related disclosures are included in note 3 "Significant accounting judgements and estimates", note 20 "Trade and bills receivables", respectively, to the financial statements.	Our audit procedures, among others, included obtaining an understanding of and evaluating management's key controls relating to the determination of provision for ECL on trade receivables, testing, on a sample basis, the accuracy of the ageing profile of trade receivables by checking to the underlying sales invoices, discussing with management on the identification of customer segments, and assessing the reasonableness of the provision for ECL made with reference to the credit history of customers which were adjusted for forward-looking information, settlement records including default or delay in payments and actual collections after the end of the reporting period. We also focused on the adequacy of the related disclosures in the notes to the financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai.

Ernst & Young
Certified Public Accountants
Hong Kong
26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	**24,333,984**	17,795,914
Cost of sales		**(21,612,930)**	(17,058,984)
Gross profit		**2,721,054**	736,930
Other income and gains	5	**374,488**	423,498
Selling and distribution expenses		**(693,389)**	(537,859)
Administrative expenses		**(610,553)**	(565,413)
Research and development costs		**(766,748)**	(778,678)
Impairment losses on financial and contract assets, net		**39,809**	(142,451)
Impairment losses on property, plant and equipment	13	**—**	(138,809)
Other expenses		**(47,164)**	(7,916)
Finance costs	7	**(306,002)**	(340,855)
Share of profits and losses of:			
Joint ventures		**6,373**	458
Associates		**(1,156)**	(1,482)
PROFIT/(LOSS) BEFORE TAX	6	**716,712**	(1,352,577)
Income tax expense	10	**(35,792)**	(32)
PROFIT/(LOSS) FOR THE YEAR		**680,920**	(1,352,609)
Attributable to:			
Owners of the parent		**622,992**	(1,163,089)
Non-controlling interests		**57,928**	(189,520)
		680,920	(1,352,609)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(2,047)**	485
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		**3,175**	179
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**682,048**	(1,351,945)
Attributable to:			
Owners of the parent		**624,301**	(1,162,425)
Non-controlling interests		**57,747**	(189,520)
		682,048	(1,351,945)
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
— For profit/(loss) for the year (RMB)	12	**0.27**	(0.51)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	**2025 RMB'000**	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**16,541,894**	15,583,298
Right-of-use assets	14	**942,275**	979,655
Other intangible assets	15	**38,164**	48,557
Investments in joint ventures	16	**185,846**	178,948
Investment in associates	17	**19,844**	—
Prepayments, other receivables and other assets	21	**614,248**	475,606
Equity investment designated at fair value through other comprehensive income	18	**13,715**	10,540
Financial assets at fair value through profit or loss	23	**55,655**	50,000
Due from related parties	38	**19,793**	—
Time deposits	24	**1,376,301**	1,797,510
Restricted cash	24	**826,370**	100,000
Total non-current assets		**20,634,105**	19,224,114
CURRENT ASSETS			
Inventories	19	**3,322,187**	2,946,426
Trade and bills receivables	20	**8,529,239**	5,490,868
Contract assets	22	**261,035**	110,957
Prepayments, other receivables and other assets	21	**697,247**	633,322
Financial assets at fair value through profit or loss	23	**790,030**	115,863
Due from related parties	38	**1,244,106**	1,267,139
Time deposits	24	**180,800**	—
Restricted cash	24	**6,030,088**	4,465,060
Cash and cash equivalents	24	**4,783,361**	4,285,731
Total current assets		**25,838,093**	19,315,366
CURRENT LIABILITIES			
Trade and bills payables	25	**17,353,514**	12,058,580
Other payables and accruals	26	**4,427,749**	3,489,258
Contract liabilities	27	**306,087**	105,817
Interest-bearing bank and other borrowings	28	**3,442,225**	3,187,763
Lease liabilities	14	**4,058**	14,544
Provisions	30	**84,031**	69,466
Due to related parties	38	**335,350**	230,339
Tax payable		**32,285**	—
Total current liabilities		**25,985,299**	19,155,767

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NET CURRENT (LIABILITIES)/ASSETS		**(147,206)**	159,599
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,486,899**	19,383,713
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	28	**6,248,955**	6,811,902
Lease liabilities	14	**7,884**	12,985
Deferred government grants	29	**1,451,801**	1,715,224
Provisions	30	**807,399**	484,386
Due to related parties	38	**115,353**	37,020
Total non-current liabilities		**8,631,392**	9,061,517
Net assets		**11,855,507**	10,322,196
EQUITY			
Equity attributable to owners of the parent			
Share capital	31	**2,336,874**	2,276,874
Reserves	32	**9,410,658**	7,995,094
		11,747,532	10,271,968
Non-controlling interests		**107,975**	50,228
Total equity		**11,855,507**	10,322,196

Approved on behalf of the board of directors:

Mr. Cao Hui
Director

Ms. Huang Jiehua
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Share capital RMB'000	Capital reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Share incentive reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the parent								
At 1 January 2025		2,276,874	10,706,105	540	476	447,311	(3,159,338)	10,271,968	50,228	10,322,196
Profit for the year		–	–	–	–	–	622,992	622,992	57,928	680,920
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		–	–	3,175	–	–	–	3,175	–	3,175
Exchange differences on translation of foreign operations		–	–	–	(1,866)	–	–	(1,866)	(181)	(2,047)
Total comprehensive profit for the year		–	–	3,175	(1,866)	–	622,992	624,301	57,747	682,048
Issue of shares	31	60,000	664,342	–	–	–	–	724,342	–	724,342
Share incentive plan expense	33	–	–	–	–	126,921	–	126,921	–	126,921
At 31 December 2025		2,336,874	11,370,447	3,715	(1,390)	574,232	(2,536,346)	11,747,532	107,975	11,855,507

	Note	Share capital RMB'000	Capital reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Share incentive reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
		Attributable to owners of the parent								
At 1 January 2024		2,276,874	10,706,105	361	(9)	324,237	(1,996,249)	11,311,319	231,128	11,542,447
Loss for the year		–	–	–	–	–	(1,163,089)	(1,163,089)	(189,520)	(1,352,609)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		–	–	179	–	–	–	179	–	179
Exchange differences on translation of foreign operations		–	–	–	485	–	–	485	–	485
Total comprehensive loss for the year		–	–	179	485	–	(1,163,089)	(1,162,425)	(189,520)	(1,351,945)
Contribution from non-controlling interests		–	–	–	–	–	–	–	8,620	8,620
Share incentive plan expense	33	–	–	–	–	123,074	–	123,074	–	123,074
At 31 December 2024		2,276,874	10,706,105	540	476	447,311	(3,159,338)	10,271,968	50,228	10,322,196

* These reserve accounts comprise the reserves of RMB9,410,658,000 (2024: RMB7,995,094,000) in the statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**716,712**	(1,352,577)
Adjustments for:			
Finance costs	7	**306,002**	340,855
Share of profits and losses of joint ventures and associates		**(5,217)**	1,024
Interest income	5	**(180,424)**	(232,254)
Loss on disposal of items of property, plant and equipment and other intangible assets		**48,830**	6,515
Fair value gain on financial assets at fair value through profit or loss	5	**(51,254)**	(19,872)
Depreciation of property, plant and equipment	13	**1,513,463**	1,356,899
Depreciation of right-of-use assets	14	**30,960**	55,511
Amortisation of other intangible assets	15	**21,476**	18,402
Provision for impairment losses on property, plant and equipment	13	**—**	138,809
Provision for impairment on financial and contract assets, net	6	**(39,809)**	142,451
Reversal of impairment of inventories	19	**(235,206)**	(26,919)
Foreign exchange gain, net	6	**(18,575)**	(39,188)
Share incentive expense		**126,921**	123,074
		2,233,879	512,730
Increase in trade and bills receivables		**(3,186,923)**	(1,692,998)
(Increase)/decrease in prepayments and other receivables and other assets		**(64,025)**	68,698
Decrease in amounts due from related parties		**24,684**	110,568
Increase in amounts due to related parties		**105,011**	151,032
(Increase)/decrease in inventories		**(140,555)**	261,670
Increase in trade and bills payables		**5,294,934**	4,806,187
Increase in other payables and accruals		**482,666**	24,405
Increase in provision for product warranties		**261,882**	68,843
Increase/(decrease) in contract liabilities		**200,270**	(21,513)
Increase in restricted cash		**(2,191,398)**	(3,346,495)
Cash flows from operating activities		**3,020,425**	943,127
Interest received		**118,932**	213,819
Income tax paid		**(3,507)**	(32)
Net cash flows from operating activities		**3,135,850**	1,156,914

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(3,031,511)**	(3,802,541)
Proceeds from disposal of items of property, plant and equipment		**2,870**	542
Purchases of right-of-use assets		**(9,219)**	(143,336)
Purchases of other intangible assets		**(13,250)**	(25,739)
Receipt of government grants for property, plant and equipment	29	**662,516**	156,100
Investments in joint venture and associate		**(21,525)**	(4,230)
Placement of time deposits		**(120,800)**	(1,797,510)
Repayments of time deposits		**322,701**	—
Purchases of financial assets at fair value through profit or loss		**(16,393,500)**	(364,209)
Proceeds from disposal of financial assets at fair value through profit or loss		**15,763,660**	682,723
Net cash flows used in investing activities		**(2,838,058)**	(5,298,200)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		**724,342**	—
Contribution from non-controlling interests		**—**	8,620
New bank and other borrowings		**5,602,443**	4,497,784
Loans from a related party		**77,317**	—
Repayment of bank and other borrowings		**(5,911,310)**	(4,132,277)
Interest paid		**(303,673)**	(333,407)
Principal portion of lease payments		**(6,874)**	(13,359)
Interest paid for lease payment		**(665)**	(1,130)
Net cash flows generated from financing activities		**181,580**	26,231
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**479,372**	(4,115,055)
Cash and cash equivalents at beginning of year		**4,285,731**	8,379,470
Effect of foreign exchange rate changes, net		**18,258**	21,316
CASH AND CASH EQUIVALENTS AT END OF YEAR		**4,783,361**	4,285,731
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	24	**4,783,361**	4,285,731
Cash and cash equivalents as stated in the statement of cash flows		**4,783,361**	4,285,731

1. CORPORATE AND GROUP INFORMATION

REPT BATTERO Energy Co., Ltd. (the "**Company**") was a limited liability company established in the People's Republic of China (the "**PRC**") on 25 October 2017. Upon approval by the shareholders' general meeting held on 31 March 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "REPT Energy Co., Ltd. * (瑞浦能源有限公司)" to "REPT BATTERO Energy Co., Ltd.* (瑞浦蘭鈞能源股份有限公司)". The registered office of the Company is located at No. 205, Binhai 6th Road, Wenzhouwan New District, Longwan District, Wenzhou, Zhejiang Province. In the opinion of the directors, the Company's ultimate holding company is Tsingshan Holding Group Co., Ltd. ("**Tsingshan Group**"), which is a limited liability company established in the PRC. The Tsingshan Group's controlling shareholder is Mr. Xiang Guangda (項光達).

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 18 December 2023.

