

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-103, received from the Company’s independent reporting accountants, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF QINGDAO TGOOD ELECTRIC CO., LTD 青島特銳德電氣股份有限公司, CHINA GALAXY INTERNATIONAL SECURITIES (HONG KONG) CO., LTD AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Qingdao TGOOD Electric Co., Ltd 青島特銳德電氣股份有限公司 (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-[103], which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 31 October 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 31 October 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2023 and 2024, and for the ten months ended 31 October 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[4] to I-[103] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the proposed [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public

APPENDIX I

ACCOUNTANTS’ REPORT

Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and 2024, of the financial position of the Company as at 31 December 2023 and 2024 and of the financial performance and cash flows of the Group for the year ended 31 December 2023 and 2024 in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statement of financial position of the Group as at 31 October 2025, statement of financial position of the Company as at 31 October 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 ten months ended 31 October 2025 and 2024 and other explanatory information (the “Interim Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit

APPENDIX I**ACCOUNTANTS’ REPORT**

conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Hong Kong, [●]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and were audit by ZHONGHUI ANDA CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

The unaudited Interim Financial Information in this report was prepared based on management accounts of the Group for the ten months ended 31 October 2024 and 2025.

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		Ten months ended 31 October	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Revenue	6	12,690,571	15,374,476	10,425,813	11,328,749
Cost of sales		<u>(9,360,077)</u>	<u>(11,389,214)</u>	<u>(7,845,486)</u>	<u>(8,288,700)</u>
Gross profit		3,330,494	3,985,262	2,580,327	3,040,049
Other income, gains and losses	7	155,445	85,567	108,303	162,814
Selling and marketing expenses		(831,326)	(891,166)	(669,330)	(755,685)
Administrative expenses .		(911,771)	(1,070,590)	(721,709)	(756,254)
Research and development expenses		(489,357)	(574,588)	(418,809)	(432,318)
Impairment losses under expected credit loss model, net	8	(566,117)	(389,927)	(276,614)	(222,572)
Share of profits of associates	22	55,068	70,577	60,803	68,896
Finance costs	9	<u>(208,912)</u>	<u>(188,947)</u>	<u>(157,201)</u>	<u>(135,815)</u>
Profit before tax	10	533,524	1,026,188	505,770	969,115
Income tax expenses	11	<u>(6,765)</u>	<u>(86,787)</u>	<u>(1,157)</u>	<u>(134,056)</u>
Profit for the year/period		526,759	939,401	504,613	835,059
Other comprehensive income/(loss):					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences arising on translation of foreign operations . .		<u>—</u>	<u>(11)</u>	<u>—</u>	<u>(138)</u>
Total comprehensive income for the year/period		<u>526,759</u>	<u>939,390</u>	<u>504,613</u>	<u>834,921</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		Ten months ended 31 October	
		2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Profit/(loss) for the year/period attributable to:					
Owners of the					
Company		491,146	916,559	514,406	813,223
Non-controlling					
interests		<u>35,613</u>	<u>22,842</u>	<u>(9,793)</u>	<u>21,836</u>
		<u>526,759</u>	<u>939,401</u>	<u>504,613</u>	<u>835,059</u>
Total comprehensive income/(expense) for the year/period attributable to:					
Owners of the					
Company		491,146	916,551	514,406	813,090
Non-controlling					
interests		<u>35,613</u>	<u>22,839</u>	<u>(9,793)</u>	<u>21,831</u>
		<u>526,759</u>	<u>939,390</u>	<u>504,613</u>	<u>834,921</u>
Earnings per share attributable to owners of the Company					
Basic (RMB)	15	<u>0.48</u>	<u>0.89</u>	<u>0.50</u>	<u>0.79</u>
Diluted (RMB)	15	<u>0.48</u>	<u>0.89</u>	<u>0.50</u>	<u>0.78</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP

		As at 31 December		As at 31 October
	Notes	2023	2024	2025
		RMB’000	RMB’000	RMB’000 (unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	16	3,943,260	3,699,771	3,690,165
Right-of-use assets	17	1,473,692	1,369,086	1,113,644
Investment properties	18	22,182	21,235	16,672
Goodwill	19	189,286	189,286	191,209
Other intangible assets	20	458,334	405,538	346,177
Interests in associates	22	1,620,740	1,765,668	1,919,416
Deferred tax assets	23	711,873	815,279	878,864
Investments at fair value through profit or loss	24	3	3	3
Trade receivables	27	15,778	162,130	124,970
Other receivables	29	56,714	205,097	238,510
Other non-current assets	25	68,116	139,710	106,215
Total non-current assets		8,559,978	8,772,803	8,625,845
CURRENT ASSETS				
Inventories	26	1,609,017	1,205,617	1,718,015
Trade and bills receivables	27	8,444,563	9,751,613	9,596,733
Notes receivable at fair value through other comprehensive income	28	147,825	269,960	133,205
Prepayments and other receivables	29	1,146,515	876,216	1,091,909
Financial assets at fair value through profit or loss	30	19,689	—	—
Contract assets	34	1,111,643	1,394,973	1,561,481
Bank balances and cash	31	2,837,650	2,742,215	2,125,558
Total current assets		15,316,902	16,240,594	16,226,901
CURRENT LIABILITIES				
Trade and bills payables	32	7,734,681	8,078,910	7,599,787
Other payables and accruals	33	1,702,465	1,876,467	1,378,598
Contract liabilities	34	700,624	718,493	848,716
Interest-bearing bank borrowings	35	2,698,662	3,099,856	3,724,499
Lease liabilities	17	148,046	168,379	138,782
Income tax payable		59,226	85,558	63,985
Total current liabilities		13,043,704	14,027,663	13,754,367
NET CURRENT ASSETS		2,273,198	2,212,931	2,472,534
TOTAL ASSETS LESS CURRENT LIABILITIES				
		10,833,176	10,985,734	11,098,379

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December		As at 31 October
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)
NON-CURRENT LIABILITIES				
Other payables and accruals	33	42,620	37,530	29,711
Interest-bearing bank borrowings	35	1,453,753	944,450	655,152
Lease liabilities	17	1,042,136	1,021,051	827,092
Deferred income	36	508,402	426,840	385,736
Deferred tax liabilities	23	90,661	93,816	88,133
Total non-current liabilities		3,137,572	2,523,687	1,985,824
NET ASSETS		7,695,604	8,462,047	9,112,555
CAPITAL AND RESERVES				
Share capital	37	1,055,898	1,055,692	1,055,538
Reserves	38	5,633,507	6,418,846	7,103,007
Equity attributable to owners of the Company		6,689,405	7,474,538	8,158,545
Non-controlling interests		1,006,199	987,509	954,010
TOTAL EQUITY		7,695,604	8,462,047	9,112,555

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December	As at 31 December	As at 31 October
	Notes	2023	2024	2025
		RMB’000	RMB’000	RMB’000 (unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	16	321,165	339,527	349,962
Right-of-use assets	17	36,156	35,135	34,284
Investment properties	18	68,254	70,611	57,410
Other intangible assets	20	5,156	5,941	4,401
Investments in subsidiaries	21	2,992,445	2,962,624	3,109,013
Interests in associates	22	260,240	278,817	292,918
Deferred tax assets	23	138,391	186,505	214,096
Other receivables	29	—	—	38,287
Other non-current assets	25	15,692	23,459	32,360
Total non-current assets		3,837,499	3,902,619	4,132,731
CURRENT ASSETS				
Inventories	26	329,476	253,644	364,272
Trade and bills receivables	27	4,927,532	5,929,389	6,338,144
Notes receivable at fair value through other comprehensive income	28	120,939	235,136	102,218
Prepayments and other receivables	29	361,764	264,538	262,599
Financial assets at fair value through profit or loss	30	19,689	—	—
Contract assets	34	923,153	1,215,803	1,440,009
Bank balances and cash	31	1,137,874	1,504,612	1,232,975
Total current assets		7,820,427	9,403,122	9,740,217
CURRENT LIABILITIES				
Trade and bills payables	32	5,461,041	6,693,641	7,410,542
Other payables and accruals	33	539,339	810,721	458,097
Contract liabilities	34	233,917	305,139	330,855
Interest-bearing bank borrowings	35	999,133	650,874	874,146
Total current liabilities		7,233,430	8,460,375	9,073,640
NET CURRENT ASSETS		586,997	942,747	666,577
TOTAL ASSETS LESS CURRENT LIABILITIES				
		4,424,496	4,845,366	4,799,308

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December	As at 31 December	As at 31 October
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000 (unaudited)
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	35	223,700	590,850	418,700
Deferred income	36	23,051	19,580	26,242
Deferred tax liabilities	23	2,961	2,646	2,386
Total non-current liabilities		249,712	613,076	447,328
NET ASSETS		4,174,784	4,232,290	4,351,980
CAPITAL AND RESERVES				
Share capital	37	1,055,898	1,055,692	1,055,538
Reserves	38	3,118,886	3,176,598	3,296,442
TOTAL EQUITY		4,174,784	4,232,290	4,351,980

Year ended 31 December 2023

- I-11 -

APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2024

	Attributable to owners of the Company							
	Share capital	Capital reserve	Treasury shares	Foreign currency translation reserve	Special reserve <i>(note 38(c))</i>	Statutory surplus reserve	Retained earnings	Subtotal
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,055,898	3,499,388	(266,701)	–	12,769	181,603	2,206,448	6,689,405
Profit for the year	–	–	–	–	–	–	1,006,199	7,695,604
Other comprehensive loss for the year:							22,842	939,401
Exchange differences on translation of foreign operations	–	–	–	(8)	–	–	(3)	(11)
Profit/(loss) and total comprehensive income/(expense) for the year	–	–	–	(8)	–	–	22,839	939,390
Transfer to statutory reserve	–	–	–	–	–	22,400	(22,400)	–
Dividend declared <i>(note 14)</i>	–	–	–	–	–	–	(103,989)	(103,989)
Dividend distributions of non-wholly owned subsidiaries	–	–	–	–	–	–	(4,726)	(4,726)
Repurchase of treasury shares <i>(note 38)</i>	–	–	(202,788)	–	–	–	–	(202,788)
Repurchase of shares under share award scheme <i>(note 37)</i>	(206)	(2,093)	4,546	–	–	–	–	2,247
Recognition of equity settled share-based compensation <i>(note 39)</i>	–	96,604	–	–	–	–	9,109	105,713
Utilisation of treasury shares under share award scheme <i>(note 38)</i>	–	(69,962)	143,155	–	–	–	–	73,193
Disposal of non-wholly owned subsidiaries <i>(note 47)</i>	–	–	–	–	–	–	(42,628)	(42,628)
Capital injection by non-controlling interests of subsidiaries	–	–	–	–	–	–	29,499	29,499
Acquisition of additional equity interests in non-wholly owned subsidiaries	–	2,357	–	–	–	–	(32,992)	(30,635)
Utilisation of special reserve	–	–	–	–	(120)	–	(109)	(229)
Others	–	1,078	–	–	–	–	318	1,396
At 31 December 2024	1,055,692	3,527,372	(321,788)	(8)	12,649	204,003	987,509	8,462,047

APPENDIX I

ACCOUNTANTS’ REPORT

Ten months ended 31 October 2025 (unaudited)

	Attributable to owners of the Company									
	Share capital	Capital reserve	Treasury shares	Foreign currency translation reserve	Special reserve	Statutory surplus reserve	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	(note 38(c)) RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	1,055,692	3,527,372	(321,788)	(8)	12,649	204,003	2,996,618	7,474,538	987,509	8,462,047
Profit for the period	–	–	–	–	–	–	813,223	813,223	21,836	835,059
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	–	–	–	(133)	–	–	–	(133)	(5)	(138)
Profit and total comprehensive income/(expenses) for the period	–	–	–	(133)	–	–	813,223	813,090	21,831	834,921
Dividend declared (note 14)	–	–	–	–	–	–	(157,077)	(157,077)	–	(157,077)
Dividend distributions of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	(8,712)	(8,712)
Repurchase of treasury shares (note 38)	–	–	(753)	–	–	–	–	(753)	–	(753)
Repurchase of shares under share award scheme (note 37)	(154)	(1,565)	3,920	–	–	–	–	2,201	–	2,201
Effect of unlocking shares under 2023 Restricted Share Incentive Plan	–	–	48,306	–	–	–	–	48,306	–	48,306
Acquisition of additional equity interests in non-wholly owned subsidiaries	–	(115,145)	–	–	–	–	–	(115,145)	(17,443)	(132,588)
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	30,465	30,465
Capital injection by non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	12,332	12,332
Recognition of equity settled share-based compensation (note 39)	–	99,931	–	–	–	–	–	99,931	9,162	109,093
Utilisation of special reserve	–	–	–	–	(4)	–	–	(4)	(4)	(8)
Disposal of non-wholly owned subsidiaries (note 47)	–	(192)	–	–	(6,570)	–	–	(6,762)	(81,130)	(87,892)
Others	–	220	–	–	–	–	–	220	–	220
At 31 October 2025 (unaudited)	1,055,538	3,510,621	(270,315)	(141)	6,075	204,003	3,652,764	8,158,545	954,010	9,112,555

Attributable to owners of the Company

- I-14 -

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Cash flows from operating activities				
Profit before tax	533,524	1,026,188	505,770	969,115
Adjustments for:				
Impairment losses under expected credit loss model, net	566,117	389,927	276,614	222,572
Impairment losses on inventories	50,883	50,445	28,404	24,685
Impairment losses on property, plant and equipment	42,996	210,454	63,466	50,196
Depreciation of property, plant and equipment	387,209	411,581	339,755	342,392
Depreciation of investment properties	579	947	789	634
Depreciation of right-of-use assets	146,867	188,340	175,789	159,391
Amortisation of other intangible assets	99,739	84,316	70,556	68,594
(Gains)/losses on disposals of property, plant and equipment	(13,766)	(61,898)	6,970	(34,466)
(Gains)/losses on termination of lease contracts	(2,738)	4,348	(5,718)	10,076
Write off of property, plant and equipment	79,948	36,329	29,583	30,921
Write off of other intangible assets	5,664	1,828	1,828	1,137
Fair value losses/(gains) on financial assets at fair value through profit or loss	13,457	(143)	3,634	–
Finance costs	208,912	188,947	157,201	135,815
Foreign exchange (gains)/losses, net	(1,830)	(1,381)	(293)	4,580

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
(Gains)/losses on disposal of subsidiaries	(5,047)	6,113	6,160	(16,389)
Losses/(gains) on disposal of associates	1,676	364	(5,954)	(9,230)
Provision/(utilisation) of special reserve	1,166	(229)	(218)	(8)
Share of profits of associates . . .	(55,068)	(70,577)	(60,803)	(68,896)
Share based payment expenses .	67,312	105,713	82,664	109,093
Bank interest income	(28,727)	(19,123)	(14,051)	(18,706)
Operating profit before working capital changes	2,098,873	2,552,489	1,662,146	1,981,506
Change in trade and bills receivables	(1,519,722)	(1,774,621)	(946,289)	(145,526)
Change in notes receivable at fair value through other comprehensive income	93,583	(122,135)	24,467	136,755
Change in prepayment and other receivables	(217,995)	17,552	10,369	(194,340)
Change in other non-current assets	(22,388)	9,853	9,853	2,166
Change in inventories	(221,478)	386,571	(347,136)	(567,788)
Change in contract assets	(150,993)	(306,616)	(258,758)	(249,201)
Change in contract liabilities . . .	(576)	17,934	184,082	129,715
Change in trade and bills payables	789,169	376,873	(288,092)	(217,957)
Change in other payables and accruals	482,217	399,016	(282,786)	(530,081)
Change in deferred income	94,196	(81,562)	(61,554)	(46,730)
Cash generated from/(used in) operations	1,424,886	1,475,354	(293,698)	298,519
Income tax paid	(80,232)	(160,740)	(150,808)	(229,827)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	1,344,654	1,314,614	(444,506)	68,692

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Cash flows from investing activities				
Payment of property, plant and equipment	(1,061,561)	(870,584)	(804,189)	(525,238)
Proceeds from disposal of property, plant and equipment . .	83,290	186,195	120,431	57,366
Payment of intangible assets	(4,821)	(5,466)	(4,844)	(7,096)
Purchases of financial assets at fair value through profit or loss .	(103,000)	—	—	—
Proceeds from disposal of financial assets at fair value through profit or loss	153,000	19,832	—	—
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	(146)	(219)	—	11,806
Acquisition of subsidiaries, net of cash and cash equivalents acquired	—	—	—	302
Dividend received from associates	26,283	690	690	5,587
Proceed from disposal of associates	89,665	—	—	—
Acquisition of interests in associates	(137,843)	(138,650)	(123,322)	(110,340)
Interest received	28,727	19,123	14,051	18,706
NET CASH USED IN INVESTING ACTIVITIES	(926,406)	(789,079)	(797,183)	(548,907)
Cash flows from financing activities				
Borrowings raised	2,480,187	3,124,194	2,686,222	2,246,601
Repayment of borrowings	(2,871,555)	(3,232,303)	(2,000,085)	(1,858,179)
Proceeds from issuance of shares under share award scheme	169,487	—	—	—
Interest paid	(158,798)	(130,488)	(106,316)	(97,350)
Repayment of lease liabilities	(173,749)	(179,151)	(142,050)	(147,795)
Repurchase of treasury shares	(97,214)	(202,788)	(202,788)	(753)
Proceeds from treasury shares through share award scheme . . .	—	73,193	—	—
Repurchase of shares under share award scheme	—	(2,299)	(2,299)	(1,719)

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Dividend paid in relation to distribution to non-controlling shareholders of subsidiaries	(17,658)	(4,726)	(3,331)	(8,712)
Dividends paid to Company’s shareholders	(50,529)	(105,637)	(105,637)	(157,911)
Acquisition of additional equity interests in non-wholly owned subsidiaries	(3,292)	(30,635)	(30,636)	(132,588)
Change in restricted and pledged bank deposit and other financing activities	157,178	158,299	97,820	44,679
Capital injection by non- controlling interests of subsidiaries	27,421	29,499	25,428	12,332
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	<u>(538,522)</u>	<u>(502,842)</u>	<u>216,328</u>	<u>(101,395)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(120,274)	22,693	(1,025,361)	(581,610)
Effect of foreign exchange rate changes	1,229	516	404	(2,625)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	<u>2,327,692</u>	<u>2,208,647</u>	<u>2,208,647</u>	<u>2,231,856</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	<u>2,208,647</u>	<u>2,231,856</u>	<u>1,183,690</u>	<u>1,647,621</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Bank deposits and cash balances . .	2,208,647	2,231,856	1,183,690	1,647,621
Restricted bank deposits	<u>629,003</u>	<u>510,359</u>	<u>502,305</u>	<u>477,937</u>
Cash and bank balances as stated in the consolidated statement of financial position	<u>2,837,650</u>	<u>2,742,215</u>	<u>1,685,995</u>	<u>2,125,558</u>

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Qingdao TGOOD Electric Co., Ltd (the “Company”) was incorporated in the People’s Republic of China (the “PRC”). The registered address and office of the Company is No. 336, Songling Road, Laoshan District, Qingdao, PRC. In October 2009, the Company’s shares were listed on the ChiNext Board of the Shenzhen Stock Exchange with stock code 300001. Qingdao Derui Investment Co., Ltd. (青島德銳投資有限公司) (“Derui Investment”) is the Company’s single largest shareholder, and Derui Investment is ultimately controlled by Mr. Yu Dexiang (于德翔).

During the Track Record Period, the Company and its subsidiaries (together, the “Group”) were principally engaged in manufacturing of prefabricated substation, manufacturing and sales of EV charging equipment, and operation of EV charging network, as set out in note 21 to the Historical Financial Information.

The statutory consolidated financial statements of the Company for the years ended 31 December 2023 and 2024 prepared in accordance with the relevant accounting principles and financial regulations applicable to the enterprises in the PRC were audited by Hexin Certified Public Accountants LLP (和信會計師事務所(特殊普通合伙)), certified public accountants registered in the PRC. No audited consolidated financial statements of the Company was issued for the period from 1 January 2025 to 31 October 2025.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards, which comprise all standards and interpretations approved by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users of the Historical Financial Information. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

3. APPLICATION OF HKFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the HKFRS Accounting Standards issued by the HKICPA, which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards which have been issued but are not yet effective:

Hong Kong Financial Reporting Standards (“HKFRS”) 18	Presentation and Disclosure in Financial Statements ²
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 10 and Hong Kong Accounting Standards (“HKAS”) 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹

1. Effective for annual periods beginning on or after 1 January 2026

2. Effective for annual periods beginning on or after 1 January 2027

3. No mandatory effective date yet determined but available for adoption

APPENDIX I

ACCOUNTANTS’ REPORT

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

HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to HKAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other standards. HKFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. HKFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the consolidated financial statements.

Except as described above, the directors of the Company anticipate that the application of the new HKFRS Accounting Standards would have no material impact on the Group’s results of operations and financial position in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards and the applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value.

The preparation of Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas where assumptions and estimates are significant to these Historical Financial Information, are disclosed in note 5 to the consolidated financial statements.

The material accounting policies applied in the preparation of the Historical Financial Information are set out below.

Consolidation

The Historical Financial Information includes the financial statements of the Group for the Track Record Period. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

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

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

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

APPENDIX I

ACCOUNTANTS’ REPORT

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

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

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

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

Business combinations and goodwill

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

The excess of the cost of acquisition over the Company’s share of the net fair value of the subsidiary’s identifiable assets and liabilities is recorded as goodwill. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

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

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (II) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

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

Subsidiaries

Investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

APPENDIX I

ACCOUNTANTS’ REPORT

Associates

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

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group’s share of the net fair value of the associate’s identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group’s share of an associate’s post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group’s share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

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

Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information of each of the group’s entity are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Historical Financial Information is presented in RMB, which is the Company’s presentation currency and the functional currency of the principal operating subsidiaries of the Group.

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

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

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

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

APPENDIX I

ACCOUNTANTS’ REPORT

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company’s presentation currency are translated into the Company’s presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

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

Property, plant and equipment

Land and buildings comprise mainly factories and offices. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

- | | |
|---|---|
| – Buildings | 15 to 30 years |
| – Leasehold improvements | The shorter of remaining lease terms and estimated useful lives |
| – Motor vehicles | 5 to 10 years |
| – Machinery and equipment | 5 to 25 years |
| – Furniture, fixtures and other equipment | 5 to 10 years |

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

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

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

Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over its estimated useful life of 30 years.

APPENDIX I

ACCOUNTANTS’ REPORT

Leases

The Group as a lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset’s useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

- Leasehold land 50 years
- Office premises 3-10 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group’s incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

The Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(ii) Finance leases

Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as finance leases. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment in the leases.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite useful 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 estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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 10 years.

APPENDIX I

ACCOUNTANTS’ REPORT

Research and development expenses

All research expenses are charged to the statement of 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.

All development expenses were charged to the statement of profit or loss as incurred during the Track Record Period.

Patents

Patents are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 3 to 5 years.

Franchising rights

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. The intangible asset received as consideration for providing construction services in a service concession arrangement is measured at fair value upon initial recognition, estimated by reference to the fair value of the construction services provided.

Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is made on a straight-line basis over its estimated useful life of 5-18 years. The estimated useful life of the intangible asset is the period when it is available for use to the end of the concession period.

Inventories

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

Recognition and derecognition of financial instruments

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

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost;
- Investments at fair value through profit or loss; and
- Debt investments at fair value through other comprehensive income.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Debt investments at fair value through other comprehensive income

Debt investments are classified under this category if they satisfy both of the following conditions:

- the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling assets; and
- the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at fair value. Interest income calculated using the effective interest method is recognised in profit or loss.

The assets are treated as monetary items. A foreign currency asset is treated as an asset measured at amortised cost in the foreign currency. Exchange differences on the amortised cost are recognised in profit or loss.

Other gains or losses are recognised in other comprehensive income and accumulated in the debt investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the debt investment revaluation reserve are reclassified to profit or loss.

The loss allowance for expected credit losses is recognised in other comprehensive income and does not reduce the carrying amount of the assets.

APPENDIX I

ACCOUNTANTS’ REPORT

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost, notes receivables at fair value through other comprehensive income and contract assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables and notes receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Contract assets

If the Group perform by transferred 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.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially recognised at fair value and subsequently measured at the higher of the loss allowance and the amount initially recognised less cumulative amortisation recognised in profit or loss over the terms of the guarantee contracts.

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).

Trade and bills payables

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

APPENDIX I

ACCOUNTANTS’ REPORT

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised using the effective interest method.

Rental income is recognized on a straight-line basis over the lease term.

Employee benefits

Employee leave entitlements

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

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

Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees’ basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Termination benefits

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

APPENDIX I

ACCOUNTANTS’ REPORT

Share-based payments

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

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

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

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

For cash-settled share-based payments, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. At the end of each reporting period, the liability is remeasured at its fair value until the liability is settled, with any changes in fair value recognised in profit or loss.

The Group also provides employees with the ability to purchase the Company’s ordinary shares at a discount to the current market value. The Group records an expense, based on the fair value of the discount related to shares expected to vest (taking in account the post vesting transfer restrictions), on a straight-line basis over the vesting period.

Borrowing costs

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

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Government grants

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

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

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

APPENDIX I

ACCOUNTANTS’ REPORT

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in these Historical Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

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

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

Segment reporting

Operating segments and the amounts of each segment item reported in the Historical Financial Information are identified from the financial information provided regularly to the Group’s most senior executive management for the purpose of allocating resources and assessing the performance of the Group’s various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

APPENDIX I

ACCOUNTANTS’ REPORT

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person, or a close member of that person’s family, is related to the Group if that person:
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Target Group or the Group’s parent.
- (b) An entity is related to the Target Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities 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 Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, investment properties, deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

APPENDIX I

ACCOUNTANTS’ REPORT

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

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

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Track Record 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.

Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Further details of the goodwill are set out in note 19 to the Historical Financial Information.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in downstream industries. Any write down of inventories to net realisable value or reversal of write down of inventories will impact on the carrying values of the inventories and the expenses of that period. Inventories will be reviewed annually for provision, if appropriate. Further details of the inventories are set out in note 26 to the Historical Financial Information.

Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group’s property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write off or write down technically obsolete or non- strategic assets that have been abandoned or sold.

APPENDIX I

ACCOUNTANTS’ REPORT

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

Fair value of investment

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group’s investment in financial assets at fair value through other comprehensive income — notes receivable, details of which are set out in notes 28 and 48 to the Historical Financial Information, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the counter parties.

6. REVENUE AND SEGMENT INFORMATION

A. Revenue

(a) Disaggregation of revenue from contracts with customers and revenue from other sources

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue from contracts with customers				
Major products/service:				
High-voltage prefabricated substations	2,281,530	2,664,790	1,860,805	2,243,633
Medium-voltage prefabricated substations	2,875,609	4,304,726	3,004,373	3,667,917
Core power transformation and distribution (“PTD”) equipment	3,292,551	3,377,869	2,646,538	2,385,052
Electric vehicle charging (“EV-charging”) equipment	2,675,333	3,282,815	1,512,803	1,696,511
EV-charging network operation services	1,450,197	1,601,671	1,282,927	1,239,284
Total revenue from contracts with customers	12,575,220	15,231,871	10,307,446	11,232,397
Timing of revenue recognition:				
At a point in time	11,622,125	13,585,220	9,155,110	9,937,312
Over time	953,095	1,646,651	1,152,336	1,295,085
Total revenue from contracts with customers	12,575,220	15,231,871	10,307,446	11,232,397
Revenue from other sources:				
Leases income	115,351	142,605	118,367	96,352
TOTAL REVENUE	12,690,571	15,374,476	10,425,813	11,328,749

(b) Performance obligation

Sales of high-voltage prefabricated substations and medium-voltage prefabricated substations

The Group recognises revenue from the sale of high-voltage prefabricated substations and medium-voltage prefabricated substations when the products are delivered to the customer’s designated location within the delivery period specified in the sales contract. In accordance with common industry practice for power equipment, revenue is recognised after the customer conducts tests such as voltage withstand, transmission, and protection tests, confirms the products have passed inspection, and signs the acceptance certificate. The credit period generally ranges from 30 to 90 days after the invoice date.

APPENDIX I

ACCOUNTANTS’ REPORT

However, the settlement terms of certain material contracts are based on the achievement of certain milestones of each sales transaction and the actual payment term may differ from the aforementioned credit period. The timing of revenue recognition are at a point in time.

Core PTD equipment

For construction and installation services related to core PTD equipment projects, the Group evaluates the contract upon its effective date to determine whether the performance obligations meet the criteria for over time.

If the performance obligations are satisfied over time, the Group recognises revenue over that period based on the progress of performance. The progress is measured using the input method, determined by the proportion of cumulative actual contract costs incurred to the estimated total contract costs.

When the progress of performance cannot be reasonably determined but the costs incurred are expected to be recoverable, revenue is recognised to the extent of costs incurred until progress can be reliably measured. If the incurred costs are not expected to be recoverable, they are recognised as expenses when incurred, and no revenue is recognised.

If the total contract cost is expected to exceed the total contract revenue, the expected loss is recognised immediately as a provision for contract losses and charged to current expenses.

The Group considers the contract results to be reasonably predictable and therefore recognises revenue based on the progress of performance when total contract revenue can be measured reliably, it is probable that the associated economic benefits will flow to the company, actual and future costs can be clearly distinguished and measured reliably, and the completion progress can be reliably determined.

For performance obligation of contracts that do not meet the criteria for over time, revenue is recognised upon completion and delivery of the core PTD equipment project.

Sales of EV-charging equipment

For sales of EV-charging equipment accompanied by installation and construction services, the Group recognises revenue upon completion of the installation and construction of the EV-charging equipment and after obtaining acceptance documents such as the completion acceptance report signed by the customer.

Provision of EV-charging operation network services

For the provision of EV-charging operation network services, it consists of EV-charging services, software as a service (“SaaS”) and other value-added services. the Group recognises EV-charging services revenue upon completion of the charging services provided to customers. Revenue related to the SaaS services and other value-added services is recognised over the service period as the corresponding performance obligations are fulfilled.

(c) Leases income

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
For operating lease:				
Lease payments that are				
fixed	115,351	142,605	118,367	96,352

APPENDIX I

ACCOUNTANTS’ REPORT

Operating leases, in which the Group is the lessor, relate to EV-charging equipment owned by the Group with non-cancelled lease terms of between 5 to 15 years. The operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lease contracts do not contain residual value guarantee and/or lessee’s option to purchase the property at the end of lease term. Lease payments are usually adjusted every year to reflect market rentals. None of the leases includes variable lease payments.

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

All amounts of transaction prices allocated to the performance obligations of sales of goods are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus management applied practical expedient under HKFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each reporting period.

B. Operating segment information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus on the overall results and financial position of the Group, therefore no other discrete financial information is provided other than the Group’s results and financial position as a whole. The Group has only one single operating and reportable segment and only entity-wide disclosures are presented.

Geographical information

(a) Revenue from external customers and sources

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Chinese mainland	12,483,271	14,902,528	10,020,686	10,256,871
Overseas markets	207,300	471,948	405,127	1,071,878
	<u>12,690,571</u>	<u>15,374,476</u>	<u>10,425,813</u>	<u>11,328,749</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

All non-current assets excluding financial instruments and deferred tax assets are based on Chinese mainland.

(c) Information about major customers

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Customer A	1,308,114	—*	—*	—*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

7. OTHER INCOME, GAINS AND LOSSES

An analysis of the Group’s other income, gains and losses is as follows:

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Bank interest income	28,727	19,123	14,051	18,706
Government grants*	215,006	220,463	153,115	146,408
Gains/(losses) on disposal of property, plant and equipment . . .	13,766	61,898	(6,970)	34,466
Gains/(losses) on termination of leases contracts	2,738	(4,348)	5,718	(10,076)
Write off of property, plant and equipment	(79,948)	(36,329)	(29,583)	(30,921)
Write off of other intangible assets .	(5,664)	(1,828)	(1,828)	(1,137)
Fair value (losses)/gains on financial assets at fair value through profit or loss	(13,457)	143	(3,634)	–
Impairment losses on property, plant and equipment	(42,996)	(210,454)	(63,466)	(50,196)
Impairment losses of inventories . . .	(50,883)	(50,445)	(28,404)	(24,685)
Gains/(losses) on disposal of subsidiaries	5,047	(6,113)	(6,160)	16,389
(Losses)/gains on disposal of associates	(1,676)	(364)	5,954	9,230
Foreign exchange gains/(losses), net.	1,830	1,381	293	(4,580)
VAT refunded	63,979	81,490	59,379	54,984
Others	18,976	10,950	9,838	4,226
	<u>155,445</u>	<u>85,567</u>	<u>108,303</u>	<u>162,814</u>

* The government grants mainly represent incentives awarded by the local governments to support the Group’s operation. There were no unfulfilled conditions or contingencies attached to these government grants.

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Impairment losses on trade receivables	256,563	296,122	315,261	150,612
Impairment losses/(reversal of impairment losses) on bills receivables	48,260	(51,208)	(57,929)	(15,281)
Impairment losses on other receivables	253,744	124,436	2,387	3,921
Impairment losses on contract assets	7,550	20,577	16,895	83,320
	<u>566,117</u>	<u>389,927</u>	<u>276,614</u>	<u>222,572</u>

APPENDIX I

ACCOUNTANTS’ REPORT

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Interest on bank borrowings	158,798	130,488	108,124	99,180
Interest on lease liabilities	47,685	57,743	48,864	36,498
Interest on discount on notes receivable	2,429	716	213	137
	<u>208,912</u>	<u>188,947</u>	<u>157,201</u>	<u>135,815</u>

10. PROFIT BEFORE TAX

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

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Cost of inventories sold	8,258,324	10,266,618	6,908,917	7,461,707
Depreciation of property, plant and equipment	387,209	411,581	339,755	342,392
Depreciation of right-of-use assets	146,867	188,340	175,789	159,391
Depreciation of investment properties	579	947	789	634
Amortisation of other intangible assets	99,739	84,316	70,556	68,594
Lease payments not included in the measurement of lease liabilities	25,955	25,063	17,846	16,863
Employee benefit expenses (including directors’ and supervisors’ remuneration):				
Wages, salaries, bonus and allowances	1,398,182	1,673,464	1,187,783	1,213,587
Share based payments	67,312	105,713	82,664	109,093
Pension scheme contributions and other social welfare	165,250	198,869	165,976	170,012
Total employee benefit expenses	<u>1,630,744</u>	<u>1,978,046</u>	<u>1,436,423</u>	<u>1,492,692</u>

11. INCOME TAX EXPENSES

The PRC

As the company and certain subsidiaries were accredited as a “High and New Technology Enterprises” (“HNTE”). Therefore, these above-mentioned companies were entitled to a preferential corporate income tax rate of 15% during the Track Record Periods and the ten months ended 31 October 2025. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

According to Announcement No. 23 of the Ministry of Finance in 2020, from 1 January 2021 to 31 December 2030, enterprise income tax will be levied at a reduced rate of 15% on encouraged industrial enterprises located in the western region (‘Western Development’). Encouraged industrial enterprises refer to those listed in the Catalog of Encouraged Industries in the Western Region. Certain subsidiaries are entitled to a preferential income tax rate of 15% for the Western Development during the Track Record Periods and for the ten months ended 31 October 2025.

In addition, according to relevant laws and regulations promulgated by the State Administration of Tax of the PRC, certain of the subsidiaries established in the PRC engaging in research and development activities are entitled to claim 100% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year.

APPENDIX I

ACCOUNTANTS’ REPORT

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Current income tax – PRC EIT				
– Provision for the year/period	111,204	173,024	107,999	165,489
– Under provision in prior years/periods	8,033	14,048	5,832	42,556
	<u>119,237</u>	<u>187,072</u>	<u>113,831</u>	<u>208,045</u>
Current income tax – Hong Kong Profits Tax				
– Provision for the year/period	–	–	–	209
Total current income tax for the year/period	<u>119,237</u>	<u>187,072</u>	<u>113,831</u>	<u>208,254</u>
Deferred tax credit (<i>Note 23</i>)	<u>(112,472)</u>	<u>(100,285)</u>	<u>(112,674)</u>	<u>(74,198)</u>
Total tax charge for the year/period .	<u>6,765</u>	<u>86,787</u>	<u>1,157</u>	<u>134,056</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Profit before tax	533,524	1,026,188	505,770	969,115
Tax at the preferential tax rate of 15%	80,029	153,928	75,866	145,367
Effect of different tax rates of subsidiaries	(14,709)	1,508	2,003	5,786
Underprovision in respect of prior years/periods	8,033	14,048	5,832	42,556
Income not taxable	(11,476)	(10,718)	(3,840)	(1,565)
Expenses not deductible for tax	22,905	19,172	10,617	16,726
Impact of utilising previously unrecognised deferred tax assets arising from tax losses	(6,497)	(21,380)	(5,273)	(2,462)
Deductible temporary differences not recognised	19,450	35,622	3,871	2,618
Additional deductions allowed for research and development expenses	<u>(90,970)</u>	<u>(105,393)</u>	<u>(87,919)</u>	<u>(74,970)</u>
Tax charge at the Group’s effective tax rate	<u>6,765</u>	<u>86,787</u>	<u>1,157</u>	<u>134,056</u>

APPENDIX I

ACCOUNTANTS’ REPORT

12. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

The remuneration paid or payable to directors and supervisors of the Company during the Track Record Period is as follows:

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000 (unaudited)
Fees	300	300	249	172
Other emoluments				
Salaries, allowances and benefits				
in kind	4,472	4,265	3,635	4,586
Performance related bonuses				
(note)	6,243	6,943	–	–
Retirement benefit scheme				
contributions	395	549	458	723
Equity settled share-based				
compensation	7,852	9,862	7,791	11,933
Subtotal	18,962	21,619	11,884	17,242
Total fees and other emoluments . . .	19,262	21,919	12,133	17,414

Note: The performance related bonus is determined based on the Group’s performance, performance of the relevant individual within the Group and comparable market statistics.

The remuneration disclosed above included the remuneration received by certain directors prior to their appointments as the directors of the Company.