During the year, the Company and its subsidiaries (together, the "**Group**") are principally engaged in the research and development, and manufacture and sales of lithium-ion battery products.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
BatteroTech Corporation Limited*[a] ("上海蘭鈞新能源科技有限公司") ("**BatteroTech Shanghai**")	PRC/Chinese mainland	RMB1,000,000,000	71%	—	Battery research and development, production and sales
BatteroTech Co., Ltd.*[a] ("蘭鈞新能源科技有限公司") ("**BatteroTech Jiashan**")	PRC/Chinese mainland	RMB1,680,000,000	—	71%	Battery research and development, production and sales
Shanghai REPT Qingchuang New Energy Co., Ltd.*[a] ("上海瑞浦青創新能源有限公司") ("**REPT Qingchuang**")	PRC/Chinese mainland	RMB10,000,000	100%	—	Battery research and development
Guangdong REPT BATTERO Energy Co., Ltd.*[a] ("廣東瑞浦蘭鈞能源有限公司") ("**Guangdong REPT BATTERO**")	PRC/Chinese mainland	RMB850,000,000	88.24%	11.76%	Battery production and sales

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(continued)*

Particulars of the Company's principal subsidiaries are as follows: *(continued)*

Name	Place of incorporation	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Zhejiang Ruixu Technology Co., Ltd.*[a] ("浙江瑞旭科技有限公司") ("**Zhejiang Ruixu**")	PRC/Chinese mainland	RMB1,010,000	100%	—	Battery sales
Wenzhou Qianshi Mining Technology Partnership (Limited Partnership)*[b] ("溫州乾石礦業科技合夥企業(有限合夥)") ("**Wenzhou Qianshi**")	PRC/Chinese mainland	RMB100,000,000	—	99.99%	Shareholding platform
Zhejiang Ruiyuan Technology Co., Ltd. *[a] ("浙江瑞園科技有限公司") ("**Zhejiang Ruiyuan**")	PRC/Chinese mainland	RMB100,000,000	100%	—	Shareholding platform
REPT SAIC EV Battery Co., Ltd. *[a] ("瑞浦賽克動力電池有限公司") ("**REPT SAIC**")	PRC/Chinese mainland	RMB1,200,000,000	51%	—	Battery production and sales
Chongqing REPT BATTERO Energy Co., Ltd.*[a] ("重慶瑞浦蘭鈞能源有限公司") ("**Chongqing REPT BATTERO**")	PRC/Chinese mainland	RMB600,000,000	100%	—	Battery production and sales
BatteroTech (Jiaxing) Co., Ltd.*[a] ("嘉興蘭鈞科技有限公司") ("**BatteroTech Jiaxing**")	PRC/Chinese mainland	RMB1,000,000,000	—	71%	Battery research and development, production and sales

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(continued)*

Particulars of the Company's principal subsidiaries are as follows: *(continued)*

Name	Place of incorporation	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
BatteroTech (Jiangsu) Co., Ltd.*[a] ("江蘇蘭鈞新能源科技有限公司") ("**BatteroTech Jiangsu**")	PRC/Chinese mainland	RMB14,400,000	—	71%	Battery production and sales
Foshan REPT BATTERO Energy Co., Ltd.*[a] ("佛山瑞浦蘭鈞能源有限公司") ("**Foshan REPT BATTERO**")	PRC/Chinese mainland	RMB10,000,000	—	100%	Battery production and sales
REPT Battero Energy Germany GmbH ("瑞浦蘭鈞能源德國有限公司") ("**REPT Germany**")	Germany	€ 300,000	100%	—	Battery sales
Infinitude Holding Limited ("**Infinitude Holding**")	Cayman Islands	$5,000,000	100%	—	Overseas investment holding platform
Infinitude International Trading Limited ("**Infinitude Trading**")	Hong Kong	$100,000	—	100%	Offshore trading platform
Infinitude International Investment Limited ("**Infinitude Investment**")	Hong Kong	$300,000	—	100%	Overseas investment platform
PT REPT Battero Indonesia ("瑞浦蘭鈞能源印度尼西亞有限公司") ("**REPT Indonesia**")	Indonesia	$3,000,000	—	60%	Battery production and sales
REPT Battero American Corporation ("瑞浦蘭鈞能源美國有限公司") ("**REPT American**")	USA	$1,000,000	—	100%	Battery sales

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

(a) These subsidiaries are registered as domestic enterprises with limited liability under PRC law.

(b) The subsidiary is registered as a domestic enterprise with limited partnership under PRC law.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

As at 31 December 2025, the Group reported net current liabilities of RMB147,206,000. Taking into account the long-term time deposits of RMB1,376,301,000, classified within non-current assets, that can be redeemed or transferred to meet liquidity needs and the available bank facilities, the directors of the Company believe that the Group will have sufficient financial resources to settle the borrowings and payments that will be due within next twelve months and conclude it is appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2. ACCOUNTING POLICIES *(Continued)*

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRSs Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRSs Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRSs Accounting Standards. IFRS 18 and the consequential amendments to other IFRSs Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(Continued)*

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standard. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

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

Amendments to IFRS 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. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(Continued)*

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

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

- IFRS 7 *Financial Instruments*: *Disclosures:* The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

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

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method except for business combination under common control. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill *(Continued)*

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal.

disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Fair value measurement

The Group measures its financial assets at fair value through profit or loss and certain equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties *(Continued)*

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75% – 9.50%
Leasehold improvements	16.29% – 31.67%
Plant and machinery	9.50%
Motor vehicles	23.75%
Furniture and others	9.50% – 40.71%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 5 years.

Emission rights

Emission rights are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Intangible assets (other than goodwill) *(Continued)*

Research and development costs

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

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Buildings	2–7 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee *(Continued)*

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

General approach *(Continued)*

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs, except for trade receivables, bills receivables, contract assets and certain of amount due from related parties which apply the simplified approach as detailed below:

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables, bills receivables, contract assets and certain of amount due from related parties that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, certain other payables and accruals, amounts due to related parties, and interest-bearing bank and other borrowings.

Subsequent measurement

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

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

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash and bank balances, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

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

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense and recognise in the same period as the expenses specifically relevant to the grants.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

(a) Sales of products

Revenue from the sales of goods primarily arises from sales of battery products, wastes, battery components and others, which is recognised at the point in time when control of the products is transferred to the customer, generally on the acceptance of the products.

(b) Provision for services

Revenue from the provision of services primarily arises from research and development services and processing services, which is recognised only when it satisfied a performance obligation by rendering the service or transferring the control of the result of services and there is no unfulfilled obligation that could affect the buyer's acceptance of the result. Before that, the counterparty had no right to receive and consume the benefits of the services.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

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

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates employee share plans. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a discounted cash flow model, further details of which are given in note 33 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the lock-up restricted period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

2. ACCOUNTING POLICIES *(Continued)*

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Other employee benefits

Social pension plans

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

Housing fund and other social insurances

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

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

Research and development costs

All research expenses are charged to the profit or loss as incurred during the reporting period.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses and deductible temporary difference at 31 December 2025 was RMB7,497,448,000 (2024: RMB7,437,941,000). Further details are contained in note 10 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Provision for expected credit losses on trade receivables and contract assets

Provision for impairment of trade receivables is made based on an assessment of expected credit losses on trade receivables and contract assets. The assessment of expected credit losses requires management's judgement and estimates. Trade receivables and contract assets relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trading receivables are grouped based on aging of invoices of various customer segments with similar loss patterns and collectively assessed for impairment allowance.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Provision for expected credit losses on trade receivables and contract assets *(Continued)*

Under the collective approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing analysis of customers that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the distribution sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

Write-down of inventories

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

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each of the years based on changes in circumstances. Further details of the property, plant and equipment are set out in note 13 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Provision

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

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of impairment of non-financial assets at 31 December 2025 was RMB138,809,000 (2024: RMB138,809,000).

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of EV battery products, ESS battery products, wastes, battery components, processing services and research and development services. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 2.4. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

(a) Revenue from external customers

	2025 **RMB'000**	2024 RMB'000
Chinese mainland	**22,905,711**	15,133,135
Other countries/regions	**1,428,273**	2,662,779
Total revenue	**24,333,984**	17,795,914

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

(b) Non-current assets

	2025 **RMB'000**	2024 RMB'000
Chinese mainland	**19,237,002**	19,218,695
Other countries/regions	**1,397,103**	5,419
Total non-current assets	**20,634,105**	19,224,114

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

Information about a major customer

Revenue from continuing operations of approximately RMB3,593,693,000 (2024: RMB2,687,530,000) was derived from sales of the products segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**24,322,078**	17,786,657
Revenue from other sources		
Gross rental income from operating leases:		
Other lease income, including fixed income	**11,906**	9,257
Total	**24,333,984**	17,795,914

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
Sales of EV battery products — as specified by the industries of the customers	**10,013,413**	7,384,491
Sales of ESS battery products — as specified by the industries of the customers	**13,561,333**	7,259,021
Sales of wastes	**528,875**	488,395
Sales of battery components	**93,543**	2,587,764
Processing services	**44,278**	—
Research and development services	**31,665**	33,010
Others	**48,971**	33,976
Total	**24,322,078**	17,786,657
Timing of revenue recognition		
Goods transferred at a point in time	**24,246,135**	17,753,647
Services satisfied at a point in time	**75,943**	33,010
Total	**24,322,078**	17,786,657

5. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Revenue from contracts with customers *(Continued)*

(i) Disaggregated revenue information *(Continued)*

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

	2025 **RMB'000**	2024 RMB'000
Sales of goods	**105,817**	127,330

(ii) Performance obligations

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

Sales of goods

The performance obligation is satisfied upon the acceptance of the EV battery products, ESS battery products, wastes, battery components and others by the customers and the payment is generally due within 60 to 90 days from delivery.

Provision for services

The performance obligation is satisfied at the point in time as services are completed or accepted and payment is generally due within 30 days from the date of billing. Payment is conditional on the satisfaction of the service quality by the customers at a point of time as stipulated in the contracts.

5. REVENUE, OTHER INCOME AND GAINS *(Continued)*

Other income and gains

An analysis of other income and gains is as follows:

	2025 **RMB'000**	2024 RMB'000
Additional VAT deduction (i)	**105,605**	115,472
Interest income	**180,424**	232,254
Foreign exchange gains, net	**18,575**	39,188
Changes in fair value		
— Financial assets at fair value through profit or loss	**51,254**	19,872
Others	**18,630**	16,712
Total other income and gains	**374,488**	423,498

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

6. PROFIT/(LOSS) BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold and cost of service		**19,045,443**	14,625,681
Depreciation of property, plant and equipment*	13	**1,513,463**	1,356,899
Depreciation of right-of-use assets*	14	**30,960**	55,511
Amortisation of other intangible assets*	15	**21,476**	18,402
Research and development costs		**249,415**	308,592
Auditor's remuneration		**2,750**	2,600
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		**2,015,465**	1,633,963
Pension scheme contributions		**118,679**	148,626
Share incentive plan expense		**79,398**	75,551
		2,213,542	1,858,140
Foreign exchange gains, net	5	**(18,575)**	(39,188)
Provision of impairment losses on financial and contract assets, net		**(39,809)**	142,451
Provision of product warranties		**429,133**	294,779
Reversal of impairment of inventories	19	**(235,206)**	(26,919)
Impairment of property, plant and equipment	13	**—**	138,809
Interest income	5	**(180,424)**	(232,254)
Fair value gains on financial assets at fair value through profit or loss	5	**(51,254)**	(19,872)

* These items are included in "Cost of sales", "Administrative expenses", "Selling and distribution expenses" and "Research and development expenses" in the consolidated statements of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	**319,208**	350,637
Interest on lease liabilities	**665**	1,130
Less: Interest capitalised	**(13,871)**	(10,912)
Total	**306,002**	340,855

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	2025 **RMB'000**	2024 RMB'000
Fees	**960**	960
Other emoluments:		
Salaries, allowances and benefits in kind	**2,686**	2,147
Performance related bonuses	**2,983**	1,498
Pension scheme contributions	**303**	225
Share incentive plan expense	**47,523**	47,523
Subtotal	**53,495**	51,393
Total	**54,455**	52,353

Certain directors were granted awarded shares, in respect of their services to the Group, further details of which are set out in note 33 to the financial statements. The fair value of such awarded shares, which has been recognised in profit or loss over the lock-up restricted period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executives' remuneration disclosures.