	Notes	Position	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contributions	Equity settled share-based compensation	Total remuneration
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended								
31 December 2023								
Mr. Yu Dexiang (于德翔)		Director	–	564	1,478	51	5,889	7,982
Mr. Chen Zhongqiang (陳忠強)		Director	–	810	300	33	1,963	3,106
Mr. Song Guofeng (宋國峰)		Director	–	485	1,025	49	–	1,559
Mr. Zhou Jun (周君)		Director	–	451	1,271	49	–	1,771
Mr. Li Jun (李軍)		Director	–	728	730	45	–	1,503
Ms. Chang Meihua (常美華)		Director	–	426	571	43	–	1,040
Mr. Wang Zhuquan (王竹泉)		Independent director	100	–	–	–	–	100
Mr. Chang Xin (常欣)		Independent director	100	–	–	–	–	100
Mr. Sun Yu Liang (孫玉亮)		Independent director	100	–	–	–	–	100
Mr. Shao Qiaoming (邵巧明)		Supervisor	–	348	275	38	–	661
Mr. Liu Xuebao (劉學寶)		Supervisor	–	335	347	38	–	720
Mr. Meng Xianglong (孟祥龍)	(ii)	Supervisor	–	253	246	36	–	535
Mr. Sun Aimin (孫愛民)	(i)	Supervisor	–	72	–	13	–	85
			300	4,472	6,243	395	7,852	19,262

APPENDIX I

ACCOUNTANTS’ REPORT

Notes	Position	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contributions	Equity settled share-based compensation	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Year ended</u>							
<u>31 December 2024</u>							
Mr. Yu Dexiang (于德翔)	Director	–	557	1,499	63	6,655	8,774
Mr. Chen Zhongqiang (陳忠強)	Director	–	701	300	72	2,218	3,291
Mr. Song Guofeng (宋國峰)	Director	–	509	1,076	62	–	1,647
Mr. Zhou Jun (周君)	Director	–	457	1,274	62	450	2,243
Mr. Li Jun (李軍)	Director	–	713	880	89	450	2,132
Ms. Chang Meihua (常美華)	Director	–	413	762	58	–	1,233
Mr. Wang Zhuquan (王竹泉)	Independent director	100	–	–	–	–	100
Mr. Chang Xin (常欣)	Independent director	100	–	–	–	–	100
Mr. Sun Yu Liang (孫玉亮)	Independent director	100	–	–	–	–	100
Mr. Shao Qiaoming (邵巧明)	Supervisor	–	309	379	45	–	733
Mr. Liu Xuebao (劉學寶)	Supervisor	–	325	507	55	89	976
Mr. Meng Xianglong (孟祥龍)	Supervisor	–	281	266	43	–	590
		<u>300</u>	<u>4,265</u>	<u>6,943</u>	<u>549</u>	<u>9,862</u>	<u>21,919</u>
<u>Ten months ended</u>							
<u>31 October 2025</u>							
(unaudited)							
Mr. Yu Dexiang (于德翔)	Director	–	609	–	74	6,971	7,654
Mr. Chen Zhongqiang (陳忠強)	(v) Director	–	607	–	62	2,324	2,993
Mr. Song Guofeng (宋國峰)	(vi) Director	–	464	–	74	–	538
Mr. Zhou Jun (周君)	Director	–	423	–	74	1,007	1,504
Mr. Li Jun (李軍)	Director	–	476	–	75	1,007	1,558
Ms. Chang Meihua (常美華)	Director	–	415	–	74	–	489
Mr. Kang Xiaobing (康曉兵)	(vii) Director	–	484	–	74	–	558
Ms. Han Zengxue (韓增雪)	(viii) Director	–	224	–	49	180	453
Mr. Wang Zhuquan (王竹泉)	(iii) Independent director	6	–	–	–	–	6
Mr. Chang Xin (常欣)	Independent director	83	–	–	–	–	83
Mr. Sun Yu Liang (孫玉亮)	Independent director	83	–	–	–	–	83
Ms. Wang yuanzuo (王苑琢)	(iv) Independent director	–	78	–	–	–	78
Mr. Shao Qiaoming (邵巧明)	(ix) Supervisor	–	232	–	47	–	279
Mr. Liu Xuebao (劉學寶)	(x) Supervisor	–	358	–	74	444	876
Mr. Meng Xianglong (孟祥龍)	(ii) Supervisor	–	216	–	46	–	262
		<u>172</u>	<u>4,586</u>	<u>–</u>	<u>723</u>	<u>11,933</u>	<u>17,414</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Notes	Position	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contributions	Equity settled share-based compensation	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Ten months ended							
31 October 2024							
(unaudited)							
Mr. Yu Dexiang (于德翔)	Director	–	464	–	53	5,471	5,988
Mr. Chen Zhongqiang (陳忠強)	Director	–	592	–	60	1,824	2,476
Mr. Song Guofeng (宋國峰)	Director	–	424	–	52	–	476
Mr. Zhou Jun (周君)	Director	–	380	–	52	248	680
Mr. Li Jun (李軍)	Director	–	665	–	74	248	987
Ms. Chang Meihua (常美華)	Director	–	343	–	48	–	391
Mr. Wang Zhuquan (王竹泉)	Independent director	83	–	–	–	–	83
Mr. Chang Xin (常欣)	Independent director	83	–	–	–	–	83
Mr. Sun Yu Liang (孫玉亮)	Independent director	83	–	–	–	–	83
Mr. Shao Qiaoming (邵巧明)	Supervisor	–	262	–	37	–	299
Mr. Liu Xuebao (劉學寶)	Supervisor	–	271	–	46	–	317
Mr. Meng Xianglong (孟祥龍)	Supervisor	–	234	–	36	–	270
		<u>249</u>	<u>3,635</u>	<u>–</u>	<u>458</u>	<u>7,791</u>	<u>12,133</u>

- (i) Mr. Sun Aimin (孫愛民) resigned as a supervisor of the Company on 14 April 2023;
- (ii) Mr. Meng Xianglong (孟祥龍) was appointed as a supervisor of the Company on 14 April 2023 and resigned on 30 May 2025;
- (iii) Mr. Wang Zhuquan (王竹泉) resigned as an independent director of the Company on 23 January 2025;
- (iv) Ms. Wang yuanzuo (王苑琢) was appointed as an independent director of the Company on 23 January 2025;
- (v) Mr. Chen Zhongqiang (陳忠強) resigned as a director of the Company on 30 May 2025;
- (vi) Mr. Song Guofeng (宋國峰) resigned as a director of the Company on 30 May 2025;
- (vii) Mr. Kang Xiaobing (康曉兵) was appointed as a director of the Company on 30 May 2025;
- (viii) Ms. Han Zengxue (韓增雪) was appointed as a director of the Company on 30 May 2025;
- (ix) Mr. Shao Qiaoming (邵巧明) resigned as a supervisor of the Company on 30 May 2025;
- (x) Mr. Liu Xuebao (劉學寶) resigned as a supervisor of the Company on 30 May 2025;

The executive directors’ emoluments shown above were paid for their services in connection with the management of affairs of the Group and the Company during the Track Record Period.

The independent non-executive directors’ emoluments shown above were for their services as directors of the Company. The supervisors’ emoluments shown above were for their services as supervisors of the Company.

During the Track Record Period, certain directors were granted share-based compensation, in respect of their services to the Group under the TELD Share Award Incentive Plan, 2023 Restricted Share Incentive Plan, 2024 Restricted Share Incentive Plan and 2024 Stock Ownership Plan of the Company. Details of the share-based payment are set out in note 39 to the Historical Financial Information.

During the Track Record Period, there have been no arrangement under which a director or a supervisor waived or agreed to waive any remuneration.

APPENDIX I

ACCOUNTANTS’ REPORT

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 2023 and 2024, and the ten months ended 31 October 2024 and 2025 included 5, 5, 4 (unaudited) and 4 (unaudited) directors, respectively, details of whose remuneration are set out in note 12 above. Details of the remuneration for the remaining highest paid employees who are neither a director nor chief executive of the Company during the years ended 31 December 2023 and 2024, and the ten months ended 31 October 2024 and 2025 are as follows:

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Salaries, allowances and benefits in kind	–	–	414	501
Retirement benefit scheme contributions	–	–	50	74
Equity settled share-based compensation	–	–	290	1,175
	–	–	754	1,750
	=	=	=	=

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

	Number of employees			
	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024 (unaudited)	2025 (unaudited)
Nil to HK\$1,000,000	–	–	1	–
HK\$1,500,001 to HK\$2,000,000	–	–	–	1
Total	–	–	1	1
	=	=	=	=

No emoluments had been paid by the Group to any of the directors or the supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. DIVIDENDS

During the year ended 31 December 2023, the Company declared cash dividend in respect of the year ended 31 December 2022 of RMB0.5 per 10 ordinary shares, in aggregate of RMB52.8 million, to ordinary shareholders of the Company. The amounts have been settled during the Track Record Period.

During the year ended 31 December 2024 and ten months ended 31 October 2024, the Company declared cash dividend in respect of the year ended 31 December 2023 of RMB1.0 per 10 ordinary shares, in aggregate of RMB104.0 million, to ordinary shareholders of the Company. The amounts have been settled during the Track Record Period.

During the ten months ended 31 October 2025, the Company declared cash dividend in respect of the year ended 31 December 2024 of RMB1.5 per 10 ordinary shares, in aggregate of RMB157.1 million to ordinary shareholders of the Company. The amounts have been settled during the Track Record Period.

Subsequent to the end of the Track Record Period, no dividend was declared or proposed by the board of the directors of the Company.

APPENDIX I

ACCOUNTANTS’ REPORT

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

The calculation of the basic earnings per share (“EPS”) amounts is based on the profit for the year/period attributable to owners of the parent, and the weighted average numbers of ordinary shares in issue during each of the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

(a) Basic

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
			(unaudited)	(unaudited)
Profit attributable to owners of the Company (RMB’000)	491,146	916,559	514,406	813,223
Weighted average number of ordinary shares used in the basic earnings per share calculation . .	1,033,002,535	1,027,172,364	1,025,924,198	1,033,626,103
Basic earnings per share (RMB) . . .	0.48	0.89	0.50	0.79

(b) Diluted

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding, excluding treasury shares held for share schemes, by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
			(unaudited)	(unaudited)
Profit attributable to owners of the parent (RMB’000)	491,146	916,559	514,406	813,223
Weighted average number of ordinary shares used in the basic earnings per share calculation . .	1,033,002,535	1,027,172,364	1,025,924,198	1,033,626,103
Adjustment for potential shares arising from:				
2024 Restricted Share Incentive Plan	–	93,802	81,633	452,844
Share award	12,120	2,661,862	1,857,606	8,533,330
	1,033,014,655	1,029,928,028	1,027,863,437	1,042,612,277
Diluted EPS (RMB)	0.48	0.89	0.50	0.78

APPENDIX I

ACCOUNTANTS’ REPORT

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Motor vehicles	Machinery and equipment	Furniture, fixtures and other equipment	Construction in progress (“CIP”)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
COST							
At 1 January 2023	752,098	5,523	199,906	3,903,324	63,518	416,504	5,340,873
Additions	8,183	1,972	19,888	138,655	13,937	910,858	1,093,493
Disposals/write off	–	–	(18,342)	(649,080)	(2,972)	(1,383)	(671,777)
Disposals of subsidiaries (<i>note 47</i>)	–	–	–	(826)	–	–	(826)
Transferred from CIP	395,955	–	–	701,971	995	(1,098,921)	–
Transferred from investment properties (<i>note 18</i>)	2,625	–	–	–	–	–	2,625
Transferred to other intangible assets (<i>note 20</i>)	–	–	–	–	–	(24,007)	(24,007)
At 31 December 2023 and 1 January 2024	1,158,861	7,495	201,452	4,094,044	75,478	203,051	5,740,381
Additions	27,494	6,460	10,168	89,788	12,779	547,293	693,982
Disposals/write off	(2,452)	–	(19,741)	(467,856)	(6,599)	(1,905)	(498,553)
Disposals of subsidiaries (<i>note 47</i>)	–	–	–	(13,406)	(1)	–	(13,407)
Transferred from CIP	34,581	–	–	315,095	1,644	(351,320)	–
Transferred to other intangible assets (<i>note 20</i>)	–	–	–	–	–	(27,882)	(27,882)
At 31 December 2024 and 1 January 2025	1,218,484	13,955	191,879	4,017,665	83,301	369,237	5,894,521
Additions	399	19,764	10,539	152,582	10,913	301,292	495,489
Disposals/write off	(4,142)	–	(8,519)	(274,461)	(1,515)	(1,110)	(289,747)
Disposals of subsidiaries (<i>note 47</i>)	(34,970)	–	(5,857)	(57,838)	(3,293)	–	(101,958)
Transferred from CIP	229,431	–	–	120,112	4,959	(354,502)	–
Transferred to investment properties (<i>note 18</i>)	(1,150)	–	–	–	–	–	(1,150)
Transferred to other intangible assets (<i>note 20</i>)	–	–	–	–	–	(3,370)	(3,370)
Acquisition of a subsidiary (<i>note 46</i>)	–	–	452	34,267	57	–	34,776
At 31 October 2025 (unaudited)	1,408,052	33,719	188,494	3,992,327	94,422	311,547	6,028,561

APPENDIX I

ACCOUNTANTS’ REPORT

	Buildings	Leasehold improvements	Motor vehicles	Machinery and equipment	Furniture, fixtures and other equipment	Construction in progress (“CIP”)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<u>ACCUMULATED DEPRECIATION AND IMPAIRMENT</u>							
At 1 January 2023	191,551	–	174,029	1,300,629	36,214	18,711	1,721,134
Charge for the year	24,182	1,929	5,446	350,885	4,767	–	387,209
Eliminated on disposals/write off	–	–	(16,051)	(329,129)	(2,076)	(8,357)	(355,613)
Eliminated on disposals of subsidiaries (note 47)	–	–	–	(93)	–	–	(93)
Transferred from investment properties (note 18)	1,488	–	–	–	–	–	1,488
Impairment losses	–	–	245	41,321	–	1,430	42,996
At 31 December 2023 and							
1 January 2024	217,221	1,929	163,669	1,363,613	38,905	11,784	1,797,121
Charge for the year	42,185	2,652	5,336	351,628	9,780	–	411,581
Eliminated on disposals/write off	(594)	–	(12,365)	(203,226)	(3,819)	[(2,145)]	(222,149)
Eliminated on disposals of subsidiaries (note 47)	–	–	–	(2,256)	(1)	–	(2,257)
Impairment losses	–	–	3	209,301	–	1,150	210,454
At 31 December 2024 and 1							
January 2025	258,812	4,581	156,643	1,719,060	44,865	10,789	2,194,750
Charge for the period	37,884	9,937	5,121	275,413	14,037	–	342,392
Eliminated on disposals/write off	(2,539)	–	(6,293)	(189,146)	(2,091)	(806)	(200,875)
Eliminated on disposals of subsidiaries (note 47)	(17,828)	–	(5,471)	(21,236)	(3,033)	–	(47,568)
Transferred to investment properties (note 18)	(499)	–	–	–	–	–	(499)
Impairment losses	–	–	15	49,442	–	739	50,196
At 31 October 2025 (unaudited)	275,830	14,518	150,015	1,833,533	53,778	10,722	2,338,396
<u>CARRYING AMOUNT</u>							
At 31 December 2023	941,640	5,566	37,783	2,730,431	36,573	191,267	3,943,260
At 31 December 2024	959,672	9,374	35,236	2,298,605	38,436	358,448	3,699,771
At 31 October 2025 (unaudited)	1,132,222	19,201	38,479	2,158,794	40,644	300,825	3,690,165

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Buildings	Motor vehicles	Machinery and equipment	Furniture, fixtures and other equipment	CIP	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST						
At 1 January 2023	155,019	22,029	304,852	16,094	4,164	502,158
Additions	–	4,288	64,745	2,836	5,280	77,149
Disposals/write off	(595)	(4,046)	(18,637)	(826)	–	(24,104)
Transferred from CIP	–	–	495	–	(495)	–
Transferred to investment properties (note 18)	(4,867)	–	–	–	–	(4,867)
Transferred to other intangible assets	–	–	–	–	(2,004)	(2,004)
At 31 December 2023 and 1 January 2024	149,557	22,271	351,455	18,104	6,945	548,332
Additions	–	5,742	46,930	774	22,397	75,843
Disposals/write off	(691)	(1,455)	(30,354)	(424)	–	(32,924)
Transferred from CIP	477	–	5,789	1,644	(7,910)	–
Transferred to investment properties (note 18)	(9,951)	–	–	–	–	(9,951)
Transferred to other intangible assets	–	–	–	–	(2,633)	(2,633)
At 31 December 2024 and 1 January 2025	139,392	26,558	373,820	20,098	18,799	578,667
Additions	1,269	2,982	23,835	804	6,960	35,850
Disposals/write off	(3,360)	(1,203)	(13,363)	(742)	–	(18,668)
Transferred from investment properties (note 18)	17,626	–	–	–	–	17,626
Transferred from CIP	–	–	625	–	(625)	–
At 31 October 2025 (unaudited).	154,927	28,337	384,917	20,160	25,134	613,475
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2023	59,821	15,902	126,139	9,952	–	211,814
Charge for the year	4,868	1,867	30,851	1,572	–	39,158
Eliminated on disposals/write off	(463)	(3,567)	(16,682)	(741)	–	(21,453)
Transferred from investment properties (note 18)	(2,352)	–	–	–	–	(2,352)
At 31 December 2023 and 1 January 2024	61,874	14,202	140,308	10,783	–	227,167
Charge for the year	4,137	2,506	34,446	1,861	–	42,950
Transferred to investment properties (note 18)	(3,912)	–	–	–	–	(3,912)
Eliminated on disposals/write off	(128)	(1,310)	(25,245)	(382)	–	(27,065)
At 31 December 2024 and 1 January 2025	61,971	15,398	149,509	12,262	–	239,140
Charge for the period	3,338	2,303	24,763	1,769	–	32,173
Transferred from investment properties (note 18)	7,628	–	–	–	–	7,628
Eliminated on disposals/write off	(3,024)	(1,083)	(10,752)	(569)	–	(15,428)
At 31 October 2025 (unaudited).	69,913	16,618	163,520	13,462	–	263,513
CARRYING AMOUNT						
At 31 December 2023	87,683	8,069	211,147	7,321	6,945	321,165
At 31 December 2024	77,421	11,160	224,311	7,836	18,799	339,527
At 31 October 2025 (unaudited).	85,014	11,719	221,397	6,698	25,134	349,962

Certain owned properties of the Group has not been granted formal title of ownership. At 31 December 2023, 2024 and 31 October 2025, the carrying value of such owned properties was RMB540,596,000, RMB523,207,000 and RMB504,369,000 respectively. The directors of the Company believe that formal title of these owned properties will be granted to the Group in due course.

APPENDIX I

ACCOUNTANTS’ REPORT

At 31 December 2023 and 2024 and 31 October 2025, the Group had bank facilities that were secured by pledged property, plant and equipment with carrying amounts of approximately RMB16,193,000, RMB15,448,000 and nil respectively.

At 31 December 2023 and 2024 and 31 October 2025, the Group carried out reviews of the recoverable amount of its motor vehicles, machinery and equipment and CIP. The reviews led to the recognition of impairment losses of approximately RMB42,996,000, RMB210,454,000 and RMB50,196,000, respectively, that has been recognised in profit or loss. The recoverable amount of the relevant assets of approximately RMB46,748,000, RMB255,223,000 and RMB57,062,000, respectively, has been determined on the basis of their fair value less costs of disposal (level 3 fair value measurements).

17. LEASES AND RIGHT-OF-USE ASSETS

The Group

Disclosures of lease-related items:

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
As at 31 December 2023, 2024 and 31 October 2025 (unaudited):			
Right-of-use assets			
– Office premises	1,153,119	1,056,056	822,819
– Leasehold land	320,573	313,030	290,825
	<u>1,473,692</u>	<u>1,369,086</u>	<u>1,113,644</u>
Lease commitments of short-term leases	<u>4,843</u>	<u>4,277</u>	<u>2,561</u>
Lease commitments of leases not yet commenced	<u>27,019</u>	<u>2,801</u>	<u>1,793</u>
Lease liabilities payable:			
Within one year	148,046	168,379	138,782
Within a period of more than one year, but not more than two years	147,827	168,650	195,610
Within a period of more than two years, but not more than five years	439,893	498,761	401,484
More than five years	<u>454,416</u>	<u>353,640</u>	<u>229,998</u>
Present value of lease liabilities	1,190,182	1,189,430	965,874
Less: Amounts due for settlement within 12 months shown under current liabilities	<u>(148,046)</u>	<u>(168,379)</u>	<u>(138,782)</u>
Amounts due for settlement after 12 months shown under non-current liabilities	<u>1,042,136</u>	<u>1,021,051</u>	<u>827,092</u>

As at 31 December 2023 and 2024 and 31 October 2025, the weighted average incremental borrowing rates applied to lease liabilities were 4.35%, 4.35% and 2.63% per annum, respectively.

The maturity analysis, based on undiscounted cash flows, of the Group’s lease liabilities is as follows:

– Less than 1 year	211,225	221,946	179,403
– Between 1 and 2 years	192,634	202,187	222,955
– Between 2 and 5 years	525,630	573,818	454,359
– Over 5 years	<u>492,249</u>	<u>380,778</u>	<u>246,735</u>
	<u>1,421,738</u>	<u>1,378,729</u>	<u>1,103,452</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Movements during the Track Record Period:				
Depreciation charge of right-of-use assets				
– Office premises	139,329	180,797	169,498	153,454
– Leasehold land	7,538	7,543	6,291	5,937
	<u>146,867</u>	<u>188,340</u>	<u>175,789</u>	<u>159,391</u>
Lease interests	<u>47,685</u>	<u>57,743</u>	<u>48,864</u>	<u>36,498</u>
Expenses related to short-term leases	<u>25,955</u>	<u>25,063</u>	<u>17,846</u>	<u>16,863</u>
Total cash outflow for leases	<u>(199,704)</u>	<u>(204,414)</u>	<u>(159,896)</u>	<u>(164,658)</u>
Additions to right-of-use assets	<u>425,139</u>	<u>350,761</u>	<u>342,002</u>	<u>107,488</u>
Disposals of subsidiaries (note 47)	<u>–</u>	<u>(986)</u>	<u>–</u>	<u>(17,371)</u>
Acquisition of a subsidiary (note 46)	<u>–</u>	<u>–</u>	<u>–</u>	<u>6,334</u>

Notes: At 31 December 2023 and 2024 and 31 October 2025, the Group had bank facilities that were secured by right-of-use assets with carrying amounts of approximately RMB63,936,000, RMB6,143,000 and nil, respectively.

The Group leases various land use rights and land and buildings. Lease agreements are typically made for fixed periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

The maturity analysis of lease liabilities is disclosed in note 45 to the Historical Financial Information.

The Company

Disclosures of lease-related items:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
As at 31 December 2023, 2024 and 31 October 2025 (unaudited):			
Right-of-use assets			
– Leasehold land	<u>36,156</u>	<u>35,135</u>	<u>34,284</u>
	<u>36,156</u>	<u>35,135</u>	<u>34,284</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Movements during the Track Record Period:				
Depreciation charge of right-of-use assets				
– Leasehold land	1,021	1,021	851	851
	<u>1,021</u>	<u>1,021</u>	<u>851</u>	<u>851</u>

18. INVESTMENT PROPERTIES

The Group

	Land use right	Buildings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST			
At 1 January 2023	6,307	28,517	34,824
Transferred to property, plant and equipment	–	(2,625)	(2,625)
At 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025	6,307	25,892	32,199
Disposal of subsidiaries (<i>note 47</i>)	(722)	(6,147)	(6,869)
Transferred from property, plant and equipment (<i>note 16</i>)	–	1,150	1,150
At 31 October 2025 (unaudited)	<u>5,585</u>	<u>20,895</u>	<u>26,480</u>
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 January 2023	1,969	8,957	10,926
Charge for the year	125	454	579
Transferred to property, plant and equipment (<i>note 16</i>)	–	(1,488)	(1,488)
At 31 December 2023 and 1 January 2024	2,094	7,923	10,017
Charge for the year	128	819	947
At 31 December 2024 and 1 January 2025	2,222	8,742	10,964
Charge for the period	93	541	634
Disposal of subsidiaries (<i>note 47</i>)	(351)	(1,938)	(2,289)
Transferred from property, plant and equipment (<i>note 16</i>)	–	499	499
At 31 October 2025 (unaudited)	<u>1,964</u>	<u>7,844</u>	<u>9,808</u>
CARRYING AMOUNT			
At 31 December 2023	<u>4,213</u>	<u>17,969</u>	<u>22,182</u>
At 31 December 2024	<u>4,085</u>	<u>17,150</u>	<u>21,235</u>
At 31 October 2025 (unaudited)	<u>3,621</u>	<u>13,051</u>	<u>16,672</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Buildings
	<i>RMB’000</i>
COST	
At 1 January 2023	105,667
Transferred from property, plant and equipment (<i>note 16</i>)	4,867
At 31 December 2023 and 1 January 2024	110,534
Transferred from property, plant and equipment (<i>note 16</i>)	9,951
At 31 December 2024 and 1 January 2025	120,485
Transferred to property, plant and equipment (<i>note 16</i>)	(17,626)
At 31 October 2025 (unaudited)	102,859
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 1 January 2023	36,868
Charge for the year	3,060
Transferred from property, plant and equipment (<i>note 16</i>)	2,352
At 31 December 2023 and 1 January 2024	42,280
Charge for the year	3,682
Transferred from property, plant and equipment (<i>note 16</i>)	3,912
At 31 December 2024 and 1 January 2025	49,874
Charge for the period	3,203
Transferred to property, plant and equipment (<i>note 16</i>)	(7,628)
At 31 October 2025 (unaudited)	45,449
CARRYING AMOUNT	
At 31 December 2023	68,254
At 31 December 2024	70,611
At 31 October 2025 (unaudited)	57,410

The Group leases out office units, a factory and commercial property units under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 10 years, with unilateral rights to extend the lease beyond initial period held by lessees only. The lease contracts do not contain residual value guarantee and/or lessee’s option to purchase the property at the end of lease term.

The Group’s and the Company’s future undiscounted lease payments under operating leases are receivable as follows:

	The Group			The Company		
	As at 31 December	As at 31 December	As at 31 October	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (unaudited)	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (unaudited)
Less than						
1 year	3,849	4,053	26,751	17,591	3,351	5,233
Between 1 and						
2 years	3,999	3,543	4,797	584	183	302
Between 2 and						
5 years	8,430	5,085	3,353	522	509	908
Over 5 years	423	253	200	423	253	200
	<u>16,701</u>	<u>12,934</u>	<u>35,101</u>	<u>19,120</u>	<u>4,296</u>	<u>6,643</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Details of the Group’s investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

	The Group		
	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB’000	RMB’000	RMB’000 (unaudited)
Buildings	33,400	31,000	29,100
Leasehold lands	8,200	7,400	7,200
	<u>41,600</u>	<u>38,400</u>	<u>36,300</u>

The fair value has been arrived at based on a valuation carried out by Colliers International (Hong Kong) Limited, an independent qualified professional valuer not connected with the Group.

Fair value measurements using significant unobservable inputs

Fair values of buildings derived by using the income capitalisation method (Level 3 fair value measurement). This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of market transactions and valuers’ interpretation of prevailing investor expectations. The prevailing market rents adopted in the valuation have been referenced to recent lettings, within the subject properties and other comparable properties.

Fair value of leasehold lands is derived by using the direct comparison method (Level 2 fair value measurement). This valuation method is based on comparing the properties to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of commercial properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the properties under consideration.

There were no changes to the valuation techniques for the valuation for the years ended 31 December 2023, 31 December 2024 and for the ten months ended 31 October 2025.

Description	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability-weighted average)			Relationship of unobservable inputs to fair value
			For the year ended 31 December 2023	For the year ended 31 December 2024	For the ten months ended 31 October 2025	
Buildings . . .	Income capitalisation method	Capitalisation rate	7.25%	7.25%	7.25%	The higher the capitalisation rate, the lower the fair value
		Average market rental	RMB0.71 to RMB0.87 per square meter per day	RMB0.66 to RMB0.77 per square meter per day	RMB0.60 to RMB0.75 per square meter per day	The higher the daily rental value, the higher the fair value
Leasehold lands . . .	Direct comparison method	Market unit rate	RMB174 to RMB1,010 per square meter	RMB182 to RMB1,058 per square meter	RMB184 to RMB1,063 per square meter	The higher the market unit rate, the higher the fair value

As at the end of each of the Track Record Periods and the ten months ended 31 October 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

APPENDIX I

ACCOUNTANTS’ REPORT

Certain investment properties of the Group have not been granted formal title of ownership. At 31 December 2023, 2024 and 31 October 2025, the carrying amount of such investment properties was RMB14,212,000, RMB13,562,000 and RMB8,641,000 respectively. The directors of the Company believe that formal title of these owned properties will be granted to the Group in due course.

19. GOODWILL

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
<u>COST</u>			
At the beginning of year/period	220,414	220,414	208,343
Arising from acquisition of a subsidiary (note 46)	—	—	1,923
Disposal of a subsidiary (note 47)	—	(12,071)	(3,114)
At the end of year/period	220,414	208,343	207,152
<u>ACCUMULATED IMPAIRMENT LOSSES</u>			
At the beginning of year/period	31,128	31,128	19,057
Eliminated on disposal of a subsidiary (note 47)	—	(12,071)	(3,114)
At the end of year/period	31,128	19,057	15,943
<u>CARRYING AMOUNT</u>	189,286	189,286	191,209

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Carrying amount of goodwill arising from acquisition of			
Guangxi Zhongdian Xinyuan Electric Co., Ltd. (廣西中電新源電氣有限公司) (note a)	—	—	—
Leshan Yilaide Power Grid Automation Co., Ltd. (樂山一拉得電網自動化有限公司) ("Leshan Yilaide") (note b)	—	—	N/A
Shanxi Jineng Power Technology Co., Ltd. (山 西晉能電力科技有限公司) (note c)	—	N/A	N/A
Chuanhai Electric Co., Ltd. (川開電氣有限公 司) ("Chuanhai Electric")	171,547	171,547	171,547
Xiamen Jinlong TELD New Energy Co., Ltd. (廈門金龍特來電新能源有限公司)	2,804	2,804	2,804
Nanchang TELD New Energy Co., Ltd. (南昌 特來電新能源有限公司)	2,898	2,898	2,898
Linyi Public Transport TELD New Energy Co., Ltd. (臨沂公交特來電新能源有限公司)	120	120	120
Nanjing Derui Energy Research Institute Co., Ltd. (南京德睿能源研究院有限公司)	2,201	2,201	2,201
Shanghai Donghao Lansheng TELD New Energy Technology Co., Ltd. (上海東浩蘭生 特來電新能源科技有限公司)	9,716	9,716	9,716
Jiangxi Guote Smart New Energy Co., Ltd. (江 西國特智慧新能源有限公司) (note d)	N/A	N/A	1,923
	189,286	189,286	191,209

APPENDIX I

ACCOUNTANTS’ REPORT

Notes:

- a. The goodwill arising from acquisition of Guangxi Zhongdian Xinyuan Electric Co., Ltd. is fully impaired as at 31 December 2023 and 2024 and 31 October 2025.
- b. The goodwill arising from acquisition of Leshan Yilaide is fully impaired as at 31 December 2023 and 2024. The Group disposed the equity interest of Leshan Yilaide during the ten months ended 31 October 2025.
- c. The goodwill arising from acquisition of Shanxi Jineng Power Technology Co., Ltd. is fully impaired as at 31 December 2023. The Group disposed the equity interest of Shanxi Jineng Power Technology Co., Ltd. during the year ended 31 December 2024.
- d. Jiangxi Guote Smart New Energy Co., Ltd. became a subsidiary of the Company during the ten months ended 31 October 2025 (note 46).

Impairment testing of goodwill

The Group conducts impairment testing of goodwill by identifying the acquired subsidiary’s overall assets and operations as a single asset group or portfolio of asset groups. The primary cash inflows from these groups are independent of those from other assets or asset groups. The scope of each asset group or portfolio of asset groups encompasses the long-term assets comprising the group, such as fixed assets and intangible assets. Each asset group or portfolio of asset groups corresponds to the asset groups identified in impairment tests for goodwill conducted at the acquisition date and in prior years.

During the Track Record Period, no impairment has been recognised. Management believes that any reasonably possible change in any of the assumptions applied would not result in impairment.

Chuankai Electric (production of power Transmission and distribution equipment)

At the year end date, the goodwill arose from the acquisitions of Chuankai Electric was assessed by an independent valuer for impairment. When assessing goodwill impairment, the recoverable amount of Chuankai Electric was determined on a value in use basis using a 5-year projected cash flow from operation, with long term growth rate of 0% adopted. A pre-tax discount rate of 9.85%, 10.27% and 10.27% was applied to derive the present value of the recoverable amount which was worked out to be not less than the aggregate amount of the carrying amount of Chuankai Electric and goodwill of the business as at 31 December 2023, 31 December 2024 and 31 October 2025, respectively.

Xiamen Jinlong TELD New Energy Co., Ltd. (development and management of EV charging)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections based on the financial budgets approved by the management covering a 5-year period with 0% long term growth rate. Key assumptions used by the management in the value in use calculations of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use for Xiamen Jinlong TELD New Energy Co., Ltd. are 10.71%, 9.85% and 9.85% respectively as at 31 December 2023, 31 December 2024 and 31 October 2025.

Nanchang TELD New Energy Co., Ltd. (development and management of EV charging)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections based on the financial budgets approved by the management covering a 5-year period with 0% long term growth rate. Key assumptions used by the management in the value in use calculations of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use for Nanchang TELD New Energy Co., Ltd. are 10.71%, 9.85% and 9.85% respectively as at 31 December 2023, 31 December 2024 and 31 October 2025.

Linyi Public Transport TELD New Energy Co., Ltd. (development and management of EV charging)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections based on the financial budgets approved by the management covering a 5-year period with 0% long term growth rate. Key assumptions used by the management in the value in use calculations of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use for Linyi Public Transport TELD New Energy Co., Ltd. are 10.71%, 9.85% and 9.85% respectively as at 31 December 2023, 31 December 2024 and 31 October 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

Nanjing Derui Energy Research Institute Co., Ltd. (research and development, of products for intelligent charging dispatching systems and microgrids)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections based on the financial budgets approved by the management covering a 5-year period with 0% long term growth rate. Key assumptions used by the management in the value in use calculations of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use for Nanjing Derui Energy Research Institute Co., Ltd. are 10.71%, 9.85% and 9.85% respectively as at 31 December 2023, 31 December 2024 and 31 October 2025.

Shanghai Donghao Lansheng TELD New Energy Technology Co., Ltd. (development and management of EV charging)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections based on the financial budgets approved by the management covering a 5-year period with 0% long term growth rate. Key assumptions used by the management in the value in use calculations of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use for Shanghai Donghao Lansheng TELD New Energy Technology Co., Ltd. are 10.71%, 9.85% and 9.85% respectively as at 31 December 2023, 31 December 2024 and 31 October 2025.

20. OTHER INTANGIBLE ASSETS

The Group

	Franchising rights	Patents	Software	Total
	RMB'000	RMB'000	RMB'000	RMB'000
COST				
At 1 January 2023	775,372	43,962	62,683	882,017
Additions	—	—	4,821	4,821
Transferred from CIP (note 16)	22,003	—	2,004	24,007
Write off	(7,442)	—	(118)	(7,560)
At 31 December 2023 and 1 January 2024	789,933	43,962	69,390	903,285
Additions	105	—	5,361	5,466
Transferred from CIP (note 16)	16,531	—	11,351	27,882
Write off	(16,707)	(410)	(7,838)	(24,955)
At 31 December 2024 and 1 January 2025	789,862	43,552	78,264	911,678
Additions	—	—	7,096	7,096
Transferred from CIP (note 16)	3,126	—	244	3,370
Write off	(2,492)	—	(193)	(2,685)
Disposal of a subsidiary (note 47)	—	(2,008)	(475)	(2,483)
At 31 October 2025 (unaudited)	790,496	41,544	84,936	916,976
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 January 2023	275,277	32,011	39,820	347,108
Amortisation for the year	87,877	4,175	7,687	99,739
Write off	(1,778)	—	(118)	(1,896)
At 31 December 2023 and 1 January 2024	361,376	36,186	47,389	444,951
Amortisation for the year	71,804	4,140	8,372	84,316
Write off	(14,881)	(408)	(7,838)	(23,127)
At 31 December 2024 and 1 January 2025	418,299	39,918	47,923	506,140
Amortisation for the period	56,176	3,113	9,305	68,594
Write off	(1,521)	—	(27)	(1,548)
Disposal of a subsidiary (note 47)	—	(2,008)	(379)	(2,387)
At 31 October 2025 (unaudited)	472,954	41,023	56,822	570,799
CARRYING AMOUNT				
At 31 December 2023	428,557	7,776	22,001	458,334
At 31 December 2024	371,563	3,634	30,341	405,538
At 31 October 2025 (unaudited)	317,542	521	28,114	346,177

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Patents	Software	Total
	RMB'000	RMB'000	RMB'000
COST			
At 1 January 2023	400	25,707	26,107
Additions	–	83	83
Transferred from CIP	–	2,004	2,004
Write off	–	(31)	(31)
At 31 December 2023 and 1 January 2024	400	27,763	28,163
Additions	–	525	525
Transferred from CIP	–	2,633	2,633
Write off	(400)	(5,330)	(5,730)
At 31 December 2024 and 1 January 2025	–	25,591	25,591
Additions	–	259	259
At 31 October 2025 (unaudited)	–	25,850	25,850
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 January 2023	400	20,219	20,619
Amortisation for the year	–	2,419	2,419
Write off	–	(31)	(31)
At 31 December 2023 and 1 January 2024	400	22,607	23,007
Amortisation for the year	–	2,373	2,373
Write off	(400)	(5,330)	(5,730)
At 31 December 2024 and 1 January 2025	–	19,650	19,650
Amortisation for the period	–	1,799	1,799
At 31 October 2025 (unaudited)	–	21,449	21,449
CARRYING AMOUNT			
At 31 December 2023	–	5,156	5,156
At 31 December 2024	–	5,941	5,941
At 31 October 2025 (unaudited)	–	4,401	4,401

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Franchising rights	5-18 years
Patents	3-5 years
Software	2-10 years

The Group’s and the Company’s patents and trademarks protect the design and specification of the Group’s and the Company’s products. The average remaining amortisation period of the patents and trademarks as at 31 December 2023, 31 December 2024 and 31 October 2025 are 1 to 4 years.

The Group’s franchising rights are arising from service concession arrangement. The average remaining amortisation period of the franchising rights as at 31 December 2023, 31 December 2024 and 31 October 2025 are 1 to 13 years, 1 to 12 years and 1 to 11 years, respectively.