(a) Independent non-executive directors

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

	2025 **RMB'000**	2024 RMB'000
Ms. Wong Sze Wing	**240**	240
Dr. Wang Zhenbo	**240**	240
Dr. Ren Shenggang	**240**	240
Dr. Simon Chen	**240**	240
Total	**960**	960

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

(b) Executive directors, non-executive directors and the chief executive

2025

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share incentive plan expense RMB'000	Total remuneration RMB'000
Executive directors:						
Dr. Cao Hui	—	586	655	60	46,664	47,965
Mr. FENG, TING*	—	545	655	111	—	1,311
Mr. Hu Xiaodong**	—	—	—	—	—	—
Dr. Wu Yanjun	—	642	658	60	—	1,360
Ms. Huang Jiehua	—	577	700	42	716	2,035
Subtotal	—	2,350	2,668	273	47,380	52,671
Non-executive directors:						
Mr. Wang Haijun	—	—	—	—	—	—
Ms. Xiang Yangyang	—	—	—	—	—	—
Mr. Wei Yong	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Supervisors:						
Mr. Qu Enci***	—	—	—	—	—	—
Mr. Fang Yihui***	—	—	—	—	—	—
Ms. Jin Shanyan***	—	336	315	30	143	824
Subtotal	—	336	315	30	143	824
Total	—	2,686	2,983	303	47,523	53,495

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

(b) Executive directors, non-executive directors and the chief executive *(continued)*

2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share incentive plan expense RMB'000	Total remuneration RMB'000
Executive directors:						
Dr. Cao Hui	—	592	320	65	46,664	47,641
Dr. Wu Yanjun	—	573	320	65	—	958
Ms. Huang Jiehua	—	583	400	40	716	1,739
Mr. FENG, TING	—	61	172	26	—	259
Subtotal	—	1,809	1,212	196	47,380	50,597
Non-executive directors:						
Mr. Hu Xiaodong	—	—	—	—	—	—
Mr. Wang Haijun	—	—	—	—	—	—
Ms. Xiang Yangyang	—	—	—	—	—	—
Mr. Wei Yong	—	—	—	—	—	—
Mr. Yu Xinhua	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Supervisors:						
Mr. Qu Enci	—	—	—	—	—	—
Mr. Fang Yihui	—	—	—	—	—	—
Ms. Jin Shanyan	—	338	286	29	143	796
Subtotal	—	338	286	29	143	796
Total	—	2,147	1,498	225	47,523	51,393

* Mr. FENG, TING is the president of the Company.

** Mr. Hu Xiaodong has been appointed on 12 June 2020 as a director, re-designated as a non-executive director on 11 November 2022, and re-designated as an executive director on 26 March 2025.

*** The incumbent Supervisors of the Company automatically ceased to hold office on 31December 2025 and the Company will no longer have a Supervisory Committee or Supervisors. The Audit Committee will assume the duties and powers of the Supervisory Committee as stipulated by the Company Law.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the reporting period included one director (2024: one), details of whose remuneration are set out in note 8 above.

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

	2025 **RMB'000**	2024 RMB'000
Salaries, allowances and benefits in kind	**2,648**	2,654
Performance related bonuses	**2,300**	2,080
Pension scheme contributions	**240**	259
Share incentive plan expense	**43,584**	43,584
Total	**48,772**	48,577

The numbers of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	2025	2024
HKD11,500,001 to HKD12,000,000	**1**	1
HKD12,500,001 to HKD13,000,000	**—**	1
HKD13,000,001 to HKD13,500,000	**1**	—
HKD13,500,001 to HKD14,000,000	**—**	1
HKD14,000,001 to HKD14,500,000	**1**	1
HKD14,500,001 to HKD15,000,000	**1**	—
Total	**4**	4

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

10. INCOME TAX

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

Chinese mainland

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

The Company was renewed as a High and New Technology Enterprise in 2023, and therefore, the Company was entitled to a preferential CIT rate of 15% from 2023 to 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

REPT Qingchuang was renewed as a High and New Technology Enterprise in 2024, and therefore, REPT Qingchuang was entitled to a preferential CIT rate of 15% from 2024 to 2026. This qualification is subject to review by the relevant tax authority in the PRC every three years.

BatteroTech Jiashan was qualified as a High and New Technology Enterprise in 2023 and was entitled to a preferential tax rate of 15% from 2023 to 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

REPT SAIC is located in the Western Regions of the People's Republic of China, whose main businesses fall within the Catalogue of Encouraged Industries in the Western Regions, have been approved by the relevant tax authorities to enjoy the preferential EIT treatment under the national Western Region Development policy. Accordingly, REPT SAIC is subject to a reduced EIT rate of 15% for the period from January 1, 2021 to December 31, 2030.

Hong Kong

Hong Kong profits tax on the Group's subsidiaries has been provided at the rate of 8.25% (2024: 8.25%) on the estimated assessable profits arising in Hong Kong during the year.

10. INCOME TAX *(Continued)*

Other regions

The subsidiaries incorporated in Germany, United States and Indonesia are subject to corporate income tax at rates of 32.15% (2024: 32.15%), 21% (2024: 21%), and 22% (2024: 22%), respectively.

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the applicable tax rate is as follows:

	2025 **RMB'000**	2024 RMB'000
Profit/(loss) before tax	**716,712**	(1,352,577)
Tax at the statutory tax rate	**179,178**	(338,144)
Preferential tax rate enacted by the Company and the subsidiaries	**(76,073)**	108,463
Expenses not deductible for tax	**19,695**	20,054
Additional deductible allowance for research and development costs	**(102,855)**	(109,752)
Tax losses utilised from previous periods	**(117,661)**	(30,685)
Temporary difference and tax losses not recognised	**133,508**	350,096
Tax charge at the Group's effective rate	**35,792**	32

Deferred tax assets have not been recognised in respect of these timing differences as they have been incurred in companies that were loss-making in the past and it is not probable that they will generate sufficient taxable income in the foreseeable future to utilise such tax losses.

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

	2025 **RMB'000**	2024 RMB'000
Tax losses	**3,583,167**	4,155,867
Temporary difference	**3,914,281**	3,282,074
Total	**7,497,448**	7,437,941

10. INCOME TAX *(Continued)*

As at 31 December 2025, unrecognised tax losses will expire as follows:

	2025 **RMB'000**	2024 RMB'000
2028	—	227,500
2029	—	355,610
2030	—	43,945
2031	**539,637**	558,808
2032	**576,350**	576,350
2033	**896,462**	896,462
2034	**1,497,192**	1,497,192
2035	**73,526**	—
Total	**3,583,167**	4,155,867

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary exception to recognize and disclose information about deferred tax assets and liabilities arising from Pillar Two income taxes and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as of 31 December 2025 and 2024 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group as of 31 December 2025 and 2024. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for the jurisdictions in which the Group operates. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes.

As more jurisdictions enact the Pillar Two model rules in the future, the Group continues to follow Pillar Two legislative developments to evaluate potential future impact on the Financial Statements.

11. DIVIDENDS

The Board did not recommend the payment of any dividend during the year ended 31 December 2025 (2024: Nil).

12. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,285,750,762 (2024: 2,276,874,050) outstanding during the year, as adjusted to reflect the rights issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2025.

The calculation of basic loss per share is based on:

	2025 **RMB'000**	2024 RMB'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic profit/(loss) per share calculation	**622,992**	(1,163,089)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic profit/(loss) per share calculation	**2,285,750,762**	2,276,874,050

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	4,407,377	52,777	10,588,774	46,641	1,137,398	2,449,387	18,682,354
Accumulated depreciation	(436,866)	(27,191)	(2,148,074)	(22,027)	(464,898)	—	(3,099,056)
Net carrying amount	3,970,511	25,586	8,440,700	24,614	672,500	2,449,387	15,583,298
At 1 January 2025, net of accumulated depreciation	3,970,511	25,586	8,440,700	24,614	672,500	2,449,387	15,583,298
Additions	—	—	—	—	—	3,471,587	3,471,587
Depreciation provided during the year	(264,004)	(3,313)	(905,592)	(10,528)	(330,026)	—	(1,513,463)
Disposals	—	(13,358)	(1,400)	(1,213)	(33,354)	—	(49,325)
Government grants transfers	—	—	(737,687)	(3,322)	(209,194)	—	(950,203)
Transfers	1,629,663	—	990,379	729	831,278	(3,452,049)	—
At 31 December 2025, net of accumulated depreciation and impairment	5,336,170	8,915	7,786,400	10,280	931,204	2,468,925	16,541,894
At 31 December 2025							
Cost	6,037,040	16,573	10,836,479	25,966	1,679,750	2,468,925	21,064,733
Accumulated depreciation and impairment	(700,870)	(7,658)	(3,050,079)	(15,686)	(748,546)	—	(4,522,839)
Net carrying amount	5,336,170	8,915	7,786,400	10,280	931,204	2,468,925	16,541,894

13. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024: (Restated)							
Cost	2,885,760	34,053	8,692,110	43,508	891,691	3,999,296	16,546,418
Accumulated depreciation	(220,171)	(18,588)	(1,075,974)	(13,231)	(275,384)	—	(1,603,348)
Net carrying amount	2,665,589	15,465	7,616,136	30,277	616,307	3,999,296	14,943,070
At 1 January 2024, net of accumulated depreciation	2,665,589	15,465	7,616,136	30,277	616,307	3,999,296	14,943,070
Additions	—	—	—	—	—	2,168,674	2,168,674
Depreciation provided during the year	(216,695)	(8,603)	(933,291)	(8,796)	(189,514)	—	(1,356,899)
Disposals	—	—	(5,917)	(73)	(908)	—	(6,898)
Impairment	—	—	(138,809)	—	—	—	(138,809)
Government grants transfers	—	—	(25,840)	—	—	—	(25,840)
Transfers	1,521,617	18,724	1,928,421	3,206	246,615	(3,718,583)	—
At 31 December 2024, net of accumulated depreciation and impairment	3,970,511	25,586	8,440,700	24,614	672,500	2,449,387	15,583,298
At 31 December 2024							
Cost	4,407,377	52,777	10,588,774	46,641	1,137,398	2,449,387	18,682,354
Accumulated depreciation and impairment	(436,866)	(27,191)	(2,148,074)	(22,027)	(464,898)	—	(3,099,056)
Net carrying amount	3,970,511	25,586	8,440,700	24,614	672,500	2,449,387	15,583,298

At 31 December 2025, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB8,867,692,000 (2024: RMB3,193,204,000) were pledged to secure certain interest-bearing bank and other borrowings of the Group (note 28).