At 31 December 2023 and 2024 and 31 October 2025, the Group had bank facilities that were secured by pledged intangible assets with carrying amounts of approximately RMB nil, RMB nil and RMB516,000 respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

21. PRINCIPAL SUBSIDIARIES

The Group

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

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests				Profit allocated to non-controlling interests				Accumulated non-controlling interests			
		As at		As at		As at		As at		As at		As at	
		31 December	31 December	31 December	31 October	31 December	31 December	31 December	31 October	31 December	31 December	31 October	31 October
		2023	2024	2025		2023	2024	2025		2023	2024	2025	
					(Unaudited)	RMB'000	RMB'000	RMB'000	(Unaudited)	RMB'000	RMB'000	RMB'000	(Unaudited)
TELD New Energy Co., Ltd. (特來電新能源股份有限公司) (“TELD”)* (note)	The PRC	22.29%	22.29%	21.41%		34,711	59,679	19,020		504,726	564,405	565,981	
<i>Non-wholly owned subsidiaries of TELD</i>													
Linyi Public Transport TELD New Energy Co., Ltd. (臨沂公交特來電新能源有限公司)	The PRC	49%	49%	49%		3,054	760	(370)		58,500	59,260	58,890	
Chengdu TELD New Energy Co., Ltd. (成都特來電新能源有限公司)	The PRC	34%	34%	34%		7,278	5,618	1,521		119,273	124,891	123,631	
Shanghai TELD New Energy Co., Ltd. (上海特來電新能源有限公司)	The PRC	15.11%	15.11%	15.11%		3,799	4,388	3,261		16,849	28,955	32,216	
Shijiazhuang TELD New Energy Co., Ltd. (石家莊特來電新能源有限公司)	The PRC	47%	47%	47%		12	22	(1,238)		11,556	11,578	10,340	
Zhangjiakou Jianta TELD New Energy Co., Ltd. (張家口建發特來電新能源有限公司)	The PRC	40%	40%	40%		(165)	185	(41)		16,542	16,727	16,686	
Wenzhou Jiaoyun TELD New Energy Co., Ltd. (溫州交運特來電新能源有限公司)	The PRC	49%	49%	49%		247	1,019	(2,150)		18,971	19,990	17,840	
Qingdao Chengjiao TELD New Energy Co., Ltd. (青島城交特來電新能源有限公司)	The PRC	40%	40%	40%		1,860	1,468	1,272		20,780	20,139	21,412	
Changchun Public Transport TELD Charging Network Operation Co., Ltd. (長春公交特來電充電網運營有限公司)	The PRC	49%	49%	49%		1,463	1,917	(665)		15,452	17,369	20,257	
Individually immaterial subsidiaries with non-controlling interests of TELD										176,916	166,270	191,763	
Total non-controlling interests of TELD										454,839	465,179	493,035	
Individually immaterial subsidiaries with non-controlling interests of the Group										959,565	1,029,584	1,059,016	
Total non-controlling interests										46,634	(42,075)	(105,006)	
										1,006,199	987,509	954,010	

* excluding non-controlling interests of TELD

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

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

Name of company	Place of incorporation/ registration and operation	Nominal value of issued and fully paid share capital/registered capital	As at 31 December 2023		As at 31 December 2024		As at 31 October 2025		As at the date of this report		Principal business activities
			Percentage of equity attributable to the Company		Percentage of equity attributable to the Company		Percentage of equity attributable to the Company		Percentage of equity attributable to the Company		
			Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Qingdao TGOOD High Voltage Equipment Co., Ltd. (青島特銳德高壓設備有限公司)	The PRC	RMB464,350,000/ RMB464,350,000	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Production of PTD equipment
	The PRC	RMB60,000,000/ RMB60,000,000	51.00%	–	51.00%	–	51.00%	–	51.00%	–	Provision of power peak shaving services and the maintenance and management of heating facilities
The PRC	Yichang TGOOD Electric Co., Ltd. (宜昌特銳德電氣有限公司)	RMB22,396,686/ RMB52,396,700	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Production of PTD equipment
The PRC	TELD	RMB929,980,000/ RMB929,980,000	77.71%	–	77.71%	–	78.59%	–	78.96%	–	EV charging network business
The PRC	Qingdao TGOOD Design Institute Co., Ltd. (青島特銳德設計院有限公司)	RMB200,000,000/ RMB200,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Power engineering and technical consultancy services
The PRC	Chuankai Electric	RMB347,103,600/ RMB347,103,600	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Production of PTD equipment
The PRC	Xi'an TELD Intelligent Charging Technology Co., Ltd. (西安特來電智能充電科技有限公司)	RMB30,000,000/ RMB30,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Research and development, design and sale of power electronic product
The PRC	Chengdu TELD New Energy Co., Ltd. (成都特來電新能源有限公司)	RMB200,000,000/ RMB200,000,000	–	66.00%	–	66.00%	–	66.00%	–	66.00%	Development and management of the EV charging network
The PRC	Shanghai TELD New Energy Co., Ltd. (上海特來電新能源有限公司)	RMB66,180,000/ RMB66,180,000	–	84.89%	–	84.89%	–	84.89%	–	84.89%	Development and management of the EV charging network
The PRC	Qingdao TELD New Energy Technology Co., Ltd. (青島特來電新能源科技有限公司)	RMB450,000,000/ RMB450,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Research and development, production, manufacturing and sales of charging equipment
The PRC	Qingdao TELD Big Data Co., Ltd. (青島特來電大數據有限公司)	RMB67,920,000/ RMB100,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Development and application of cloud platform related operations

APPENDIX I

ACCOUNTANTS’ REPORT

Name of company	Place of incorporation/ registration and operation	Nominal value of issued and fully paid share capital/registered capital issued and paid-up capital	As at 31 December 2023		As at 31 December 2024		As at 31 October 2025		As at the date of this report (Unaudited)		Principal business activities
			Percentage of equity attributable to the Company		Percentage of equity attributable to the Company		Percentage of equity attributable to the Company		Percentage of equity attributable to the Company		
			Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Qingdao TELD Charging Network Operation Technology Co., Ltd. (青島特來電充電網運營科技有限公司)	The PRC	RMB35,540,000/ RMB50,000,000	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Development and management of the EV charging network
Qingdao TELD Smart Equipment Co., Ltd. (青島特來電智能設備有限公司)	The PRC	RMB10,000,000/ RMB10,000,000	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Charging equipment production
Nanjing Derui TELD Energy Research Institute Co., Ltd. (南京德睿特來電能源研究院有限公司)	The PRC	RMB50,000,000/ RMB50,000,000	-	97.80%	-	97.80%	-	97.80%	-	97.80%	Research on intelligent charging dispatch systems and key microgrid technologies and product research and development
Qingdao TELD Smart Equipment Co., Ltd. (特來電(青島)數字科技有限公司)	The PRC	RMB3,906,000/ RMB10,000,000	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Charging equipment production
TGOOD Ximing Electric Power Co., Ltd. (特銳德西明電力有限公司)	The PRC	RMB50,000,000/ RMB50,000,000	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Mechanical and electrical engineering construction

All subsidiaries now comprising the Group, except for TELD, which is a joint-stock company, are limited liability companies and have adopted 31 December as their financial year end date.

The statutory financial statements for these subsidiaries established in the PRC were prepared in accordance with relevant accounting principles and financial regulations applicable the PRC. The statutory financial statements for the year ended 31 December 2023 and 2024 were audited by Hexin Certified Public Accountants LLP. No audited financial statements for these subsidiaries was issued for the period from 1 January 2025 to 31 October 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

22. INTERESTS IN ASSOCIATES

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Share of net assets	1,626,816	1,771,744	1,919,416
Impairment losses	(6,076)	(6,076)	–
	<u>1,620,740</u>	<u>1,765,668</u>	<u>1,919,416</u>

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on financial statements of the associates in accordance with HKFRS Accounting Standards.

Particulars of the Group’s associate is as follows:

Name	Place of incorporation and operation	Authorised shares capital/registered capital	Principal activities	% of ownership interests/voting rights held by the Group		
				As at 31 December	As at 31 December	As at 31 October
				2023	2024	2025
						(unaudited)
China Railway Construction Financial Leasing Co., Ltd. (中鐵建金融租賃有限公司) (“CCFL”). . .	The PRC	RMB3,400,000,000	Provision of financial leasing services	17.65%	17.65%	17.65%

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets	3,089,217	5,000,508	4,052,730
Non-current assets	39,928,255	36,669,349	36,336,330
Current liabilities	(29,924,864)	(31,402,679)	(30,135,600)
Non-current liabilities	(6,267,560)	(3,059,743)	(2,615,030)
Net assets	<u>6,825,048</u>	<u>7,207,435</u>	<u>7,638,430</u>
Group’s share of net assets	<u>1,204,621</u>	<u>1,272,112</u>	<u>1,348,183</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	For the year ended 31 December	For the year ended 31 December	For the ten months ended 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Revenue	3,517,096	3,443,343	3,072,270
Net profit	422,584	382,541	429,740
Total comprehensive income for the year/period .	422,584	382,387	430,990

The following table shows, in aggregate, the Group’s share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
As at 31 December 2023, 2024 and 31 October 2025 (unaudited):			
Carrying amounts of interests	416,119	493,556	571,233

	Year ended 31 December	Year ended 31 December	Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Movements during the Track Record Period:				
Net (loss)/profit	(19,506)	3,070	3,070	(6,940)
Total comprehensive (expenses)/income for the year/period	(19,506)	3,070	3,070	(6,940)

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Share of net assets	291,777	310,354	292,918
Impairment losses	(31,537)	(31,537)	—
	260,240	278,817	292,918

APPENDIX I

ACCOUNTANTS’ REPORT

23. DEFERRED TAX ASSETS/LIABILITIES

The Group

The following are the major deferred tax liabilities and assets recognised by the Group.

Deferred tax assets

	Impairment losses on property, plant and equipment	Unrealised profits arising from intragroup transactions	Losses available for offsetting against future taxable profits	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	227,059	182,864	128,105	40,584	578,612
Deferred tax credited/(charged) to profit or loss during the year . .	65,043	39,233	(13,193)	42,254	133,337
Disposal of subsidiaries (note 47) .	—	—	—	(76)	(76)
Deferred tax assets at 31 December 2023	<u>292,102</u>	<u>222,097</u>	<u>114,912</u>	<u>82,762</u>	<u>711,873</u>
At 1 January 2024	292,102	222,097	114,912	82,762	711,873
Deferred tax credited/(charged) to profit or loss during the year . .	89,499	18,846	(17,050)	12,474	103,769
Disposal of subsidiaries (note 47) .	—	—	—	(363)	(363)
Deferred tax assets at 31 December 2024	<u>381,601</u>	<u>240,943</u>	<u>97,862</u>	<u>94,873</u>	<u>815,279</u>
At 1 January 2025	381,601	240,943	97,862	94,873	815,279
Deferred tax credited/(charged) to profit or loss during the period Acquisition of a subsidiary (note 46)	23,077	(10,132)	41,764	13,806	68,515
Disposal of subsidiaries (note 47) .	—	—	—	1,134	1,134
Deferred tax assets At 31 October 2025	<u>404,678</u>	<u>230,811</u>	<u>134,696</u>	<u>103,749</u>	<u>878,864</u>

Deferred tax liabilities

	Fair value adjustment of assets arising from business combinations	Accelerated tax depreciation	Difference in right of use assets	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,973	64,132	150	3,541	69,796
Deferred tax (credited)/charged to profit or loss during the year . .	(717)	19,807	2,233	(458)	20,865
Deferred tax liabilities at 31 December 2023	<u>1,256</u>	<u>83,939</u>	<u>2,383</u>	<u>3,083</u>	<u>90,661</u>
At 1 January 2024	1,256	83,939	2,383	3,083	90,661
Deferred tax (credited)/charged to profit or loss during the year . .	(717)	(7,063)	9,878	1,386	3,484
Disposal of subsidiaries (note 47) .	—	—	—	(329)	(329)
Deferred tax liabilities at 31 December 2024	<u>539</u>	<u>76,876</u>	<u>12,261</u>	<u>4,140</u>	<u>93,816</u>
At 1 January 2025	539	76,876	12,261	4,140	93,816
Deferred tax (credited)/charged to profit or loss during the period .	(66)	(5,347)	438	(708)	(5,683)
Deferred tax liabilities at 31 October 2025 (unaudited)	<u>473</u>	<u>71,529</u>	<u>12,699</u>	<u>3,432</u>	<u>88,133</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Deferred tax assets	711,873	815,279	878,864
Deferred tax liabilities	(90,661)	(93,816)	(88,133)
	<u>621,212</u>	<u>721,463</u>	<u>790,731</u>

As at 31 December 2023 and 2024 and 31 October 2025, deferred tax assets have not been recognised in respect of tax losses of RMB201,126,000, RMB133,364,000 and RMB76,777,000 arising in Chinese Mainland, respectively, which will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in subsidiaries that have not been considered as probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

The Company

The following are the major deferred tax liabilities and assets recognised by the Company.

Deferred tax assets

	Impairment losses on property, plant and equipemnt	Losses available for offsetting against future taxable profits	Changes in fair value	Warranty provision	Government grant	Equity- settled Share based payment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	92,720	13	6,888	–	3,297	–	102,918
Deferred tax credited/(charged) to profit or loss during the year	30,203	(13)	2,019	–	161	3,103	35,473
Deferred tax assets at 31 December 2023 .	<u>122,923</u>	<u>–</u>	<u>8,907</u>	<u>–</u>	<u>3,458</u>	<u>3,103</u>	<u>138,391</u>
At 1 January 2024	122,923	–	8,907	–	3,458	3,103	138,391
Deferred tax credited/(charged) to profit or loss during the year	42,786	–	(3,657)	3,232	(521)	6,274	48,114
Deferred tax assets at 31 December 2024 .	<u>165,709</u>	<u>–</u>	<u>5,250</u>	<u>3,232</u>	<u>2,937</u>	<u>9,377</u>	<u>186,505</u>
At 1 January 2025	165,709	–	5,250	3,232	2,937	9,377	186,505
Deferred tax credited/(charged) to profit or loss during the period	24,766	–	–	(643)	1,442	2,026	27,591
Deferred tax assets at 31 October 2025 (unaudited).	<u>190,475</u>	<u>–</u>	<u>5,250</u>	<u>2,589</u>	<u>4,379</u>	<u>11,403</u>	<u>214,096</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax liabilities

	Accelerated tax depreciation	Total
	RMB'000	RMB'000
At 1 January 2023	3,275	3,275
Deferred tax credited to profit or loss during the year	(314)	(314)
Deferred tax liabilities at 31 December 2023	<u>2,961</u>	<u>2,961</u>
At 1 January 2024	2,961	2,961
Deferred tax credited to profit or loss during the year	(315)	(315)
Deferred tax liabilities at 31 December 2024	<u>2,646</u>	<u>2,646</u>
At 1 January 2025	2,646	2,646
Deferred tax credited to profit or loss during the period	(260)	(260)
Deferred tax liabilities at 31 October 2025 (unaudited)	<u>2,386</u>	<u>2,386</u>

The following is the analysis of the deferred tax balances for statement of financial position purposes:

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Deferred tax assets	138,391	186,505	214,096
Deferred tax liabilities	<u>(2,961)</u>	<u>(2,646)</u>	<u>(2,386)</u>
	<u>135,430</u>	<u>183,859</u>	<u>211,710</u>

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Unlisted equity investment in the PRC	<u>3</u>	<u>3</u>	<u>3</u>

25. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Prepayment for acquisition of property, plant and equipment	52,462	133,911	100,343
Other prepayments	<u>15,654</u>	<u>5,799</u>	<u>5,872</u>
Total	<u>68,116</u>	<u>139,710</u>	<u>106,215</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Prepayment for acquisition of property, plant and equipment	7,005	22,100	30,603
Other prepayments	8,687	1,359	1,757
Total	<u>15,692</u>	<u>23,459</u>	<u>32,360</u>

26. INVENTORIES

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Raw materials	418,529	381,840	368,364
Work in progress	103,360	157,029	211,861
Finished goods	772,197	451,177	672,228
Contract fulfilment costs	35,616	57,644	74,748
Goods in transit	352,327	236,149	450,777
	<u>1,682,029</u>	<u>1,283,839</u>	<u>1,777,978</u>
Less: provision for impairment	<u>(73,012)</u>	<u>(78,222)</u>	<u>(59,963)</u>
Total	<u>1,609,017</u>	<u>1,205,617</u>	<u>1,718,015</u>

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Raw materials	120,810	112,223	109,690
Work in progress	23,760	54,834	59,251
Finished goods	160,324	79,788	135,013
Contract fulfilment costs	832	6,420	4,164
Goods in transit	43,288	37,946	78,689
	<u>349,014</u>	<u>291,211</u>	<u>386,807</u>
Less: provision for impairment	<u>(19,538)</u>	<u>(37,567)</u>	<u>(22,535)</u>
Total	<u>329,476</u>	<u>253,644</u>	<u>364,272</u>

APPENDIX I

ACCOUNTANTS’ REPORT

27. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Trade receivables	9,040,403	11,023,268	11,067,334
Bills receivable	686,569	392,914	256,177
	9,726,972	11,416,182	11,323,511
Less: Impairment	(1,266,631)	(1,502,439)	(1,601,808)
Net carrying amount	8,460,341	9,913,743	9,721,703

The total is analysed for reporting purposes as:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current	8,444,563	9,751,613	9,596,733
Non-current	15,778	162,130	124,970
Total	8,460,341	9,913,743	9,721,703

The credit period generally ranges from 30 to 90 days after the invoice date. However, the settlement terms of certain material contracts are based on the achievement of certain milestones of each sales transaction and the actual payment term may differ from the aforementioned credit period. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2023, 2024 and 31 October 2025, included in the Group’s trade receivables are amounts due from the Group’s associates of RMB361,982,000, RMB416,626,000 and RMB302,871,000 and amounts due from the Group’s related parties of RMB158,000, RMB260,000 and RMB nil which is repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables, net of impairment allowance as at the end of each of the Track Record Period, based on the revenue recognition date, is as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	5,814,265	7,173,845	6,755,532
1 to 2 years	1,369,487	1,690,039	1,900,942
2 to 3 years	465,182	477,215	592,491
over 3 years	201,320	205,004	225,999
Total	7,850,254	9,546,103	9,474,964

APPENDIX I

ACCOUNTANTS’ REPORT

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of year/period	943,112	1,190,149	1,477,165
Impairment losses, net	256,563	296,122	150,612
Disposal of subsidiaries	–	(3,094)	(34,297)
Amount write off as uncollectible	(9,526)	(6,012)	(1,110)
At end of year/period	<u>1,190,149</u>	<u>1,477,165</u>	<u>1,592,370</u>

The movements in the loss allowance for impairment of bills receivables are as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of year/period	28,222	76,482	25,274
Impairment losses/(reversal of impairment losses), net	48,260	(51,208)	(15,281)
Amount write off as uncollectible	–	–	(555)
At end of year/period	<u>76,482</u>	<u>25,274</u>	<u>9,438</u>

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. 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 age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro-economic environment.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

	Within 1 year	1 to 2 years	2 to 3 years	over 3 years	Total
As at 31 December 2023					
On a collective basis:					
Expected credit loss rate	5.11%	10.12%	30.00%	72.22%	13.17%
Gross carrying amount (RMB'000)	6,127,150	1,523,645	664,856	724,752	9,040,403
Expected credit losses (RMB'000)	312,885	154,159	199,674	523,431	1,190,149

APPENDIX I

ACCOUNTANTS’ REPORT

	Within 1 year	1 to 2 years	2 to 3 years	over 3 years	Total
As at 31 December 2024					
On a collective basis:					
Expected credit loss rate . .	5.26%	11.09%	30.55%	76.24%	13.40%
Gross carrying amount					
(RMB’000)	7,572,272	1,900,927	687,161	862,908	11,023,268
Expected credit losses					
(RMB’000)	398,427	210,887	209,946	657,905	1,477,165

	Within 1 year	1 to 2 years	2 to 3 years	over 3 years	Total
As at 31 October 2025					
(unaudited)					
On a collective basis:					
Expected credit loss rate . .	5.05%	9.84%	33.00%	76.61%	14.39%
Gross carrying amount					
(RMB’000)	7,114,535	2,108,401	878,002	966,396	11,067,334
Expected credit losses					
(RMB’000)	359,003	207,458	285,511	740,398	1,592,370

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
			(unaudited)
Trade receivables	4,931,111	6,347,178	7,034,471
Bills receivable	506,621	289,379	148,332
	5,437,732	6,636,557	7,182,803
Less: Impairment	(510,200)	(707,168)	(844,659)
Net carrying amount	4,927,532	5,929,389	6,338,144

The total is analysed for reporting purposes as:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
			(unaudited)
Current	4,927,532	5,929,389	6,338,144

The credit period generally ranges from 30 to 90 days after the invoice date. However, the settlement terms of certain material contracts are based on the achievement of certain milestones of each sales transaction and the actual payment term may differ from the aforementioned credit period. Each customer has a maximum credit limit. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

APPENDIX I

ACCOUNTANTS’ REPORT

An ageing analysis of the trade receivables, net of impairment allowance as at the end of each of the Track Record Period, based on the transaction date, is as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	3,416,673	4,408,834	4,679,685
1 to 2 years	669,976	889,852	1,064,481
2 to 3 years	251,078	225,452	320,629
over 3 years	83,184	115,872	125,017
Total	<u>4,420,911</u>	<u>5,640,010</u>	<u>6,189,812</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of year/period	379,579	510,200	707,168
Impairment losses, net	130,891	200,153	138,592
Amount write off as uncollectible	(270)	(3,185)	(1,101)
At end of year/period	<u>510,200</u>	<u>707,168</u>	<u>844,659</u>

The Company applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. 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 age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Company’s trade receivables using a provision matrix:

	Within 1 year	1 to 2 years	2 to 3 years	over 3 years	Total
As at 31 December 2023					
On a collective basis:					
Expected credit loss rate	4.74%	10.00%	30.00%	65.55%	10.35%
Gross carrying amount					
(RMB'000)	3,586,518	744,418	358,683	241,492	4,931,111
Expected credit losses					
(RMB'000)	169,845	74,442	107,605	158,308	510,200

APPENDIX I

ACCOUNTANTS’ REPORT

	Within 1 year	1 to 2 years	2 to 3 years	over 3 years	Total
As at 31 December 2024					
On a collective basis:					
Expected credit loss rate	5.10%	12.00%	31.00%	68.55%	11.14%
Gross carrying amount					
(RMB’000)	4,645,534	1,005,898	327,285	368,461	6,347,178
Expected credit losses					
(RMB’000)	236,700	116,046	101,833	252,589	707,168

	Within 1 year	1 to 2 years	2 to 3 years	over 3 years	Total
As at 31 October 2025					
(unaudited)					
On a collective basis:					
Expected credit loss rate	4.84%	11.00%	32.00%	72.49%	12.01%
Gross carrying amount					
(RMB’000)	4,917,759	1,190,754	471,582	454,376	7,034,471
Expected credit losses					
(RMB’000)	238,074	126,273	150,953	329,359	844,659

28. NOTES RECEIVABLE AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December 2023 RMB’000	As at 31 December 2024 RMB’000	As at 31 October 2025 RMB’000 (unaudited)
Notes receivable at fair value through other comprehensive income	147,825	269,960	133,205

The credit period generally ranges from 0 to 90 days after the invoice date. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its notes receivable at fair value through other comprehensive income balances. Notes receivable at fair value through other comprehensive income are non-interest-bearing.

An ageing analysis of the notes receivable at fair value through other comprehensive income as at the end of each of the Track Record Period, based on the transaction date, is as follows:

	As at 31 December 2023 RMB’000	As at 31 December 2024 RMB’000	As at 31 October 2025 RMB’000 (unaudited)
Within 1 year	147,825	269,960	133,205

The Group applies the simplified approach in calculating ECLs for notes receivable at fair value through other comprehensive income. Notes receivable at fair value through other comprehensive income relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining notes receivable at fair value through other comprehensive income 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

APPENDIX I

ACCOUNTANTS’ REPORT

expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group’s notes receivable at fair value through other comprehensive income using a provision matrix:

	<u>Within 1 year</u>
As at 31 December 2023	
On a collective basis:	
Expected credit loss rate	0.00%
Gross carrying amount (RMB’000)	147,825
Expected credit losses (RMB’000)	–
	<u>Within 1 year</u>
As at 31 December 2024	
On a collective basis:	
Expected credit loss rate	0.00%
Gross carrying amount (RMB’000)	269,960
Expected credit losses (RMB’000)	–
	<u>Within 1 year</u>
As at 31 October 2025 (unaudited)	
On a collective basis:	
Expected credit loss rate	0.00%
Gross carrying amount (RMB’000)	133,205
Expected credit losses (RMB’000)	–

The Company

	<u>As at 31 December</u>	<u>As at 31 December</u>	<u>As at 31 October</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
			<i>(unaudited)</i>
Notes receivable at fair value through other comprehensive income	<u>120,939</u>	<u>235,136</u>	<u>102,218</u>

The credit period generally ranges from 0 to 90 days after the invoice date. However, the settlement terms of certain material contracts are based on the achievement of certain milestones of each sales transaction and the actual payment term may differ from the aforementioned credit period. Each customer has a maximum credit limit. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its notes receivable at fair value through other comprehensive income balances. Notes receivable at fair value through other comprehensive income are non-interest-bearing.

APPENDIX I

ACCOUNTANTS’ REPORT

An ageing analysis of the notes receivable at fair value through other comprehensive income as at the end of each of the Track Record Period, based on the transaction date, is as follows:

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
Within 1 year	<u>120,939</u>	<u>235,136</u>	<u>102,218</u>

The Company applies the simplified approach in calculating ECLs for notes receivable at fair value through other comprehensive income. Notes receivable at fair value through other comprehensive income relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining notes receivable at fair value through other comprehensive income 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 age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Company’s notes receivable at fair value through other comprehensive income using a provision matrix:

	Within 1 year
As at 31 December 2023	
On a collective basis:	
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	14,199
Expected credit losses (RMB'000)	—
	Within 1 year
As at 31 December 2024	
On a collective basis:	
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	408
Expected credit losses (RMB'000)	—
	Within 1 year
As at 31 October 2025 (unaudited)	
On a collective basis:	
Expected credit loss rate	0.00%
Gross carrying amount (RMB'000)	388,385
Expected credit losses (RMB'000)	—

APPENDIX I

ACCOUNTANTS’ REPORT

29. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Prepayments (<i>note a</i>)	268,245	309,925	310,475
Deposits and other receivables (<i>note b</i>)	849,008	752,325	950,888
Finance lease receivables (<i>note c</i>)	124,356	224,026	251,663
Value-added tax (“VAT”) receivables	125,195	102,751	126,682
Dividend receivables	—	—	1,000
Tax recoverable	28,348	6,797	7,601
	1,395,152	1,395,824	1,648,309
Less: provision for impairment	(191,923)	(314,511)	(317,890)
Total	1,203,229	1,081,313	1,330,419

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current	1,146,515	876,216	1,091,909
Non-current	56,714	205,097	238,510
Total	1,203,229	1,081,313	1,330,419

Notes:

- (a) As at 31 December 2023, 2024 and 31 October 2025, included in the Group’s prepayments are amounts due from the Group’s associates of RMB144,000, RMB25,000 and RMB140,000 and amounts due from the Group’s related parties of RMB2,000, RMB nil and RMB nil.
- (b) As at 31 December 2023, 2024 and 31 October 2025, included in the Group’s other receivables are amounts due from the Group’s associates of RMB94,518,000 RMB33,469,000 and RMB8,317,000 and amounts due from the Group’s related parties of RMB21,590,000, RMB nil and RMB nil. The amounts due from associates and related parties are non-trade nature, interest free and repayable on demand.
- (c) Finance lease receivables

The Group entered into finance lease arrangements as a lessor for equipment. The average terms of finance lease entered into usually range within 1 to 2 years. All interest rates inherent in the lease are fixed at the contract date over the lease terms.

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2023, 31 December 2024 and 31 October 2025, unguaranteed residual values of assets leased under finance leases are estimated at RMB8,739,000, RMB10,478,000 and RMB10,531,000 respectively.

	Undiscounted minimum lease payments		
	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Finance lease receivables comprise:			
Within 1 year	70,209	61,570	92,431
1 to 2 years	16,886	54,145	58,532
2 to 3 years	12,162	50,792	61,646
over 3 years	23,856	65,821	41,343
	123,113	232,328	253,952
Unguaranteed residual values	8,739	10,478	10,531
Gross investment in the lease	131,852	242,806	264,483
Less: unearned finance income	(7,496)	(18,780)	(12,820)
Present value of minimum lease payments	124,356	224,026	251,663
Less: provision for impairment	(2,667)	(130)	(139)
Present value of minimum lease payments	121,689	223,896	251,524
Analysed as:			
Current	64,975	18,799	51,300
Non-current	56,714	205,097	200,224
Total	121,689	223,896	251,524

Interest rates implicit in the above finance leases are 4.35% for the year ended 31 December 2023, 31 December 2024 and for the ten months ended 31 October 2025.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities.

Finance lease receivables are secured over the plant and machinery leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

Impairment analysis

An impairment analysis was performed at the end of each of the Track Record Period. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under HKFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of year/period	42,586	191,923	314,511
Impairment losses	253,745	124,436	3,921
Disposal of subsidiaries	–	–	(2)
Amount write off as uncollectible	(104,408)	(1,848)	(540)
At end of year/period	191,923	314,511	317,890

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Prepayments	73,830	107,428	82,975
Deposits and other receivables	418,258	404,859	467,794
VAT receivables	266	201	201
Dividend receivables	–	1,020	–
Tax recoverable	13,726	–	–
	506,080	513,508	550,970
Less: provision for impairment	(144,316)	(248,970)	(250,084)
Total	361,764	264,538	300,886

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current	361,764	264,538	262,599
Non-current	–	–	38,287
	361,764	264,538	300,886

An impairment analysis was performed at the end of each of the Track Record Period. The Company has applied the general approach to provide for expected credit losses for non-trade other receivables under HKFRS 9. The Company considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of year/period	26,586	144,316	248,970
Impairment losses	117,730	104,654	1,114
At end of year/period	144,316	248,970	250,084

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Equity securities, at fair value	19,689	–	–

APPENDIX I

ACCOUNTANTS’ REPORT

31. BANK BALANCES AND CASH

The Group

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
Bank deposits and cash balances	2,208,647	2,231,856	1,647,621
Restricted bank deposits	629,003	510,359	477,937
	<u>2,837,650</u>	<u>2,742,215</u>	<u>2,125,558</u>

As at 31 October 2025, bank deposits and cash balances include short-term deposits matured within 3 months carried interest ranging from 0.9% to 4.64% per annum.

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
<u>Cash and cash equivalents</u>			
Denominated in RMB	2,829,285	2,717,853	1,347,344
Denominated in Hong Kong dollar (“HKD”) . . .	–	613	574,328
Denominated in United States dollar (“USD”) . .	6,703	20,210	111,510
Denominated in Saudi Riyal dollar (“SAR”) . . .	–	–	92,310
Denominated in Euro (“EUR”)	1,662	3,539	66
	<u>2,837,650</u>	<u>2,742,215</u>	<u>2,125,558</u>

Cash at banks carried interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2023 and 2024 and 31 October 2025, the Group and the Company have assessed the credit risk of cash and cash equivalents and pledged deposits to be minimal as they were placed in reputable financial institutions.

The pledged bank deposit are pledged for certain bills payables as disclosed in note 32.

The Company

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
Bank deposits and cash balances	<u>1,137,874</u>	<u>1,504,612</u>	<u>1,232,975</u>
	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
<u>Cash and cash equivalents</u>			
Denominated in RMB	1,135,174	1,485,514	848,347
Denominated in HKD	–	–	283,184
Denominated in USD	1,038	19,098	101,444
Denominated in EUR	1,662	–	–
	<u>1,137,874</u>	<u>1,504,612</u>	<u>1,232,975</u>

APPENDIX I

ACCOUNTANTS’ REPORT

32. TRADE AND BILLS PAYABLES

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Trade payables			
– that are not part of supplier finance arrangement (“SFA”)	4,884,175	5,184,816	5,036,518
– that are part of SFA	622,981	1,028,810	713,675
	5,507,156	6,213,626	5,750,193
Bills payables	2,227,525	1,865,284	1,849,594
	7,734,681	8,078,910	7,599,787

As at 31 December 2023, 2024 and 31 October 2025, included in the Group’s trade payables are amounts due to the Group’s associates of RMB54,615,000, RMB75,213,000 and RMB81,792,000 and amounts due to the Group’s related parties of RMB1,289,000, RMB nil and RMB 680,000 which will be repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade payables as at the end of the Track Record Period, based on recognition date, is as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	4,694,063	5,233,931	4,901,732
1 to 2 years	464,976	693,258	489,592
2 to 3 years	169,673	111,775	156,015
Over 3 years	178,444	174,662	202,854
Total	5,507,156	6,213,626	5,750,193

The trade payables are non-interest-bearing and are normally settled in 30 to 90 days upon receipt of the VAT invoice.

As at 31 December 2023, 31 December 2024 and 31 October 2025, the Group’s certain bills payables of approximately RMB1,760,108,000, RMB1,979,927,000 and RMB1,721,951,000 were secured by the pledged deposits of approximately RMB418,388,000, RMB408,817,000 and RMB303,452,000, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

Supplier Finance Arrangement (“SFA”)

The Group introduces third party supply chain information service platforms to provide services to its suppliers holding the Group’s electronic debt certificates. The Group’s payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall transfer the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable.

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Carrying amount of financial liabilities that are part of SFA			
Presented as part of:			
– Trade payables	622,981	1,028,810	713,675
Payments have been received by the suppliers from the finance provider			
– Trade payables	399,243	499,497	407,170

The range of payment due dates for the liabilities presented as trade payables that are part of SFA and those comparable trade payables that are not part of SFA had no significant changes. The payment days are generally within 180 days.

The Company

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Trade payables (including SFA)	4,438,218	5,235,589	5,798,912
Bills payables	1,022,823	1,458,052	1,611,630
	<u>5,461,041</u>	<u>6,693,641</u>	<u>7,410,542</u>

An ageing analysis of the trade payables as at the end of the Track Record Period, based on recognition date, is as follows:

	As at 31 December 2023	As at 31 December 2024	As at 31 October 2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	4,132,070	4,664,232	5,539,349
1 to 2 years	187,760	453,967	129,903
2 to 3 years	71,163	56,454	79,881
Over 3 years	47,225	60,936	49,779
Total	<u>4,438,218</u>	<u>5,235,589</u>	<u>5,798,912</u>

APPENDIX I

ACCOUNTANTS’ REPORT

33. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Payroll and welfare payable	471,851	581,334	312,542
Other tax payables	352,222	388,143	237,630
Amounts due to associates (<i>note a</i>)	3,611	4,126	4,893
Loan from an associate (<i>note b</i>)	36,286	–	–
Other payables (<i>note c</i>)	626,474	682,109	618,581
Amount due to a shareholder (<i>note d</i>)	252,159	256,046	234,628
Dividend payables	2,482	834	–
Provision for litigation penalty	–	1,405	35
Total	<u>1,745,085</u>	<u>1,913,997</u>	<u>1,408,309</u>

The total is analysed for reporting purposes as:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current	1,702,465	1,876,467	1,378,598
Non-current	42,620	37,530	29,711
Total	<u>1,745,085</u>	<u>1,913,997</u>	<u>1,408,309</u>

The non-current amounts are related to funds for ultra-long-term government bond projects, accrued sales warranty expenses, and estimated litigation compensation losses.

Notes:

- (a) The amounts due to associates are non-trade nature, unsecured, interest free and repayable on demand.
- (b) The loan from an associate is interest-bearing and repayable on demand.
- (c) Except for certain other payables that are with repayment term over 1 year, other payables are unsecured, non interest-bearing and have no fixed terms of settlement.
- (d) As at 31 December 2023, 2024 and 31 October 2025, except for an amount due to a shareholder of RMB201,961,000, RMB147,679,000 and RMB131,343,000 which are non-trade nature, unsecured, interest-bearing and repayable on demand, the remaining balances are non-trade nature, unsecured, non interest-bearing and repayable on demand.

Certain customers of the Group have financed the purchase of photovoltaic power stations constructed by the Group through financial leasing companies. Under these finance lease arrangements, the Group has provided guarantees to the leasing companies. In the event of default by the purchasing customers, the Company is obligated to compensate the leasing company for the outstanding lease payments. However, the Group retains the right to repossess the photovoltaic power stations that serve as the leased assets. As of 31 December 2023, 2024 and 31 October 2025, the amounts guaranteed by the Company under these arrangements were approximately RMB701 million, RMB123 million, and RMB nil, respectively. The guarantee periods are consistent with the terms of the corresponding lease contracts. The fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant. No loss allowance was recognised in the profit or loss as the amount of the loss allowance was not significant.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Payroll and welfare payable	159,614	195,208	156,289
Other tax payables	34,427	58,977	19,149
Amount due to a shareholder (<i>note a</i>)	50,198	104,532	99,451
Other payables	295,100	452,004	183,208
Total	<u>539,339</u>	<u>810,721</u>	<u>458,097</u>

The total is analysed for reporting purposes as:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Current	<u>539,339</u>	<u>810,721</u>	<u>458,097</u>

Note:

- (a) As at 31 December 2023, 2024 and 31 October 2025, the amount is unsecured, interest-free and repayable on demand.

34. CONTRACT ASSETS AND LIABILITIES

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Contract assets	1,170,151	1,473,915	1,723,264
Impairment	(58,508)	(78,942)	(161,783)
	<u>1,111,643</u>	<u>1,394,973</u>	<u>1,561,481</u>
Contract liabilities	<u>700,624</u>	<u>718,493</u>	<u>848,716</u>
	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Movement of contract liabilities			
At beginning of the year/period	722,644	700,624	718,493
Revenue recognised that was included in contract liabilities at beginning of the year/period . . .	(507,490)	(611,232)	(458,302)
Advance payment received from customers during the year/period	<u>485,470</u>	<u>629,166</u>	<u>588,842</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Acquisition of a subsidiary (note 46)	–	–	612
Disposal of subsidiaries (note 47)	–	(65)	(929)
At the end of year/period	<u>700,624</u>	<u>718,493</u>	<u>848,716</u>
Movement of provision for impairment of contract assets:			
At beginning of the year/period	50,958	58,508	78,942
Impairment losses	7,550	20,577	83,320
Disposal of subsidiaries	–	(143)	(479)
At end of year/period	<u>58,508</u>	<u>78,942</u>	<u>161,783</u>

As at 31 December 2023, 2024 and 31 October 2025, included in the Group’s contract assets are amounts due from the Group’s associates of RMB6,279,000, RMB13,947,000 and RMB11,314,000, which will be repayable on credit terms similar to those offered to the major customers of the Group.

As at 31 December 2023, 2024 and 31 October 2025, included in the Group’s contract liabilities are amounts due to the Group’s associates of RMB12,925,000, RMB7,288,000 and RMB12,750,000 and amounts due to the Group’s related parties of RMB49,000, RMB nil and RMB nil which will be repayable on credit terms similar to those offered to the major customers of the Group.