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

The Group has lease contracts mainly for various items of buildings, and plant and machinery used in its operations. Leases of buildings generally have lease terms between 24 months and 84 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Leasehold land RMB'000	**Buildings** RMB'000	**Total** RMB'000
As at 31 December 2023 and 1 January 2024	853,283	34,378	887,661
Additions	143,336	4,169	147,505
Depreciation provided during the year	(40,531)	(14,980)	(55,511)
As at 31 December 2024 and 1 January 2025	956,088	23,567	979,655
Additions	9,219	—	9,219
Depreciation provided during the year	(24,577)	(6,383)	(30,960)
Transferred from government grant	(8,900)	—	(8,900)
Lease termination	—	(6,561)	(6,561)
Exchange realignment	—	(178)	(178)
As at 31 December 2025	931,830	10,445	942,275

At 31 December 2025, certain of the leasehold land with a net carrying amount of approximately RMB255,966,000 (2024: RMB186,942,000) were pledged to secure certain interest-bearing bank borrowings of the Group (note 28).

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

The Group as a lessee *(Continued)*

(b) Lease liabilities

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

	2025	2024
	RMB'000	RMB'000
Carrying amount at 1 January	**27,529**	36,719
New lease	**—**	4,169
Accretion of interest recognised during the year	**665**	1,130
Exchange realignment	**510**	—
Payments	**(7,539)**	(14,489)
Lease termination	**(9,223)**	—
Carrying amount at 31 December	**11,942**	27,529
Analysed into:		
Current portion	**4,058**	14,544
Non-current portion	**7,884**	12,985

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

	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	**665**	1,130
Depreciation charge of right-of-use assets	**30,960**	55,511
Expense relating to short-term leases	**2,238**	2,079
Total amount recognised in profit or loss	**33,863**	58,720

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

(e) Included in the lease expense, amounts of RMB4,644,000 (2024: RMB8,798,000) during the year were due to leases from related parties. Details were disclosed in note 38(a) to the financial statements.

15. OTHER INTANGIBLE ASSETS

	Software RMB'000	Emission rights RMB'000	Total RMB'000
31 December 2025			
At 1 January 2025:			
Cost	**80,924**	**7,005**	**87,929**
Accumulated amortisation	**(35,429)**	**(3,943)**	**(39,372)**
Net carrying amount	**45,495**	**3,062**	**48,557**
Cost at 1 January 2025, net of accumulated amortisation	**45,495**	**3,062**	**48,557**
Additions	**10,866**	**2,384**	**13,250**
Amortisation provided during the year	**(19,809)**	**(1,667)**	**(21,476)**
Disposal	**(2,167)**	**—**	**(2,167)**
At 31 December 2025	**34,385**	**3,779**	**38,164**
At 31 December 2025:			
Cost	**86,127**	**9,389**	**95,516**
Accumulated amortisation	**(51,742)**	**(5,610)**	**(57,352)**
Net carrying amount	**34,385**	**3,779**	**38,164**

15. OTHER INTANGIBLE ASSETS *(Continued)*

	Software RMB'000	Emission rights RMB'000	Total RMB'000
31 December 2024			
At 1 January 2024:			
Cost	55,662	6,687	62,349
Accumulated amortisation	(18,540)	(2,430)	(20,970)
Net carrying amount	37,122	4,257	41,379
Cost at 1 January 2024, net of accumulated amortisation	37,122	4,257	41,379
Additions	25,262	477	25,739
Amortisation provided during the year	(16,889)	(1,513)	(18,402)
Disposal	—	(159)	(159)
At 31 December 2024	45,495	3,062	48,557
At 31 December 2024:			
Cost	80,924	7,005	87,929
Accumulated amortisation	(35,429)	(3,943)	(39,372)
Net carrying amount	45,495	3,062	48,557

There was no impairment provided for the Group's other intangible assets during the year (2024: Nil).

16. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	**185,846**	178,948

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

Particulars of the joint ventures are as follows:

Name	Percentage of shares held	Place of registration and business	Particulars of ownership interest attributable to the Group	Principal activity
SAIC REPT EV Battery System Co., Ltd. ("賽克瑞浦動力電池系统有限公司") ("**SAIC REPT**")	Registered capital of RMB1 each	PRC/Chinese mainland	34%	Manufacture and sale of battery products
Zhejiang Qingruida Precision Technology Co., Ltd. ("浙江青瑞達精密科技有限公司") ("**Qingruida**")	Registered capital of RMB1 each	PRC/Chinese mainland	40%	Manufacture and sale of battery accessories
Shanghai Huangneng Battero Tech ("上海煌能蘭鈞新能源科技有限公司") ("**Huangneng**")	Registered capital of RMB1 each	PRC/Chinese mainland	40%	Sale of battery
Jiaxing Huafu BatteroTech Co., Ltd. ("嘉興蘭鈞華富新能源科技有限公司") ("**Huafu**")	Registered capital of RMB1 each	PRC/Chinese mainland	25%	Sale of battery

SAIC REPT, which is considered a material joint venture of the Group, acts as the Group's strategic partner engaged in manufacture of battery products and is accounted for using the equity method.

Qingruida, which is considered a material joint venture of the Group, acts as the Group's strategic partner engaged in manufacture of battery accessories and is accounted for using the equity method.

Huangneng, which is considered a joint venture of the Group, acts as the Group's strategic partner engaged in battery sale and is accounted for using the equity method.

Huafu, which is considered a joint venture of the Group, acts as the Group's strategic partner engaged in battery sale and is accounted for using the equity method.

16. INVESTMENTS IN JOINT VENTURES *(Continued)*

The following table illustrates the summarised financial information in respect of SAIC REPT and Qingruida adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

SAIC REPT

	2025 RMB'000	2024 RMB'000
Current assets	**2,280,270**	1,989,122
Non-current assets	**1,405,317**	748,623
Current liabilities	**(2,927,730)**	(1,911,292)
Non-current liabilities	**(338,571)**	(425,988)
Net assets	**419,286**	400,465
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**34%**	34%
Group's share of net assets of the joint venture	**142,557**	136,158
Carrying amount of the investment	**142,557**	136,158
Profit for the year	**18,821**	4,441
Total comprehensive income for the year	**18,821**	4,441

Qingruida

	2025 RMB'000	2024 RMB'000
Current assets	**1,834**	1,837
Non-current assets	**92,961**	93,541
Current liabilities	**(148)**	(148)
Net assets	**94,647**	95,230
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**40%**	40%
Carrying amount of the investment	**37,859**	38,092
Loss for the year	**(583)**	(1,251)
Total comprehensive loss for the year	**(583)**	(1,251)

16. INVESTMENTS IN JOINT VENTURES *(Continued)*

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

	2025 **RMB'000**
Share of the joint ventures' profit for the year	**206**
Share of the joint ventures' total comprehensive income	**206**
Aggregate carrying amount of the Group's investments in the joint ventures	**5,430**

17. INVESTMENT IN ASSOCIATES

	2025 **RMB'000**	2024 RMB'000
Share of net assets	**19,844**	—

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

Particulars of the associate are as follows:

Name	Particulars of shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Wenzhou Xinke Technology Co., Ltd. ("温州芯穀科技有限公司") ("**Wenzhou Xinke**")	Registered capital of RMB1 each	PRC/Chinese mainland	30%	Aluminium shell processing and machining
Chendeed Technology PTE. TLtd. ("浙江宸德精密製造有限公司") ("**Chendeed**")	Registered capital of RMB1 each	PRC/Chinese mainland	30%	Manufacture and sale of Aluminium shell

Wenzhou Xinke, which is considered an associate of the Group, acts as the Group's strategic partner engaged in the manufacture of aluminium shell products and is accounted for using the equity method.

Chendeed, which is considered an associate of the Group, acts as the Group's strategic partner engaged in the manufacture of aluminium shell products and is accounted for using the equity method.

17. INVESTMENT IN ASSOCIATES *(Continued)*

The following table illustrates the summarised financial information in respect of Chendeed adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2025 **RMB'000**
Current assets	**52,209**
Non-current assets	**83,526**
Current liabilities	**(69,590)**
Net assets	**66,145**
Reconciliation to the Group's interest in the joint venture:	
Proportion of the Group's ownership	**30%**
Carrying amount of the investment	**19,844**
Loss for the year	**(3,854)**
Total comprehensive loss for the year	**(3,854)**

The following table illustrates the financial information of Wenzhou Xinke that is not individually material:

	2025 **RMB'000**	2024 RMB'000
Share of the associate loss for the year	**—**	(1,482)
Share of the associate total comprehensive loss	**—**	(1,482)
Aggregate carrying amount of the Group's investment in the associate	**—**	—

The Group has discontinued the recognition of its share of losses of associate Wenzhou Xinke because the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the current year and cumulatively were RMB3,485,000 (2024: RMB1,121,000) and RMB4,606,000 (2024: RMB1,121,000), respectively.

18. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Unlisted equity investment, at fair value		
Liuzhou Fansaike New Energy Technology Co., Ltd.		
("柳州法恩賽克新能源科技有限公司") ("**Liuzhou Fansaike**")	**13,715**	10,540

In January 2023, the Company invested and held 5% shares in Liuzhou Fansaike, established in January 2023, with a consideration of RMB10,000,000. Liuzhou Fansaike's major business is the production and sale of electrolytes. The Company made such investment as part of its strategy of ensuring stable and cost-effective supply of raw materials by investing in upstream raw material suppliers. The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

19. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**970,314**	1,167,816
Work in progress	**848,849**	272,281
Finished goods	**1,503,024**	1,506,329
Total	**3,322,187**	2,946,426

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

	2025 RMB'000	2024 RMB'000
At beginning of year	**416,689**	443,608
Reversal of for impairment losses, net	**(235,206)**	(26,919)
At end of year	**181,483**	416,689

20. TRADE AND BILLS RECEIVABLES

	2025 **RMB'000**	2024 RMB'000
Trade receivables	**4,897,569**	4,170,843
Bills receivable	**3,947,231**	1,799,759
Impairment	**(315,561)**	(479,734)
Net carrying amount	**8,529,239**	5,490,868
Denominated in RMB	**8,352,327**	5,053,678
Denominated in AUD	**96,585**	—
Denominated in USD	**74,453**	435,703
Denominated in EUR	**5,874**	1,487
Total	**8,529,239**	5,490,868

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

The Group's bills receivables were all bank acceptances that aged within six months and were neither past due nor impaired.

As at 31 December 2025, certain of the bills receivables with a net carrying amount of RMB741,109,000 (2024: RMB574,383,000) were pledged to secure certain of interest-bearing bank borrowings of the Group (note 28).