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Contract assets	971,740	1,279,793	1,584,376
Impairment losses	(48,587)	(63,990)	(144,367)
	<u>923,153</u>	<u>1,215,803</u>	<u>1,440,009</u>
Contract liabilities	<u>233,917</u>	<u>305,139</u>	<u>330,855</u>

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Movement of contract liabilities			
At beginning of the year/period	262,901	233,917	305,139
Revenue recognised that was included in contract liabilities at beginning of the year/period . . .	(195,069)	(196,210)	(243,028)
Advance payment received from customers during the year/period	<u>166,085</u>	<u>267,432</u>	<u>268,744</u>
At the end of year/period	<u>233,917</u>	<u>305,139</u>	<u>330,855</u>
Contract assets			
At beginning of the year/period	35,829	48,587	63,990
Impairment losses	<u>12,758</u>	<u>15,403</u>	<u>80,377</u>
At end of year/period	<u>48,587</u>	<u>63,990</u>	<u>144,367</u>

APPENDIX I

ACCOUNTANTS’ REPORT

35. INTEREST-BEARING BANK BORROWINGS

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Bank borrowings – unsecured and guaranteed . . .	1,222,449	1,732,158	1,960,856
Bank borrowings – secured and unguaranteed . . .	45,000	45,000	25,000
Bank borrowings – unsecured and unguaranteed .	1,431,213	1,322,698	1,738,643
	<u>2,698,662</u>	<u>3,099,856</u>	<u>3,724,499</u>
Non-current			
Bank borrowings – unsecured and guaranteed . . .	1,222,053	353,600	236,452
Bank borrowings – unsecured and unguaranteed .	231,700	590,850	418,700
	<u>1,453,753</u>	<u>944,450</u>	<u>655,152</u>
<i>Analysis of effective interest rate</i>			
Bank borrowings – unsecured and guaranteed . . .	1.20%-4.50%	1.20%-4.20%	1.29%-3.25%
Bank borrowings – secured and unguaranteed . . .	3.20%	3.20%	2.40%
Bank borrowings – unsecured and unguaranteed .	<u>2.95%-4.50%</u>	<u>2.40%-4.50%</u>	<u>2.22%-3.40%</u>

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
The carrying amounts of the borrowings are repayable:			
Within one year	2,698,662	3,099,856	3,724,499
Within a period of more than one year but not exceeding two years	1,257,211	506,945	454,893
Within a period of more than two years but not exceeding five years	172,575	427,505	190,259
Within a period of more than five years	<u>23,967</u>	<u>10,000</u>	<u>10,000</u>
	4,152,415	4,044,306	4,379,651
Less: Amounts due within one year shown under current liabilities	<u>(2,698,662)</u>	<u>(3,099,856)</u>	<u>(3,724,499)</u>
Amounts shown under non-current liabilities .	<u>1,453,753</u>	<u>944,450</u>	<u>655,152</u>

The carrying amounts of the Group’s current interest-bearing bank borrowing approximate to their fair value.

At 31 December 2023, 2024 and 31 October 2025, the Group had banking facilities to the extent of approximately RMB13,960,450,000, RMB16,014,070,000 and RMB22,181,900,000, respectively. The bank borrowings utilising the aforesaid banking facilities as at 31 December 2023, 2024 and 31 October 2025 were approximately RMB3,693,402,000, RMB3,421,190,000 and RMB3,545,959,000, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Bank borrowings – unsecured and guaranteed . . .	2,000	–	–
Bank borrowings – unsecured and unguaranteed . .	997,133	650,874	874,146
	<u>999,133</u>	<u>650,874</u>	<u>874,146</u>
Non-current			
Bank borrowings – unsecured and unguaranteed . .	<u>223,700</u>	<u>590,850</u>	<u>418,700</u>
<i>Analysis of effective interest rate</i>			
Bank borrowings – unsecured and guaranteed . . .	1.20%	N/A	N/A
Bank borrowings – unsecured and unguaranteed . .	<u>2.90%-3.90%</u>	<u>2.50%-3.00%</u>	<u>2.22%-2.65%</u>

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
The carrying amounts of the borrowings are repayable:			
Within one year:	999,133	650,874	874,146
Within a period of more than one year but not exceeding two years	223,700	319,850	418,700
Within a period of more than two years but not exceeding five years	–	271,000	–
	<u>1,222,833</u>	<u>1,241,724</u>	<u>1,292,846</u>
Less: Amounts due within one year shown under current liabilities	<u>(999,133)</u>	<u>(650,874)</u>	<u>(874,146)</u>
Amounts shown under non-current liabilities . .	<u>223,700</u>	<u>590,850</u>	<u>418,700</u>

At 31 December 2023, 2024 and 31 October 2025, the Company had banking facilities to the extent of approximately RMB6,419,900,000, RMB7,269,900,000 and RMB10,129,900,000, respectively. The bank borrowings utilising the aforesaid banking facilities as at 31 December 2023, 2024 and 31 October 2025 were approximately RMB1,179,900,000, RMB1,240,650,000 and RMB1,285,650,000, respectively.

At 31 December 2023, 2024 and 31 October 2025, the Company had issued guarantees to banks to secured banking facilities granted to certain subsidiaries to the extent of approximately RMB5,750,110,000, RMB6,444,170,000 and RMB8,458,170,000, respectively.

36. DEFERRED INCOME

The Group

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Government grants	502,059	417,276	378,963
Unrealised profits from associates	<u>6,343</u>	<u>9,564</u>	<u>6,773</u>
	<u>508,402</u>	<u>426,840</u>	<u>385,736</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Movements in government grants of the Group during the Track Record Period are as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of the year/period	414,765	502,059	417,276
Government grants received	184,836	45,303	46,843
Recognised to profit or loss	(92,600)	(130,086)	(83,541)
Disposal of subsidiaries (note 47)	(4,942)	–	(1,615)
At the end of year/period	<u>502,059</u>	<u>417,276</u>	<u>378,963</u>

The Group received government grants for capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

The Company

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Government grants	<u>23,051</u>	<u>19,580</u>	<u>26,242</u>

Movements in government grants of the Company during the Track Record Period are as follows:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
At beginning of the year/period	21,980	23,051	19,580
Government grants received	1,500	2,350	11,340
Recognised to profit or loss	(429)	(5,821)	(4,678)
At the end of year/period	<u>23,051</u>	<u>19,580</u>	<u>26,242</u>

The Company received government grants for capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

37. SHARE CAPITAL

A summary of movements in the Company’s share capital during the Track Record Period is as follows:

	Number of shares	Nominal value of shares
		RMB'000
At 1 January 2023	1,040,710,713	1,040,711
Issue of ordinary shares (ordinary shares of RMB1.00 each) (note (a))	<u>15,187,000</u>	<u>15,187</u>
As at 31 December 2023 and 1 January 2024	1,055,897,713	1,055,898
Repurchase of shares (note (b))	<u>(206,000)</u>	<u>(206)</u>
As at 31 December 2024 and 1 January 2025	1,055,691,713	1,055,692
Repurchase of shares (note (c))	<u>(154,000)</u>	<u>(154)</u>
As at 31 October 2025 (unaudited)	<u>1,055,537,713</u>	<u>1,055,538</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Notes:

- (a) Pursuant to the proposals such as “Proposal on the 2023 Restricted Share Incentive Plan (Draft) of the Company” (the “2023 Restricted Share Incentive Plan”) approved at the 2022 Annual General Meeting of the Company on 2 June 2023 and “Proposal on Adjusting Matters Related to the 2023 Restricted Share Incentive Plan” on 16 June 2023, it was approved that 15,187,000 shares of restricted stock would be granted at a price of RMB11.16 per share to 711 qualified incentive recipients through issue of 15,187,000 shares. Approximately RMB169,847,000 had been received by the Company in relation to the issuance of shares and RMB15,187,000 and RMB154,300,000 are credited to share capital and capital reserve respectively.

The issuance of the shares was completed on 10 July 2023.

- (b) On April 26, 2024, the company held the 19th meeting of the fifth Board of Directors and the 15th meeting of the fifth Board of Supervisors to review and approve the “Proposal on the Repurchase and Cancellation of Part of the 2023 Restricted Share Incentive Plan and the Adjustment of the Repurchase Price,” agreeing to repurchase and cancel 206,000 shares of restricted stock that had been granted to some incentive recipients but had not yet been released from restriction, and to adjust the repurchase price. The Board of Supervisors issued a verification opinion on this matter.

On May 24, 2024, the company held the 2023 Annual General Meeting of Shareholders to review and approve the “Proposal on the Repurchase and Cancellation of Part of the 2023 Restricted Share Incentive Plan and the Adjustment of the Repurchase Price,” agreeing, in accordance with the relevant provisions of the company’s “2023 Restricted Share Incentive Plan” and the “Implementation and Assessment Management Measures for the 2023 Restricted Share Incentive Plan,” to repurchase and cancel 206,000 shares of restricted stock that had been granted to 13 incentive recipients but had not yet been released from restriction.

- (c) According to the resolutions of the 24th meeting of the 5th Board of Directors, the 20th meeting of the 5th Supervisory Board, and the 2024 Annual General Meeting of Shareholders, and in accordance with the relevant provisions of the company’s ‘2023 Restricted Share Incentive Plan’ and ‘2023 Restricted Share Incentive Plan Implementation Assessment and Management Measures,’ 154,000 restricted shares that have been granted but whose lock-up period has not yet been lifted will be repurchased and cancelled from 12 incentive recipients.

38. RESERVES

The amounts of the Group’s retained earnings and the movements therein for the Track Record Period are presented in the consolidated statements of changes in equity of the Group.

(a) Capital reserve

The amount mainly represents capital contribution in excess of nominal value of share capital.

(b) Foreign currency translation reserve

The amount represents gains/losses arising on retranslating the net assets of foreign operations into presentation currency of the Group.

(c) Special reserve

The safety production funds accrued by the Company are charged to the cost of the related products or to profit or loss for the current period, and are recognised at the same time in a special reserve.

Where the safety production funds so accrued are used for expenditure of an expense nature, they are charged directly against the special reserve.

APPENDIX I

ACCOUNTANTS’ REPORT

Where the safety production funds so accrued are used to form fixed assets, the related expenditure is accumulated under construction in progress. When the safety project is completed and ready for its intended use, it is recognised as a fixed asset. At the same time, the special reserve is reduced by an amount equal to the cost of the fixed asset and an equal amount of accumulated depreciation is recognised. No further depreciation is charged on such fixed assets in subsequent periods.

(d) Statutory surplus reserve

In accordance with the articles of association of subsidiaries established in the PRC, these subsidiaries are required to transfer 10% of the profit after taxation in accordance to China Accounting Standards for Business Enterprises to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve shall be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years’ losses, expand the existing operations or convert into additional capital of the subsidiaries.

(e) Treasury shares

Movement of treasury shares during the year ended 31 December 2023

- (a) 15,187,000 ordinary shares of the Company were issued (as described in note 37) at a price of RMB11.16 per share the purpose of implementation of 2023 Restricted Share Incentive Plan; and
- (b) The Company repurchased 5,148,440 ordinary shares of the Company from the market at average price of RMB18.88 per share for implementation of future share award scheme.

Movement of treasury shares during the year ended 31 December 2024:

- (a) The Company repurchased 10,545,900 ordinary shares of the Company from the market at average price of RMB19.22 per share with total consideration of approximately RMB202,788,000 for implementation of upcoming share award scheme;
- (b) As described in note 37(b), 206,000 ordinary shares of the Company had been repurchased and cancelled during the year ended 31 December 2024; and
- (c) In November 2024, 7,489,000 treasury shares had been utilized as shares under 2024 Share Award scheme issued at RMB9.78 per share to 326 grantees, the difference of RMB143,155,000 (being 7,489,000 treasury shares at average price of RMB19.11) and RMB73,193,000 proceeds received from the grantees (being 7,489,000 treasury shares at price of RMB9.78) are reclassified to capital reserve.

Movement of treasury shares during the year ended 31 October 2024 (unaudited):

- (a) The Company repurchased 10,545,900 ordinary shares of the Company from the market at average price of RMB19.22 per share with total consideration of approximately RMB202,788,000 for implementation of upcoming share award scheme; and
- (b) As described in note 37(b), 206,000 ordinary shares of the Company had been repurchased and cancelled during the ten months ended 31 October 2024.

Movement of treasury shares during the year ended 31 October 2025 (unaudited):

- (a) As described in note 37(c), 154,000 ordinary shares of the Company had been repurchased and cancelled during the ten months ended 31 October 2025;
- (b) In June 2025, as a result of the fulfillment of the conditions as set in 2023 Restricted Share Incentive Plan, 4,448,100 shares are unlocked from 2023 Restricted Share Incentive Plan; and
- (c) 77,000 treasury shares of the Company had been repurchased during the ten months ended 31 October 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

(f) Reserve movements of the Company

Year ended 31 December 2023

	Capital reserve	Treasury shares	Statutory surplus reserve	Retained earnings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	1,798,107	–	176,683	1,229,191	3,203,981
Profit and total comprehensive income for the year	–	–	–	49,201	49,201
Appropriation of statutory reserve	–	–	4,920	(4,920)	–
Dividend declared (note 14)	–	–	–	(52,795)	(52,795)
Repurchase of treasury shares	–	(97,214)	–	–	(97,214)
Issuance of shares under share award scheme (note 37)	154,300	(169,487)	–	–	(15,187)
Recognition of equity settled share-based compensation (note 39)	31,153	–	–	–	31,153
Others	(253)	–	–	–	(253)
At 31 December 2023 . . .	<u>1,983,307</u>	<u>(266,701)</u>	<u>181,603</u>	<u>1,220,677</u>	<u>3,118,886</u>

Year ended 31 December 2024

	Capital reserve	Treasury shares	Statutory surplus reserve	Retained earnings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	1,983,307	(266,701)	181,603	1,220,677	3,118,886
Profit and total comprehensive income for the year	–	–	–	224,002	224,002
Appropriation of statutory reserve	–	–	22,400	(22,400)	–
Dividend declared (note 14)	–	–	–	(103,989)	(103,989)
Repurchase of treasury shares	–	(202,788)	–	–	(202,788)
Repurchase of shares under share award scheme (note 37)	(2,093)	4,546	–	–	2,453
Utilisation of treasury shares under share award scheme	(69,962)	143,155	–	–	73,193
Recognition of equity settled share-based compensation (note 39)	64,846	–	–	–	64,846
Others	(5)	–	–	–	(5)
At 31 December 2024 . . .	<u>1,976,093</u>	<u>(321,788)</u>	<u>204,003</u>	<u>1,318,290</u>	<u>3,176,598</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Ten months ended 31 October 2025 (unaudited)

	Capital reserve	Treasury shares	Statutory surplus reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	1,976,098	(321,793)	204,003	1,318,290	3,176,598
Profit and total comprehensive income for the period	–	–	–	160,683	160,683
Dividend declared (note 14)	–	–	–	(157,077)	(157,077)
Repurchase of treasury shares	–	(753)	–	–	(753)
Repurchase of shares under share award scheme (note 37)	(1,565)	3,920	–	–	2,355
Effect of unlocking shares under 2023 Restricted Share Incentive Plan	–	48,306	–	–	48,306
Recognition of equity settled share-based compensation (note 39)	66,293	–	–	–	66,293
Others	37	–	–	–	37
At 31 October 2025 (unaudited)	<u>2,040,863</u>	<u>(270,320)</u>	<u>204,003</u>	<u>1,321,896</u>	<u>3,296,442</u>

39. SHARE-BASED PAYMENTS

(a) Share-based payments during the Track Record Period are as follows:

	Year ended 31 December	Year ended 31 December	Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
2024 Restricted Share Incentive Plan	–	3,203	2,214	4,427
TELD Share Award Incentive Plan	36,159	40,867	33,595	42,800
2023 Restricted Share Incentive Plan	31,153	56,310	46,855	35,718
2024 Stock Ownership Plan	–	5,333	–	26,148
	<u>67,312</u>	<u>105,713</u>	<u>82,664</u>	<u>109,093</u>

(b) 2024 Restricted Share Incentive Plan

Pursuant to the 2024 Restricted Share Incentive Plan approved at the 2023 Annual General Meeting of the Company on 24 May 2024, the Company granted 1,400,000 stock options to 10 incentive recipients with a grant date of 24 May 2024 and exercise price of RMB9.88 per share. According to the Company’s performance appraisal and individual performance appraisal, the stock options granted to certain directors, top-level management personnel and core operation team personnel are exercisable in three exercise periods after 24 months, 36 months and 48 months from the grant date, with the maximum exercisable percentage for each period being 30%, 30% and 40%, respectively.

On 28 October 2024, the Company held the 22nd meeting of the fifth board of directors and reviewed and approved the “Proposal on Adjusting the Purchase Price of the Company’s 2024 Restricted Share Incentive Plan,” agreeing to adjust the repurchase price of shares under the company’s 2024 Restricted Stock Incentive Plan from RMB9.88 per share to RMB9.78 per share.

APPENDIX I

ACCOUNTANTS’ REPORT

The movements of 2024 Stock Option Incentive Plan during the Track Record Period is as follows:

	Year ended 31 December		Year ended 31 December		Ten months ended 31 October	
	2023		2024		2025	
	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares
	RMB per share		RMB per share		RMB per share (unaudited)	
At the beginning of the year/period . . .	N/A	–	N/A	–	9.78	1,400,000
Granted	N/A	–	9.78	1,400,000	N/A	–
At the end of the year/period	N/A	–	9.78	1,400,000	9.78	1,400,000

The weighted average remaining contractual term of 2024 Restricted Share Incentive Plan as at 31 December 2024 and 31 October 2025 were 4.5 years and 3.5 years respectively.

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

	2024 Restricted Share Incentive Plan
Share price at date of grant	RMB20.07
Expected volatility	48.07%
Expected option life	5 years
Dividend yield	0.56%
Risk-free interest rate	2.314%
Exercise price at date of grant	RMB9.88

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(c) Share award

(i) TELD Share Award Incentive Plan

Pursuant to the approval from second meeting of the Company’s fourth board of directors and the first extraordinary general meeting of shareholders of the Company in 2019, TELD, the Company’s subsidiary has implemented the TELD Share Award Incentive Plan. The directors, senior and middle management, core technical staff, and key business personnel of both the Company and TELD subscribed to TELD’s newly increased registered capital of RMB18.42 million at a unit price of RMB2.86 per share. The contractual term of TELD Share Award Incentive Plan is 10 years. The TELD share award granted to grantee will be unlocked in 60 months from the date of completion of the registration of the grant, and the percentage of unlocking will be in accordance to TELD’s performance appraisal.

On 28 October 2021, the Company held the 30th meeting of the fourth board of directors and reviewed and approved the “Proposal on Adjusting the Appraisal Conditions of TELD Share Award Incentive Plan” on adjusting appraisal relevant years from “from 2019 to 2023” to “2019 and from 2022 to 2025”.

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) 2023 Restricted Share Incentive Plan

Pursuant to the proposals such as “Proposal on the 2023 Restricted Share Incentive Plan (Draft) of the Company” approved at the 2022 Annual General Meeting of the Company on 2 June 2023 and “Proposal on Adjusting Matters Related to the 2023 Restricted Share Incentive Plan” on 16 June 2023, it was approved that 15,187,000 shares of restricted stock would be granted at a price of RMB11.16 per share to 711 qualified incentive recipients through issue of 15,187,000 shares. Approximately RMB169,847,000 had been received by the Company in relation to the issuance of shares and RMB15,187,000 and RMB154,300,000 are credited to share capital and capital reserve respectively.

The number of 2023 Restricted Share Incentive Plan granted to the Group’s incentive participants is summarised as follows:

	Year ended 31 December	Year ended 31 December	For the ten months ended 31 October
	2023	2024	2025
			(unaudited)
			<i>Number of share award</i>
At the beginning of the year/period	–	15,187,000	14,981,000
Granted	15,187,000	–	–
Vested	–	–	(4,448,100)
Lapsed/forfeited	–	(206,000)	(154,000)
At the end of the year/period	15,187,000	14,981,000	10,378,900

(iii) 2024 Stock Ownership Plan

On 26 April 2024, the company held the 19th meeting of the fifth Board of Directors and the 15th meeting of the fifth Board of Supervisors, and reviewed and approved matters including the “Proposal on the Company’s 2024 Stock Ownership Plan (Draft) and Its Summary” and the “Proposal on the Company’s 2024 Stock Ownership Plan Management Measures.”

On 24 May 2024, the company held the 2023 Annual General Meeting of Shareholders and reviewed and approved the “Proposal on the Company’s 2024 Stock Ownership Plan (Draft) and Its Summary” and the “Proposal on the Company’s 2024 Stock Ownership Plan Management Measures.”

On 28 October 2024, the company held the 22nd meeting of the fifth Board of Directors and reviewed and approved the “Proposal on Adjusting the Purchase Price of the Company’s 2024 Stock Ownership Plan,” adjusting the repurchase price of shares under the 2024 Stock Ownership Plan from RMB9.88 per share to RMB9.78 per share.