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

	2025 **RMB'000**	2024 RMB'000
Within 3 months	**4,147,701**	3,293,981
3 to 6 months	**326,808**	295,495
6 to 12 months	**74,750**	44,276
1 to 2 years	**32,749**	57,357
Total	**4,582,008**	3,691,109

20. TRADE AND BILLS RECEIVABLES *(Continued)*

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

	2025 RMB'000	2024 RMB'000
At beginning of year	**479,734**	349,949
Impairment losses, net	**(18,465)**	129,958
Amount written off as uncollectible	**(145,744)**	(173)
Exchange realignment	**36**	—
At end of year	**315,561**	479,734

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

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

As at 31 December 2025

	Expected credit loss rate (%)	**Gross carrying amount RMB'000**	**Expected credit losses RMB'000**	**Net carrying amount RMB'000**
Provision on an individual basis	**100.00**	**7,846**	**7,846**	**—**
Provision on a collective basis				
Aged less than 3 months	**1.66**	**4,217,619**	**69,918**	**4,147,701**
Aged 3 to 6 months	**10.11**	**363,551**	**36,743**	**326,808**
Aged 6 to 12 months	**32.55**	**110,822**	**36,072**	**74,750**
Aged 1 to 2 years	**55.45**	**73,516**	**40,767**	**32,749**
Aged over 2 years	**100.00**	**124,215**	**124,215**	**—**
Total		**4,897,569**	**315,561**	**4,582,008**

20. TRADE AND BILLS RECEIVABLES *(Continued)*

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
Provision on an individual basis	100.00	230,024	230,024	—
Provision on a collective basis				
Aged less than 3 months	1.60	3,347,551	53,570	3,293,981
Aged 3 to 6 months	14.60	345,995	50,500	295,495
Aged 6 to 12 months	37.07	70,353	26,077	44,276
Aged 1 to 2 years	65.56	166,564	109,207	57,357
Aged over 2 years	100.00	10,356	10,356	—
Total		4,170,843	479,734	3,691,109

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		2025 RMB'000	2024 RMB'000
Current			
Prepayments		**76,560**	84,228
Value-added-tax recoverable	(i)	**565,074**	437,444
Deposits and other receivables	(ii)	**55,613**	111,650
Total		**697,247**	633,322
Non-Current			
Prepayments for property, plant and equipment		**554,248**	415,606
Deposits and other receivables	(ii)	**60,000**	60,000
Total		**614,248**	475,606

(i) The Group's domestic sales of goods and rendering of services is subject to PRC value-added-tax ("**VAT**"). Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is mainly the net difference between output and deductible input VAT.

(ii) The financial assets included in the above balances relate to deposits and other receivables which were categorised in stage 1 at the end of each of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking factors and information. During the year, the deposits and other receivables had no recent history of default and past due amounts. As at 31 December 2025, the loss allowance was assessed to be minimal (2024: Nil).

22. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets arising from:		
Sale of products	**271,035**	120,957
Impairment	**(10,000)**	(10,000)
Net carrying amount	**261,035**	110,957

Contract assets are initially recognised for revenue earned from the sale of products as the receipt of consideration is conditional. The Group seeks to maintain strict control over its outstanding contract assets and has a credit control process to minimise credit risk. The Group and the Company does not hold any collateral or other credit enhancements over its contract assets balances. Contract assets are non-interest-bearing.

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

	2025 RMB'000	2024 RMB'000
Within one year	**221,772**	94,574
After one year	**39,263**	16,383
Total	**261,035**	110,957

The movement in the loss allowance for impairment of contract assets is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**10,000**	5,917
Impairment losses, net	**—**	4,083
At end of year	**10,000**	10,000

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

22. CONTRACT ASSETS *(Continued)*

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	**3.69%**	8.27%
Gross carrying amount (RMB'000)	**271,035**	120,957
Expected credit losses (RMB'000)	**10,000**	10,000

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 **RMB'000**	2024 RMB'000
Current		
Listed equity investments, at fair value (i)	**119,644**	75,403
Other unlisted investments, at fair value (ii)	**670,386**	40,460
Total	**790,030**	115,863
Non-Current		
Other unlisted equity investments, at fair value (iii)	**55,655**	50,000

(i) The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

(ii) The unlisted investments were wealth management products issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. As at 31 December 2025, the unlisted investments amounting RMB670,386,000 (2024: RMB40,460,000) were pledged for issuance of bills payables.

(iii) The Group holds an equity instrument investment in a privately held company. The Group holds less than 1% of the voting rights and does not have the power to participate in the financial and operating policy decisions of the investee. Consequently, the Group has determined that it does not have significant influence over the investee. The investment is classified as "financial assets at fair value through profit or loss" on the consolidated statement of financial position.

24. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

		2025 RMB'000	2024 RMB'000
Cash and bank balances		**5,255,676**	4,491,457
Time deposits		**7,941,244**	6,156,844
Subtotal		**13,196,920**	10,648,301
Less:			
Restricted time deposits:			
Current portion:			
— Pledged for issuance of bills		**5,499,704**	4,063,310
— Pledged for issuance of a letter of guarantee	(i)	**58,069**	196,024
Non-current portion:			
— Pledged for issuance of bills		**823,319**	—
— Pledged for issuance of a letter of guarantee	(i)	**3,051**	—
— Restricted for purchases of financial investments		**—**	100,000
Restricted bank deposits:			
Current portion:			
— Pledged for issuance of bills		**465,256**	184,024
— Pledged for issuance of a letter of guarantee		**3,295**	—
— Restricted for litigation		**3,250**	14,182
— Other restricted bank deposits		**514**	7,520
Non-pledged time deposits with original maturity of more than three months when acquired			
Current portion:		**180,800**	—
Non-current portion:		**1,376,301**	1,797,510
Cash and cash equivalents		**4,783,361**	4,285,731
Denominated in RMB		**13,088,337**	10,543,000
Denominated in USD		**66,227**	61,456
Denominated in HKD		**19,840**	25,315
Denominated in AUD		**14,067**	—
Denominated in EUR		**5,790**	18,522
Denominated in IDR		**2,659**	8
Total		**13,196,920**	10,648,301

(i) As at 31 December 2025, the time deposits of RMB61,120,000 (2024: RMB196,024,000) were pledged for the issuance of a letter of guarantee by banks to provide guarantee in respect of purchase contracts signed with suppliers.

24. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH *(Continued)*

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

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

25. TRADE AND BILLS PAYABLES

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

	2025 **RMB'000**	2024 RMB'000
Within 1 year	**17,334,058**	12,047,542
1 to 2 years	**19,456**	11,038
Total	**17,353,514**	12,058,580

The trade payables are non-interest-bearing and are normally settled on 90 to 180 days terms.

26. OTHER PAYABLES AND ACCRUALS

	2025 **RMB'000**	2024 RMB'000
Payable for purchase of property, plant and equipment	**3,293,201**	2,711,613
Salary payables	**642,463**	516,112
Deposit received	**204,792**	66,989
Other tax payables	**83,782**	60,717
Other payables and accruals	**203,511**	133,827
Total	**4,427,749**	3,489,258

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

27. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
Short-term advances received from customers		
Sales of goods	**306,087**	105,817

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

		2025			2024		
	Notes	**Effective interest rate (%)**	**Maturity**	**RMB'000**	Effective interest rate (%)	Maturity	RMB'000
Current							
Bank loans — pledged	(b)	**0.10–3.25**	**2026**	**741,109**	2.27	2025	649,935
Bank loans — guaranteed	(c)	**1.40–3.00**	**2026**	**355,476**	2.36–3.60	2025	436,451
Bank loans — unsecured		**2.11–2.90**	**2026**	**424,828**	0.10–2.58	2025	426,403
Current portion of long term bank loans — pledged and guaranteed	(a)	**2.25–3.20**	**2026**	**247,237**	3.45–4.20	2025	151,125
Current portion of long term bank loans — pledged	(b)	**2.65–3.25**	**2026**	**396,670**	3.35–4.30	2025	700,765
Current portion of long term bank loans — guaranteed	(c)	**2.25–3.25**	**2026**	**342,307**	1.40–3.70	2025	18,418
Current portion of long term bank loans — unsecured		**2.24–3.25**	**2026**	**905,694**	1.00–2.60	2025	702,915
Current portion of other loan — pledged	(e)	**3.00**	**2026**	**28,904**	1.00–3.35	2025	101,751
Total — current				**3,442,225**			3,187,763
Non-current							
Bank loans — pledged and guaranteed	(a)	**2.25–3.20**	**2027–2033**	**2,294,332**	4.20	2026–2031	1,639,316
Bank loans — pledged	(b)	**2.65–3.25**	**2027–2033**	**1,262,630**	3.35–4.30	2026–2033	2,020,748
Bank loans — guaranteed	(c)	**2.25–3.25**	**2028–2033**	**1,005,293**	2.95–4.20	2026–2033	1,511,559
Bank loans — unsecured		**1.50–3.25**	**2027–2028**	**1,494,290**	1.00–2.60	2025–2028	1,640,279
Other loans — guaranteed	(d)	**3.00**	**2030**	**81,029**	—	—	—
Other loans — pledged	(e)	**3.00**	**2030**	**111,381**	—	—	—
Total — non-current				**6,248,955**			6,811,902
Total				**9,691,180**			9,999,665

28. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

	2025 **RMB'000**	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**3,413,321**	3,086,012
In the second year	**200,108**	1,581,706
In the third to fifth years, inclusive	**4,176,065**	3,501,818
Beyond five years	**1,680,372**	1,728,378
Subtotal	**9,469,866**	9,897,914
Other loan repayable:		
Within one year or on demand	**28,904**	101,751
In the second to fifth years	**192,410**	—
Subtotal	**221,314**	101,751
Total	**9,691,180**	9,999,665

(a) Certain of the Group's bank borrowings with the amounts of RMB2,541,569,000 (2024: RMB1,790,441,000) were secured by:

— the pledge of certain of the Group's property, plant and equipment with a carrying amount of RMB1,805,626,000 (2024: RMB575,839,000); and

— the pledge of certain of the Group's leasehold land with a carrying amount of RMB140,742,000 (2024: RMB69,107,000); and

— the guarantee from the Company.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

(b) Certain of the Group's bank borrowings with the amount of RMB741,109,000 (2024: RMB574,383,000) were secured by the pledge of certain of the Group's bills receivables with carrying amount of RMB741,109,000 (2024: RMB574,383,000).

Certain of the Group's bank borrowings with the amount of RMB1,659,300,000 (2024: RMB2,797,065,000) were secured by:

— the pledge of certain of the Group's leasehold land with a carrying amount of RMB115,224,000 (2024: RMB117,835,000); and

— the pledge of certain of the Group's property, plant and equipment with a carrying amount of RMB6,908,551,000 (2024: RMB2,203,884,000).

(c) Certain of the Group's bank borrowings with the amount of RMB1,397,895,000 (2024: RMB1,767,274,000) were guaranteed by the Company.

Certain of the Group's bank borrowings with the amount of RMB305,181,000 (2024: RMB199,154,000) were guaranteed by the subsidiaries of the Company.

(d) Certain of the Group's other borrowing with the amount of RMB81,029,000 (2024: Nil) were guaranteed by a subsidiary of the Company.

(e) Certain of the Group's other borrowing with the amount of RMB140,285,000 (2024: RMB101,751,000) was secured by the pledge of certain of the Group's equipment with a carrying amount of RMB153,515,000 (2024: RMB413,481,000).

29. DEFERRED GOVERNMENT GRANTS

	2025 **RMB'000**	2024 RMB'000
At beginning of year	**1,715,224**	1,618,744
Addition	**695,680**	156,100
Transferred to property, plant and equipment	**(950,203)**	(25,840)
Transferred to right-of-use assets	**(8,900)**	—
Released to profit or loss	**—**	(33,780)
At end of year	**1,451,801**	1,715,224

The balance of deferred government grants represents the grants received before the related assets are available for use. The amount is deducted from the carrying amount of the asset when the relevant assets are available for use, and released to the statement of profit or loss by way of a reduced depreciation charge.

30. PROVISIONS

	2025 RMB'000	2024 RMB'000
At beginning of year	**553,852**	443,904
Addition	**429,133**	294,779
Amount utilised during the year	**(91,555)**	(184,831)
At end of year	**891,430**	553,852
Portion classified as current liabilities	**84,031**	69,466
Non-current portion	**807,399**	484,386

The Group provides warranties of 3 to 8 years to its customers on the battery products. The amount of the provision for the warranties is estimated based on the Group's recent claims, past warranty data and the weight of all possible results and their related probabilities. As the Group continues to upgrade its product design and introduce new models, the recent claims may not represent the claims it will face in the future for past sales. Any increase or decrease in provision will affect the profit and loss in future years. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

31. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
2,336,874 (2024: 2,276,874) ordinary shares	**2,336,874**	2,276,874

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

	Numbers of shares in issue	Paid-in capital/ Share capital RMB'000
At 1 January 2024	**2,276,874,050**	2,276,874
At 31 December 2024 and 1 January 2025	**2,276,874,050**	2,276,874
Issue of shares	**60,000,000**	60,000
At 31 December 2025	**2,336,874,050**	2,336,874

(a) On 7 November 2025, pursuant to the Placing Agreement entered into on 31 October 2025 the Company placed 60,000,000 H shares with a nominal value of RMB1.00 per share, to no fewer than six independent places at the placing price of HK$13.35 per share. Net proceeds after deducting related placing fee from such placement amounted to RMB724,342,000, out of which RMB60,000,000 and RMB664,342,000 were credited in share capital and capital reserves respectively.

32. RESERVES

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

Capital reserve

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

33. SHARE INCENTIVE SCHEME

2021 Incentive Scheme

On 31 August 2021, a share incentive scheme (the "**2021 Incentive Scheme**") was approved by the shareholders.

Pursuant to the 2021 Incentive Scheme, incentives will be awarded to the eligible participants in the form of (i) type A awarded shares; and (ii) type B awarded shares.

The scope of eligible participants for the Incentive Scheme shall include directors, senior management and other key employees of the Group who, in the opinion of the Board, contribute directly to the overall business performance and sustainable development of the Group. The list of eligible participants and the number of shares to be granted shall be determined by the Board. All eligible participants must be the employees of the Group, who have entered into labour contracts with the Company or its subsidiaries, during the appraisal period of the 2021 Incentive Scheme.

(i) 2021 Type A Awarded Shares

On 31 August 2021, a total of 112,999,000 shares of the Company were awarded to the directors of the Company and employees of the Group at a consideration of RMB9,951 (the "**Type A Awarded Shares**"). 25%, 25%, 25% and 25% of the Type A Awarded Shares would be vested since the fifth, sixth, seventh and eighth anniversaries of the date of grant if they remain in office as employees of the Group at that date. The total fair value of the Type A Awarded Shares determined at the date of grant was equivalent to RMB454,278,000, and the fair value was determined by an external valuer using the discounted cash flow model taking into consideration the terms and conditions upon which the awarded shares were granted. The amount of RMB58,186,000 (2024: RMB55,337,000) in respect of the Type A Awarded Shares under the 2021 Incentive Scheme was recognised as an expense and included in the staff cost for the year ended 31 December 2025.

Any dividend declared in respect of the Type A Awarded Shares during the lock-up restricted period belongs to the participants. However, the participants do not have any voting right in respect of the Type A Awarded Shares during the lock-up restricted period.

(ii) 2021 Type B Awarded Shares

On 31 August 2021, a total of 225,997,000 shares of the Company were awarded to the directors of the Company and employees of the Group at a consideration of RMB9,748 (the "**Type B Awarded Shares**"). The Type B Awarded Shares would be vested since the twentieth anniversary of the date of grant if they remain in office as employees of the Group at that date. The total fair value of the Type B Awarded Shares determined at the date of grant was equivalent to RMB908,565,000, and the fair value was determined by an external valuer using the discounted cash flow model taking into consideration the terms and conditions upon which the awarded shares were granted. The amount of RMB45,337,000 (2024: RMB43,885,000) in respect of the Type B Awarded Shares under the 2021 Incentive Scheme was recognised as an expense and included in the staff cost for the year ended 31 December 2025.

Any dividend declared in respect of the Type B Awarded Shares during the lock-up restricted period belongs to the participants. However, the participants do not have any voting right in respect of the Type B Awarded Shares during the lock-up restricted period.

33. SHARE INCENTIVE SCHEME *(Continued)*

2022 Incentive Scheme

In June 2022, a share incentive scheme (the "**2022 Incentive Scheme**") was approved by the shareholders.

Pursuant to the 2022 Incentive Scheme, incentives will be awarded to the eligible participants in the form of (i) type A awarded shares; and (ii) type B awarded shares.

The scope of eligible participants for the Incentive Scheme shall include directors and senior management, key technicians and other key employees of the Group who, in the opinion of the Board, contribute directly to the overall business performance and sustainable development of the Group. The list of eligible participants and the number of shares to be granted shall be determined by the Board. All eligible participants must be the employees of the Group, who have entered into labour contracts with the Company or its subsidiaries, during the appraisal period of the 2022 Incentive Scheme.

(i) 2022 Type A Awarded Shares

On 30 September 2022, a total of 6,741,000 shares of the Company were awarded to the employees of the Group at a consideration of RMB21,000 (the "**2022 Type A Awarded Shares**"). 25%, 25%, 25% and 25% of the 2022 Type A Awarded Shares would be vested since the fourth, fifth, sixth and seventh anniversaries of the date of grant if they remain in office as employees of the Group at that date. The total fair value of the 2022 Type A Awarded Shares determined at the date of grant was equivalent to RMB94,764,000, and the fair value was determined by an external valuer using the back-solve method and adopting the equity allocation model taking into consideration the financing prices from series B investors in August and September 2022. An amount of RMB15,856,000 (2024: RMB15,420,000) in respect of the 2022 Type A Awarded Shares under the 2022 Incentive Scheme was recognised as an expense and included in the staff cost for the year ended 31 December 2025.

Any dividend declared in respect of the 2022 Type A Awarded Shares during the lock-up restricted period belongs to the participants. However, the participants do not have any voting right in respect of the 2022 Type A Awarded Shares during the lock-up restricted period.

(ii) 2022 Type B Awarded Shares

On 30 September 2022, a total of 12,283,000 shares of the Company were awarded to the employees of the Group at a consideration of RMB39,000 (the "**2022 Type B Awarded Shares**"). All of the 2022 Type B Awarded Shares would be vested since the twentieth anniversary of the date of employment if they remain in office as employees of the Group at that date. The total fair value of the 2022 Type B Awarded Shares determined at the date of grant was equivalent to RMB172,659,000, and the fair value was determined by an external valuer using the back-solve method and adopting the equity allocation model taking into consideration the financing prices from series B investors in August and September 2022. An amount of RMB7,542,000 (2024: RMB8,433,000) in respect of the 2022 Type B Awarded Shares was recognised for the year ended 31 December 2025.

Any dividend declared in respect of the 2022 Type B Awarded Shares during the lock-up restricted period belongs to the participants. However, the participants do not have any voting right in respect of the 2022 Type B Awarded Shares during the lock-up restricted period.

33. SHARE INCENTIVE SCHEME *(Continued)*

The following Awarded Shares were outstanding under the share incentive schemes during the year:

	2021 Awarded Shares '000	2022 Awarded Shares '000	Total '000
As at 31 December 2023 and 1 January 2024	287,214	18,396	305,610
Forfeited during the year	(13,501)	(182)	(13,683)
As at 31 December 2024 and 1 January 2025	**273,713**	**18,214**	**291,927**
Forfeited during the year	**—**	**(655)**	**(655)**
As at 31 December 2025	**273,713**	**17,559**	**291,272**

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025 RMB'000	2024 RMB'000
Percentage of equity interests held by non-controlling interests:		
— BatteroTech Shanghai	**29%**	29%
— REPT SAIC	**49%**	49%
Profit/(loss) for the year allocated to non-controlling interests:		
— BatteroTech Shanghai	**(889)**	(194,342)
— REPT SAIC	**59,397**	4,915
	58,508	(189,427)
Accumulated balances of non-controlling interests at the end of the reporting period:		
— BatteroTech Shanghai	**(463,015)**	(462,126)
— REPT SAIC	**563,224**	503,827
	100,209	41,701

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Battero Tech Shanghai:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	**6,818,370**	6,342,249
Total costs and expenses	**(6,815,303)**	(7,012,395)
Profit/(loss) for the year	**3,067**	(670,146)
Total comprehensive profit/(loss) for the year	**3,067**	(670,146)
Net cash flows generated from operating activities	**480,612**	1,296,406
Net cash flows used in investing activities	**(994,092)**	(1,126,719)
Net cash flows generated from/(used in) financing activities	**1,013,555**	(106,203)
Effect of foreign exchange rate changes, net	**6,913**	16,542
Net increase in cash and cash equivalents	**506,988**	80,026

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets	**6,365,922**	4,860,692
Non-current assets	**5,716,709**	5,631,790
Current liabilities	**(9,739,216)**	(8,548,561)
Non-current liabilities	**(3,940,019)**	(3,537,459)

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

REPT SAIC:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	**4,331,145**	3,066,169
Total costs and expenses	**(4,209,927)**	(3,056,138)
Profit for the year	**121,218**	10,031
Total comprehensive income for the year	**121,218**	10,031
Net cash flows generated from operating activities	**1,417,884**	673,791
Net cash flows used in investing activities	**(438,503)**	(758,903)
Net cash flows (used in)/generated from financing activities	**(201,047)**	738,537
Net increase in cash and cash equivalents	**778,334**	653,425

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets	**4,528,005**	2,815,287
Non-current assets	**3,221,665**	3,638,737
Current liabilities	**(5,250,877)**	(3,750,958)
Non-current liabilities	**(1,349,356)**	(1,674,847)

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB1,283,000 (2024: RMB4,169,000) and RMB1,283,000 (2024: RMB4,169,000), respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

2025

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Amount due to a related party RMB'000
At 1 January 2025	9,999,665	27,529	—
Changes from financing cash flows	(612,540)	(7,539)	77,317
Interest capitalised (note 7)	(13,871)	—	—
Interest expense (note 7)	317,926	665	1,282
Lease termination	—	(9,223)	—
Exchange realignment	—	510	(266)
At 31 December 2025	9,691,180	11,942	78,333

2024

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2024	9,627,840	36,719
Changes from financing cash flows	32,100	(14,489)
Interest capitalised (note 7)	(10,912)	—
Additions of lease liabilities	—	4,169
Interest expense (note 7)	350,637	1,130
At 31 December 2024	9,999,665	27,529

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS *(Continued)*

(c) Total cash outflow for leases

	2025 RMB'000	2024 RMB'000
Within operating activities	**(2,238)**	(2,079)
Within financing activities	**(7,539)**	(14,489)
Total	**(9,777)**	(16,568)

36. COMMITMENTS

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

	2025 RMB'000	2024 RMB'000
Purchase of items of property, plant and equipment	**3,927,575**	2,214,255

37. PLEDGE OF ASSETS

Details of the Group's financial assets at fair value through profit or loss and restricted time deposits pledged for issuance of the Group's bills payables to suppliers and a letter of guarantee are included in note 23 and note 24 to the financial statements.

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

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

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

38. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the year:

	Notes	2025 RMB'000	2024 RMB'000
Associates:			
Sales of products	(i)	**1,017**	772
Purchase of products	(i)	**110,431**	25,366
Interest income		**468**	470
Rental revenue		**341**	337
Joint Ventures:			
Sales of products	(i)	**1,119,924**	538,286
Purchase of products	(i)	**412**	—
Associates of controlling shareholder:			
Sales of products	(i)	**1,047,792**	331,404
Purchase of products	(i)	**820,395**	339,747
Purchase of services	(i)	**—**	330
Controlling shareholder and its affiliates:			
Sales of products	(i)	**79,438**	715,541
Purchase of products	(i)	**13,137**	13,510
Purchase of services	(i)	**94**	877
Rental expenses	(ii)	**4,644**	8,798
Rental revenue		**5,415**	5,129
Non-controlling shareholders and its affiliates			
Sales of products	(i)	**3,593,693**	2,645,916
Purchase of products	(i)	**43**	477
Purchase of services	(i)	**582**	—
Loans received	(iii)	**77,317**	—
Interest expense	(iii)	**1,016**	—

Notes:

(i) The prices are mutually agreed after taking the prevailing market prices into consideration.

(ii) The Group has entered into lease agreements in respect of buildings from fellow subsidiaries. The rental fees under the lease were RMB4,644,000 for the year ended 31 December 2025 (2024: RMB8,798,000). The Group recognised right-of-use assets of RMB2,151,000 (2024: RMB9,711,000) and lease liabilities of RMB2,315,000 (2024: RMB14,583,000) as at 31 December 2025. The transactions were made according to the prices and terms agreed with the related parties.

(iii) During the reporting period, a subsidiary of the Group entered into a loan arrangement with its non-controlling shareholder, obtaining loans amounting to RMB77,317,000 at an interest rate of 6%.

38. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties

	Notes	2025 RMB'000	2024 RMB'000
Trade related:			
Due from related parties			
Non-controlling shareholders and its affiliates:	(i)	**540,454**	597,273
Joint Ventures	(i)	**386,753**	375,878
Associates	(i)	**7**	714
Associates of ultimate controlling shareholder	(i)	**312,541**	28,045
Controlling shareholder	(i)	**22,849**	257,279
Total		**1,262,604**	1,259,189
Trade related:			
Due to related parties			
Associates		**31,087**	19,905
Associates of ultimate controlling shareholder		**223,895**	134,151
Joint Ventures		**37,545**	188
The ultimate holding company		**36,819**	69,363
Non-controlling shareholders and its affiliates		**6,004**	6,732
Total		**335,350**	230,339
Non-trade related:			
Due from related parties			
Associate		**1,295**	7,950
Due to related parties			
Non-controlling shareholders and its affiliates:	(ii)	**78,333**	—
Joint Ventures	(iii)	**37,020**	37,020
Total		**115,353**	37,020

Notes:

(i) Provision for impairment of amounts due from related parties is made based on an assessment of expected credit losses. As at 31 December 2025, the Group recorded an impairment losses of RMB13,499,000 for the amounts due from related parties.

(ii) As at 31 December 2025, the balance of RMB78,333,000 represents loans obtained from a non-controlling shareholder of a subsidiary at an interest rate of 6%.

(iii) As at 31 December 2025, the balance of RMB37,020,000 represents the Group's equity investment payable to joint ventures. Pursuant to the articles of association, the payment will be made according to the actual production capacity progress of joint ventures and no later than the end of 2044.

38. RELATED PARTY TRANSACTIONS *(Continued)*

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

	2025 **RMB'000**	2024 RMB'000
Salaries, allowances and benefits in kind	**4,369**	3,802
Performance related bonuses	**4,568**	2,500
Pension scheme contributions	**453**	364
Share incentive plan expense	**78,829**	78,829
Total	**88,219**	85,495

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

Having due regard to the substance of the relationships, the directors are of the opinion that meaningful information relating to related party disclosures has been adequately disclosed, and the Group has complied with the disclosure requirements in Chapter 14A of the Listing Rules.

39. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2025, the Group endorsed certain bills receivables accepted by banks in Chinese mainland (the "**Endorsed Bills**") with a carrying amount of RMB1,621,472,000 (2024: RMB477,485,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was as RMB2,775,923,000 at 31 December 2025 (2024: RMB1,153,816,000).

At 31 December 2025, the Group discounted certain bills receivables accepted by banks in Chinese mainland (the "**Discounted Bills**") with a carrying amount of RMB741,109,000 (2024: RMB574,020,000) (the "**Discounting**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the associated banking borrowings. Subsequent to the Discounting, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amount of the Discounted Bills during the year to which the banks have recourse was RMB1,334,602,000 as at 31 December 2025 (2024: RMB1,038,682,000).

39. TRANSFERS OF FINANCIAL ASSETS *(Continued)*

Transferred financial assets that are derecognised in their entirety

At 31 December 2025, the Group endorsed certain bills receivables accepted by banks in Chinese mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB2,813,621,000 (2024: RMB644,602,000) and discounted certain bills receivable accepted by banks in Chinese mainland (the "**Derecognised Bills**") with a carrying amount of RMB6,111,330,000 (2024: RMB3,968,434,000). The Derecognised Bills had a maturity of one to six months at the end of each of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2025, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The Endorsement and Discounting have been made evenly throughout the year.

40. FINANCIAL INSTRUMENTS BY CATEGORY

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

2025

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade and bills receivables	—	1,514,659	7,014,580	8,529,239
Contract assets	—	—	261,035	261,035
Financial assets included in prepayments, other receivables and other assets	—	—	115,613	115,613
Financial assets at fair value through profit and loss	845,685	—	—	845,685
Equity investments designated at fair value through other comprehensive income	—	13,715	—	13,715
Due from related parties	—	—	1,244,106	1,244,106
Restricted cash	—	—	6,856,458	6,856,458
Time deposits	—	—	1,557,101	1,557,101
Cash and cash equivalents	—	—	4,783,361	4,783,361
Total	845,685	1,528,374	21,832,254	24,206,313

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables and accruals	3,497,993
Due to related parties	450,703
Trade and bills payables	17,353,514
Interest-bearing bank and other borrowings	9,691,180
Lease liabilities	11,942
Total	31,005,332

40. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2024

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade and bills receivables	—	735,382	4,755,486	5,490,868
Contract assets	—	—	110,957	110,957
Financial assets included in prepayments, other receivables and other assets	—	—	171,650	171,650
Financial assets at fair value through profit and loss	165,863	—	—	165,863
Equity investments designated at fair value through other comprehensive income	—	10,540	—	10,540
Due from related parties	—	—	1,267,139	1,267,139
Restricted cash	—	—	4,565,060	4,565,060
Time deposits — non-current	—	—	1,797,510	1,797,510
Cash and cash equivalents	—	—	4,285,731	4,285,731
Total	165,863	745,922	16,953,533	17,865,318

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables and accruals	2,778,602
Due to related parties	267,359
Trade and bills payables	12,058,580
Interest-bearing bank and other borrowings	9,999,665
Lease liabilities	27,529
Total	25,131,735

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

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

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these unlisted investments and bills receivables by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

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

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

Assets measured at fair value:

2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Bills receivables	—	1,514,659	—	1,514,659
Financial assets at fair value through profit or loss	119,644	670,386	55,655	845,685
Equity investments designated at fair value through other comprehensive income	—	—	13,715	13,715
Total	119,644	2,185,045	69,370	2,374,059

2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Bills receivables	—	735,382	—	735,382
Financial assets at fair value through profit or loss	75,403	40,460	50,000	165,863
Equity investments designated at fair value through other comprehensive income	—	—	10,540	10,540
Total	75,403	775,842	60,540	911,785

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 (2024: Nil).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The senior management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. In addition, the Board holds meetings regularly to analyse and approve the proposals made by the senior management of the Company. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

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

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

	Increase/ (decrease) in basis points RMB'000	**Increase/ (decrease) in profit after tax RMB'000**	**(Decrease)/ increase in equity RMB'000**
2025			
RMB	**100**	**(76,107)**	**(76,107)**
RMB	**(100)**	**76,107**	**76,107**

	Increase/ (decrease) in basis points RMB'000	Increase/ (decrease) in loss after tax RMB'000	(Decrease)/ increase in equity RMB'000
2024			
RMB	100	82,212	(82,212)
RMB	(100)	(82,212)	82,212

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Foreign currency risk

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

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

	(Decrease)/ increase in foreign exchange Rate (%)	**(Decrease)/ increase in profit after tax RMB'000**	**(Decrease)/ increase in equity RMB'000**
2025			
If RMB strengthens against US$	**(5)**	**(49,440)**	**(49,440)**
If RMB weakens against US$	**5**	**49,440**	**49,440**
If RMB strengthens against HKD	**(5)**	**(1,161)**	**(1,161)**
If RMB weakens against HKD	**5**	**1,161**	**1,161**
If RMB strengthens against AUD	**(5)**	**(25,940)**	**(25,940)**
If RMB weakens against AUD	**5**	**25,940**	**25,940**

	(Decrease)/ increase in foreign exchange Rate (%)	Increase/ (decrease) in loss after tax RMB'000	(Decrease)/ increase in equity RMB'000
2024			
If RMB strengthens against US$	(5)	23,931	(23,931)
If RMB weakens against US$	5	(23,931)	23,931
If RMB strengthens against HKD	(5)	1,262	(1,262)
If RMB weakens against HKD	5	(1,262)	1,262

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk

The Group trades only with recognised and creditworthy third parties and there is no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Concentrations of credit risk are managed by customer/counterparty and by industry sector.

Maximum exposure and year-end staging

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

2025

	12 months ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	—	—	—	**8,844,800**	**8,844,800**
Contract assets*	—	—	—	**271,035**	**271,035**
Financial assets included in prepayments and other receivables and other assets — Normal**	**115,613**	—	—	—	**115,613**
Due from related parties	**1,295**	—	—	**1,242,811**	**1,244,106**
Restricted cash	—	—	—	**6,856,458**	**6,856,458**
Time deposit	—	—	—	**1,557,101**	**1,557,101**
Cash and cash equivalents	—	—	—	**4,783,361**	**4,783,361**
Total	**116,908**	—	—	**23,555,566**	**23,672,474**

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging *(Continued)*

2024

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	5,970,602	5,970,602
Contract assets*	—	—	—	120,957	120,957
Financial assets included in prepayments and other receivables and other assets					
— Normal**	171,650	—	—	—	171,650
Due from related parties	7,950	—	—	1,259,189	1,267,139
Restricted cash	4,565,060	—	—	—	4,565,060
Time deposit	1,797,510	—	—	—	1,797,510
Cash and cash equivalents	4,285,731	—	—	—	4,285,731
Total	10,827,901	—	—	7,350,748	18,178,649

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 and note 22 to the financial statements.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging *(Continued)*

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are respectively disclosed in notes 20 and 21 to the financial statements.

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

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

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

	As at 31 December 2025				
	On demand RMB'000	**Within 1 year RMB'000**	**1 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Lease liabilities	**—**	**5,223**	**8,243**	**—**	**13,466**
Interest-bearing bank and other borrowings	**—**	**3,675,925**	**4,857,328**	**2,092,981**	**10,626,234**
Trade and bills payables	**—**	**17,353,514**	**—**	**—**	**17,353,514**
Financial liabilities included in other payables and accruals	**—**	**3,497,993**	**—**	**—**	**3,497,993**
Due to related parties	**335,350**	**—**	**120,199**	**2,340**	**457,889**
Total	**335,350**	**24,532,655**	**4,985,770**	**2,095,321**	**31,949,096**

	As at 31 December 2024				
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Lease liabilities	—	14,917	13,427	—	28,344
Interest-bearing bank and other borrowings	—	3,219,875	5,614,462	2,239,978	11,074,315
Trade and bills payables	—	12,058,580	—	—	12,058,580
Financial liabilities included in other payables and accruals	—	2,778,602	—	—	2,778,602
Due to related parties	230,339	—	34,680	2,340	267,359
Total	230,339	18,071,974	5,662,569	2,242,318	26,207,200

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

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

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

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

	2025 **RMB'000**	2024 RMB'000
Total assets	**46,472,198**	38,539,480
Total liabilities	**34,616,691**	28,217,284
Debt-to-asset ratio	**74%**	73%

43. EVENTS AFTER THE REPORTING PERIOD

On 28 January 2026, the Group acquired 10.8696% shares in Fu'an Guolong Nano Material Co., Ltd. ("**Fu'an Guolong Nano**"), with a consideration of RMB50 million. Fu'an Guolong Nano's major business is production and sales of battery materials. The Group made such investment as part of its strategy of ensuring stable and cost-effective supply of raw materials by investing in upstream raw material suppliers.

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**5,526,524**	5,415,134
Right-of-use assets	**152,971**	158,588
Other intangible assets	**14,487**	17,288
Investment in joint ventures	**180,416**	274,250
Investments in subsidiaries	**2,823,264**	2,877,580
Prepayments, other receivables and other assets	**125,791**	357,407
Equity investments designated at fair value through other comprehensive income	**13,715**	10,540
Time deposits	**1,341,201**	1,439,709
Restricted cash	**726,381**	100,000
Total non-current assets	**10,904,750**	10,650,496
CURRENT ASSETS		
Inventories	**2,690,183**	1,588,676
Trade and bills receivables	**5,769,247**	3,064,697
Contract assets	**82,895**	28,610
Prepayments, other receivables and other assets	**131,426**	124,093
Financial assets at fair value through profit or loss	**728,423**	52,736
Due from related parties	**5,142,677**	3,338,240
Time deposits	**120,000**	—
Restricted cash	**3,707,600**	2,898,151
Cash and cash equivalents	**2,637,899**	3,434,209
Total current assets	**21,010,350**	14,529,412

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES		
Trade and bills payables	**8,939,952**	6,257,444
Other payables and accruals	**2,224,262**	1,095,482
Contract liabilities	**286,326**	44,731
Interest-bearing bank and other borrowings	**795,836**	1,284,161
Lease liabilities	**2,286**	3,034
Provisions	**27,761**	32,114
Due to related parties	**3,640,900**	1,223,352
Total current liabilities	**15,917,323**	9,940,318
NET CURRENT ASSETS	**5,093,027**	4,589,094
TOTAL ASSETS LESS CURRENT LIABILITIES	**15,997,777**	15,239,590
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**1,700,163**	2,023,287
Lease liabilities	**3,810**	4,945
Deferred government grants	**34,874**	430,260
Provisions	**478,594**	321,319
Due to related parties	**34,680**	34,680
Total non-current liabilities	**2,252,121**	2,814,491
Net assets	**13,745,656**	12,425,099
EQUITY		
Share capital	**2,336,874**	2,276,874
Reserves	**11,408,782**	10,148,225
Total equity	**13,745,656**	12,425,099

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

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

	Capital reserve RMB'000	Share incentive reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	10,678,298	324,237	361	(512,171)	10,490,725
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	179	—	179
Loss for the year	—	—	—	(465,753)	(465,753)
Total comprehensive loss for the year	—	—	179	(465,753)	(465,574)
Share incentive plan expense	—	123,074	—	—	123,074
At 31 December 2024 and at 1 January 2025	**10,678,298**	**447,311**	**540**	**(977,924)**	**10,148,225**
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	**—**	**—**	**3,175**	**—**	**3,175**
Profit for the year	**—**	**—**	**—**	**466,119**	**466,119**
Total comprehensive profit for the year	**—**	**—**	**3,175**	**466,119**	**469,294**
Issue of shares	**664,342**	**—**	**—**	**—**	**664,342**
Share incentive plan expense	**—**	**126,921**	**—**	**—**	**126,921**
At 31 December 2025	**11,342,640**	**574,232**	**3,715**	**(511,805)**	**11,408,782**

45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

DEFINITIONS

In this annual report, unless the context otherwise requires, the following expressions shall have the following meaning:

"AGM" or "Annual General Meeting"	the annual general meeting of the Company, which will be held on 26 June 2026
"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
"BatteroTech Jiashan"	BatteroTech Co., Ltd (蘭鈞新能源科技有限公司), a limited liability company established under the laws of the PRC on 9 December 2020, which is a subsidiary of BatteroTech Shanghai
"BatteroTech Jiaxing"	Jiaxing BatteroTech Corporation Limited (嘉興蘭鈞科技有限公司), a limited liability company established under the laws of the PRC on 11 April 2023, which is a subsidiary of BatteroTech Jiashan
"BatteroTech Shanghai"	BatteroTech Corporation Limited (上海蘭鈞新能源科技有限公司), a limited liability company established under the laws of the PRC on 23 July 2020, which is a subsidiary of the Company
"BatteroTech Wuhan"	Wuhan BatteroTech Corporation Limited (武漢蘭鈞新能源科技有限公司), a limited liability company established under the laws of the PRC on 20 August 2019, which is a subsidiary of BatteroTech Shanghai
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules in force during the Reporting Period
"China" or "PRC"	the People's Republic of China, and for the purposes of this annual report for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong
"Chongqing REPT BATTERO"	Chongqing REPT BATTERO Energy Co., Ltd. (重慶瑞浦蘭鈞能源有限公司), a limited liability company established under the laws of the PRC on 1 March 2023, which is a subsidiary of the Company
"Company" or "REPT BATTERO"	REPT BATTERO Energy Co., Ltd. (瑞浦蘭鈞能源股份有限公司), a limited liability company established in the PRC in October 2017, whose Shares are listed on the main board of the Stock Exchange

"Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended and adopted by the 7th Meeting of the Standing Committee of the 14th National People's Congress of the PRC on 29 December 2023, which will come into force on 1 July 2024, as amended, supplemented or otherwise modified from time to time
"Controlling Shareholder(s)"	has the meaning ascribed under the Listing Rules and in this annual report, refers to Mr. Xiang, Zhejiang Tsingshan, Shanghai Decent, Tsingshan Group, Yongqing Technology, Ruitu Energy and Wenzhou Jingli
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	director(s) of the Company
"Domestic Unlisted Share(s)"	ordinary Share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is/are not listed on any stock exchange
"ESG Committee" or "Environmental, Social and Governance Committee"	the environmental, social and governance (ESG) committee of the Board
"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
"Guangdong REPT BATTERO"	Guangdong REPT BATTERO Energy Co., Ltd. (廣東瑞浦蘭鈞能源有限公司), a limited liability company established under the laws of the PRC on 27 July 2021, which is a subsidiary of the Company
"H Share(s)"	overseas listed foreign Share(s) with a nominal value of RMB1.00 each in the share capital of the Company
"HK$" or "HKD"	Hong Kong dollars, the lawful currency for Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS(s)"	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)

"independent third party(ies)"	any entities or persons who are not connected persons (as defined in the Listing Rules) of the Company as far as the Directors are aware after having made all reasonable enquiries
"Latest Practicable Date"	March 26 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
"Listing"	the listing of the Shares on the main board of the Stock Exchange
"Listing Date"	18 December 2023, the date on which dealings in H Shares first commence on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"Mr. Xiang"	Mr. Xiang Guangda (項光達), a Controlling Shareholder of the Company
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company dated 8 December 2023
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the year commencing from 1 January 2025 and ending on 31 December 2025
"REPT Qingchuang"	Shanghai REPT Qingchuang New Energy Co., Ltd. (上海瑞浦青創新能源有限公司), a limited liability company established under the laws of the PRC on 2 January 2018, which is a subsidiary of the Company
"REPT SAIC"	REPT SAIC EV Battery Co., Ltd. (瑞浦賽克動力電池有限公司), a limited liability company established under the laws of the PRC on 15 April 2022, which is a subsidiary of the Company
"Ruitu Energy"	Ruitu Energy Co., Ltd. (瑞途能源有限公司), a limited liability company established under the laws of the PRC on 27 August 2019, which is a subsidiary of Yongqing Technology as of the Latest Practicable Date and is a Controlling Shareholder of the Company

"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
"Shanghai Decent"	Shanghai Decent Investment (Group) Co., Ltd. (上海鼎信投資(集團)有限公司), a limited liability company established under the laws of the PRC on 1 February 2007, which is an associate of Mr. Xiang and is a Controlling Shareholder of the Company
"Share(s)"	ordinary Share(s) of the Company with a nominal value of RMB1.00 each, comprising H Share(s) and Domestic Unlisted Share(s)
"Shareholder(s)"	holder(s) of the Shares
"Subsidiary(ies)"	has the meaning ascribed to it in Schedule 1 of the Companies Ordinance (Chapter 622 of the law of Hong Kong)
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Tsingshan Group"	Tsingshan Holding Group Company Limited (青山控股集團有限公司), a limited liability company established under the laws of the PRC on 12 June 2003, which is a Controlling Shareholder of the Company
"United States" or "U.S."	the United States of America and its territories
"US$" or "USD"	the lawful currency of the United States
"Wenzhou Jingli"	Wenzhou Jingli Business Service Partnership (Limited Partnership) (溫州景鋰商務服務合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 21 July 2021, which is an employee shareholding platform of the Company and is a Controlling Shareholder of the Company
"Wenzhou Ruili"	Wenzhou Ruili Enterprise Development Partnership (Limited Partnership) (溫州瑞鋰企業發展合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 5 August 2021, which is an employee shareholding platform of the Company
"Yongqing Technology"	Yongqing Technology Group Co., Ltd. (永青科技集團有限公司), a limited liability company established under the laws of the PRC on 24 January 2018, which is a Controlling Shareholder of the Company and a non-wholly-owned subsidiary of Tsingshan Group

"Zhejiang Ruixu"	Zhejiang Ruixu Technology Co., Ltd. (浙江瑞旭科技有限公司), a limited liability company established under the laws of the PRC on 6 December 2019, which is a subsidiary of the Company
"Zhejiang Ruiyuan"	Zhejiang Ruiyuan Technology Co., Ltd. (浙江瑞園科技有限公司), a limited liability company established under the laws of the PRC on 6 June 2022, which is a subsidiary of the Company
"Zhejiang Tsingshan"	Zhejiang Tsingshan Enterprise Management Co., Ltd. (浙江青山企業管理有限公司), a limited liability company established under the laws of the PRC on 17 April 2007, which is controlled by Mr. Xiang as to 80% of its equity interests as of the Latest Practicable Date and is a Controlling Shareholder of the Company
"%"	per cent.

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