On 18 November 2024, the company transferred 7,489,000 shares held in its dedicated repurchase securities account to the “Qingdao Tgood Electric Co., Ltd. — 2024 Stock Ownership Plan” dedicated securities account through a non-trading transfer, at a transfer price of RMB9.78 per share.

The number of 2024 Stock Ownership Plan granted to the Group’s incentive participants is summarised as follows:

	Year ended 31 December	Year ended 31 December	For the ten months ended 31 October
	2023	2024	2025
			(unaudited)
			<i>Number of share award</i>
At the beginning of the year/period	–	–	7,489,000
Granted	–	7,489,000	–
Lapsed/forfeited	–	–	(77,000)
At the end of the year/period	–	7,489,000	7,412,000

APPENDIX I

ACCOUNTANTS’ REPORT

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Dividend payables	Interest-bearing bank and other borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	216	4,543,783	900,444	5,444,443
Changes from financing cash flows	(50,529)	(550,166)	(173,749)	(774,444)
New leases	–	–	425,138	425,138
Termination and modification of leases . .	–	–	(9,336)	(9,336)
Interest expense	–	158,798	47,685	206,483
Dividend declared	52,795	–	–	52,795
At 31 December 2023 and 1 January 2024	2,482	4,152,415	1,190,182	5,345,079
Changes from financing cash flows	(105,637)	(238,597)	(179,151)	(523,385)
New leases	–	–	350,761	350,761
Termination and modification of leases . .	–	–	(228,835)	(228,835)
Disposal of a subsidiary (note 47)	–	–	(1,270)	(1,270)
Interest expense	–	130,488	57,743	188,231
Dividend declared	103,989	–	–	103,989
At 31 December 2024 and 1 January 2025	834	4,044,306	1,189,430	5,234,570
Changes from financing cash flows	(157,911)	291,072	(147,795)	(14,634)
New leases	–	–	107,488	107,488
Termination and modification of leases . .	–	–	(226,278)	(226,278)
Acquisition of subsidiaries (note 46)	–	–	7,596	7,596
Disposal of a subsidiary (note 47)	–	(53,077)	(1,065)	(54,142)
Interest expense	–	97,350	36,498	133,848
Dividend declared	157,077	–	–	157,077
At 31 October 2025 (unaudited)	–	4,379,651	965,874	5,345,525
At 1 January 2024	2,482	4,152,415	1,190,182	5,345,079
Changes from financing cash flows	(105,637)	579,821	(142,050)	332,134
New leases	–	–	342,002	342,002
Termination and modification of leases . .	–	–	(157,226)	(157,226)
Interest expense	–	108,124	48,864	156,988
Dividend declared	103,989	–	–	103,989
At 31 October 2024 (unaudited)	834	4,840,360	1,281,772	6,122,966

41. CAPITAL COMMITMENTS

As of December 31, 2023 and 2024 and October 31, 2025, our capital commitments amounted to RMB 20.1 million, RMB 89.0 million and RMB 94.7 million, respectively, primarily in connection with capital expenditure contracted for but not yet provided for property, plant and equipment.

42. CONTINGENT LIABILITIES

Certain customers of the Company have financed the photovoltaic solar power stations constructed by the Company through financial leasing services provided by leasing companies. Under the financial leasing arrangements, the Company provides guarantees to such leasing companies. Should the purchasing customer default, the Company will be required to compensate the leasing company for the outstanding lease payments owed by the customer. However, the Company retains the right to repossess the photovoltaic solar power stations as the leased assets. As at 31 December 2024, the Company had provided guarantees for such business amounting to RMB122,951,700. The guarantee period aligns with the lease contract term, typically spanning 8 to 10 years. As at 31 October 2025, all the guarantees have been ended and no contingent liabilities was noted.

APPENDIX I

ACCOUNTANTS’ REPORT

43. PLEDGE OF ASSETS

Details of the assets pledged for the Group’s interest-bearing bank and other borrowings and issuance of bank acceptance bills are included in notes 35 and 32 to the Historical Financial Information.

44. RELATED PARTY TRANSACTIONS

- (a) Names and relationship of the related parties that had material transactions with the Group during the Track Record Period:

Name of related parties	Relationship between related parties and the Company
Derui Investment	Shareholder
Guiyang Mining Energy Teld Charging Network Operation Co., Ltd. (貴陽礦能特來電充電網運營有限公司)	Associate
Cangzhou Jiaofa Teld New Energy Technology Co., Ltd. (滄州交發特來電新能源科技有限公司)	Associate
Zibo Teld New Energy Technology Co., Ltd. (淄博特來電新能源科技有限公司)	Associate
Taizhou Sanhe Teld Charging Network Technology Co., Ltd. (台州市三合特來電充電網科技有限公司)	Associate
Ordos City Investment Teld Technology Co., Ltd. (鄂爾多斯市城投特來電科技有限公司)	Associate
Tibet Latou Teld Charging Network Technology Operation Co., Ltd. (西藏拉投特來電充電網科技運營有限公司)	Associate
Nantong Smart Charging Network Technology Co., Ltd. (南通智慧充電網科技有限公司)	Associate
Dongguan Energy Investment Huadeng Teld Charging Network Operation Co., Ltd. (東莞能投華燈特來電充電網運營有限公司)	Joint venture
Ganzhou Jiaotong Teld New Energy Co., Ltd. (贛州市交投特來電新能源有限責任公司)	Joint venture
Qingdao Tezhonghe Smart Technology Co., Ltd. (青島特中和智慧科技有限公司)	Company controlled by shareholder

- (b) Transactions with related parties:

The Group had the following transactions with related parties during the Track Record Period:

	Year ended 31 December 2023 RMB’000	Year ended 31 December 2024 RMB’000	Ten months ended 31 October 2024 RMB’000 (unaudited)		2025 RMB’000 (unaudited)
<u>Sales of goods and provision of services</u>					
Associates	369,839	402,123	186,011		180,337
Company controlled by shareholder	–	1	1		–
<u>Purchase of goods and acceptance of services</u>					
Associates	89,801	65,385	53,129		48,849
Company controlled by shareholder	–	13,271	13,271		8,835
Other related parties	7	–	–		–
<u>Purchase of material</u>					
Associate	647	–	–		–
<u>Interest expenses</u>					
Shareholder	14,152	7,481	6,188		3,466
Associates	1,530	1,530	1,274		–
<u>Proceed from disposal of assets</u>					
Associates	23,234	20,247	3,151		1,253
Company controlled by shareholder	–	27	–		–
<u>Rental income</u>					
Company controlled by shareholder	78	155	130		211

APPENDIX I

ACCOUNTANTS’ REPORT

(c) Outstanding balances with related parties:

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-operational			
<i>Due from related parties</i>			
Associates	58,376	33,550	8,457
Other related parties	21,592	–	–
<i>Due to related parties</i>			
Associates	39,897	4,126	4,893
Shareholder	252,159	256,046	234,628
Operational			
<i>Due from related parties</i>			
Associates	375,860	431,307	315,341
Shareholder	85	260	–
Company controlled by shareholder	73	–	–
<i>Due to related parties</i>			
Associates	62,102	82,501	94,542
Other related parties	1,338	–	–
	<u> </u>	<u> </u>	<u> </u>

(d) Acting as guarantee with related parties:

	As at 31 December		As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
<u>The Group as guarantor</u>			
Associates	55,500	—	—
	<u> </u>	<u> </u>	<u> </u>

(e) Compensation of key management personnel

	Year ended 31 December		Ten months ended 31 October	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000 (unaudited)
Directors’ fee, salaries, allowances and benefits in kind	4,772	4,565	3,884	4,758
Performance related bonuses	6,243	6,943	–	–
Retirement benefit scheme contributions	395	549	458	723
Equity settled share-based compensation	7,852	9,862	7,791	11,933
Total	<u>19,262</u>	<u>21,919</u>	<u>12,133</u>	<u>17,414</u>

APPENDIX I

ACCOUNTANTS’ REPORT

(f) Settlement of liabilities on behalf of the Group or by the Group on behalf of that related party

	Year ended 31 December	Year ended 31 December	Ten months ended 31 October	Ten months ended 31 October
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Received on behalf of the Group . .	32,418	48,772	41,176	38,919
Paid on behalf of the Group	158,704	120,858	112,175	127,775
Received on behalf of associates . .	55,962	378,720	303,065	506,700
Paid on behalf of associates	9,383	12,583	11,030	17,034
	<u>256,467</u>	<u>560,933</u>	<u>467,446</u>	<u>690,428</u>

Further details of directors’ and supervisors’ emoluments are included in note 12 to the Historical Financial Information.

45. FINANCIAL INSTRUMENTS

The Group

(a) Categories of financial instruments

	As at 31 December	As at 31 December	As at 31 October
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (unaudited)
Financial assets:			
Investments at fair value through profit or loss . .	3	3	3
Financial assets at fair value through profit or loss	19,689	—	—
Notes receivable at fair value through other comprehensive income	147,825	269,960	133,205
Financial assets measured at amortised cost exclude contract assets (including cash and cash equivalents)	<u>12,136,146</u>	<u>13,522,895</u>	<u>12,971,432</u>
Financial liabilities:			
Financial assets measured at amortised cost	<u>13,279,959</u>	<u>13,647,665</u>	<u>13,150,082</u>
Lease liabilities	<u>1,190,182</u>	<u>1,189,430</u>	<u>965,874</u>

(b) Financial risk management objectives and policies

The Group’s principal financial instruments, other than derivatives, comprise interest-bearing bank and other borrowings and cash. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional exchange rate risk exposures mainly arising from sales or purchases in currencies other than the functional currencies. The Group has subsidiaries using HKD, USD, SAR and EUR as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies. The Group adopts an overall management on its foreign exchange business, and reduce its exchange rate exposures using forward foreign exchange contracts based on the market trend as necessary.

APPENDIX I

ACCOUNTANTS’ REPORT

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rate of HKD, USD, SAR and EUR, with all other variables held constant, of the Group’s profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit before tax
	%	RMB’000
31 December 2023		
If RMB weakens against USD and EUR	5%	(1,961)
If RMB strengthens against USD and EUR	(5%)	1,961
31 December 2024		
If RMB weakens against HKD, USD and EUR	5%	(3,310)
If RMB strengthens against HKD, USD and EUR	(5%)	3,310
31 October 2025 (unaudited)		
If RMB weakens against HKD, USD, SAR and EUR	5%	(10,518)
If RMB strengthens against HKD, USD, SAR and EUR	(5%)	10,518

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable rate bank borrowings (note 35). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates LPR arising from the Group’s borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in variable rates and ensure they are within reasonable range.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of the Track Record Period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank borrowings is used when represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group’s: profit before tax for the period ended 31 October 2025, for the year ended 31 December 2024 and for the year ended 31 December 2023 would decrease/increase by RMB6,234,000, RMB6,587,000 and RMB6,796,009 respectively. This is mainly attributable to the Group’s exposure to interest rates on its variable-rate bank borrowings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade receivables and bills receivables, notes receivable at fair value through other comprehensive income, financial assets included in other receivables, contract assets, and bank balances and cash, loan receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Maximum exposure and year-end/period-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 ageing information unless other information is available without undue cost or effort, and year-end/period-end staging classification as at the end of each of the Track Record Period. The amounts presented are gross carrying amounts for financial assets.

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2023

	12-months ECL	Lifetime ECLs		Simplified approached	Total
	Stage 1	Stage 2	Stage 3		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	–	–	–	8,460,341	8,460,341
Financial assets at fair value through profit or loss	19,689	–	–	–	19,689
Investments at fair value through profit or loss . .	3	–	–	–	3
Notes receivable at fair value through other comprehensive income .	–	–	–	147,825	147,825
Financial assets included in prepayments and other receivables	781,441	–	–	–	781,441
Contract assets	–	–	–	1,111,643	1,111,643
Bank balances and cash . .	2,837,650	–	–	–	2,837,650
Total	<u>3,638,783</u>	<u>–</u>	<u>–</u>	<u>9,719,809</u>	<u>13,358,592</u>

As at 31 December 2024

	12-months ECL	Lifetime ECLs		Simplified approached	Total
	Stage 1	Stage 2	Stage 3		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	–	–	–	9,913,743	9,913,743
Investments at fair value through profit or loss . .	3	–	–	–	3
Notes receivable at fair value through other comprehensive income .	–	–	–	269,960	269,960
Financial assets included in prepayments and other receivables	661,840	–	–	–	661,840
Contract assets	–	–	–	1,394,973	1,394,973
Bank balances and cash . .	2,742,215	–	–	–	2,742,215
Total	<u>3,404,058</u>	<u>–</u>	<u>–</u>	<u>11,578,676</u>	<u>14,982,734</u>

As at 31 October 2025 (unaudited)

	12-months ECL	Lifetime ECLs		Simplified approached	Total
	Stage 1	Stage 2	Stage 3		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	–	–	–	9,721,703	9,721,703
Investments at fair value through profit or loss . .	3	–	–	–	3
Notes receivable at fair value through other comprehensive income .	–	–	–	133,205	133,205
Financial assets included in prepayments and other receivables	885,661	–	–	–	885,661
Contract assets	–	–	–	1,561,481	1,561,481
Bank balances and cash . .	2,125,558	–	–	–	2,125,558
Total	<u>3,011,222</u>	<u>–</u>	<u>–</u>	<u>11,416,389</u>	<u>14,427,611</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings to meet its working capital requirements.

The maturity profile of the Group’s financial liabilities as at the end of each of the Track Record Period, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills payables . .	7,734,681	–	–	–	7,734,681
Financial liabilities included in other payables and accruals . .	1,350,243	42,620	–	–	1,392,863
Interest-bearing bank borrowings	2,741,077	1,280,323	177,508	24,880	4,223,788
Lease liabilities	211,225	192,634	525,630	492,249	1,421,738
	<u>12,037,226</u>	<u>1,515,577</u>	<u>703,138</u>	<u>517,129</u>	<u>14,773,070</u>

As at 31 December 2024

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills payables . .	8,078,910	–	–	–	8,078,910
Financial liabilities included in other payables and accruals . .	1,486,919	37,530	–	–	1,524,449
Interest-bearing bank borrowings	3,128,809	513,120	441,693	10,150	4,093,772
Lease liabilities	221,946	202,187	573,818	380,778	1,378,729
	<u>12,916,584</u>	<u>752,837</u>	<u>1,015,511</u>	<u>390,928</u>	<u>15,075,860</u>

As at 31 October 2025 (unaudited)

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills payables . .	7,599,787	–	–	–	7,599,787
Financial liabilities included in other payables and accruals . .	1,140,933	29,711	–	–	1,170,644
Interest-bearing bank borrowings	3,749,090	460,982	191,722	10,042	4,411,836
Lease liabilities	179,403	222,955	454,359	246,735	1,103,452
	<u>12,669,213</u>	<u>713,648</u>	<u>646,081</u>	<u>256,777</u>	<u>14,285,719</u>

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new capitals.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The gearing ratios as at the end of the Track Record Period are as follows:

	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 October 2025 RMB'000 (unaudited)
Interest-bearing bank and other borrowings	4,152,415	4,044,306	4,379,651
Lease liabilities	1,190,182	1,189,430	965,874
Less: Cash and cash equivalents	(2,837,650)	(2,742,215)	(2,125,558)
Net debt	2,504,947	2,491,521	3,219,967
Equity attributable to owners of the parent	6,689,405	7,474,538	8,158,545
Capital and net debt	9,194,352	9,966,059	11,378,512
Gearing ratio	27%	25%	28%

46. STEP ACQUISITION OF A SUBSIDIARY

For the ten months ended 31 October 2025 (unaudited)

On 29 April 2025, a non wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the “Acquisition Agreement”) with the seller, an independent third parties of the Group.

Pursuant to the Acquisition Agreement, the Group conditionally agreed to acquire and the seller conditionally agreed to sell 48% of the equity interest in 江西國特智慧新能源有限公司, a company incorporated in the PRC with limited liability. 江西國特智慧新能源有限公司 is principally engaged in sales of charging equipment and investment in and operation of charging networks. The cash consideration of the acquisition was RMB24,000,000. The acquisition was completed on 30 April 2025 and the Group’s equity interest in 江西國特智慧新能源有限公司 increased from 32% to 80%. The acquisition accounted for as an acquisition of business using the acquisition method.

No material acquisition-related costs are incurred for the acquisition.

Fair value of identifiable assets and liabilities recognised at the date of acquisition

	RMB'000
Cash and cash equivalents	24,302
Trade receivables	22,093
Inventories	2,308
Property, plant and equipment	34,776
Prepayments and other receivables	9,612
Contract assets	150
Interests in associates	14,238
Right-of-use assets	6,334
Goodwill	–
Other non-current assets	2,766
Deferred tax assets	1,134
Trade and bills payables	(23,471)
Other payables and accruals	(11,219)
Income tax payable	(91)
Contract liabilities	(612)
Lease liabilities	(7,596)
Deferred income	(8,065)
Net assets	66,659
Less: Non-controlling interest	(30,465)
Recognised amounts of net assets acquired	38,117

APPENDIX I

ACCOUNTANTS’ REPORT

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB31,222,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB31,222,000 at the date of acquisition.

Goodwill arising on acquisition

RMB'000

Consideration transferred	
– Cash	24,000
– Fair value of equity interests previously held by the Group	14,117
Total consideration transferred	38,117
Less: recognised amounts of net assets acquired	(36,194)
Goodwill arising on acquisition	1,923

Net cash inflows arising on acquisition

RMB'000

Consideration paid in cash	(24,000)
Plus: bank balances and cash acquired	24,302
	302

Impact of acquisition on the results of the Group

江西國特智慧新能源有限公司 result a net loss of RMB1,683,000 and revenue of RMB13,191,000 respectively for the ten months ended 31 October 2025.

Had the acquisition been completed on 1 January 2025, the Group’s total revenue for the ten months ended 31 October 2025 would have been approximately RMB11,337,948,000 and profit for the ten months ended 31 October 2025 would have been approximately RMB834,199,000. This proforma information is provided for illustrative purposes only and is not necessarily an indication of the revenue and profits the Group would actually have achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

47. DISPOSAL AND DEREGISTRATION OF PARTICULAR SUBSIDIARIES

Name of particular subsidiary	Place of registration	Equity interest held by the Group before disposal	Equity interest held by the Group after disposal	Total consideration
				RMB'000
<i>For the year ended 31 December 2023</i>				
Gansu Hengchang Derui New Energy Development Co., Ltd. (甘肅恒昌德瑞新能源開發有限公司)	PRC	70%	Nil	–
Qingdao Terui IoT Technology Co., Ltd. (青島特銳德物聯科技有限公司)	PRC	70%	40%	–
Qingdao Terui Energy Management Co., Ltd. (青島特銳德能源管理有限公司)	PRC	100%	Nil	1,001
<i>For the year ended 31 December 2024</i>				
Changshu Gaoyun TELD Charger Network Technology Co., Ltd. (常熟高運特來電充電網科技有限公司)	PRC	51%	49%	–
Shanxi Jineng Power Technology Co., Ltd. (山西晉能電力科技有限公司)	PRC	51%	Nil	27,500

APPENDIX I

ACCOUNTANTS’ REPORT

Name of particular subsidiary	Place of registration	Equity interest held by the Group before disposal	Equity interest held by the Group after disposal	Total consideration RMB’000
<i>For the ten months ended 31 October 2025</i>				
Leshan Yilaide	PRC	52%	Nil	80,000
Zhangjiagang Jiaoyun Teld Electric Charging Network Technology Co., Ltd. (張家港市交運特來電充電網絡科技有限公司)	PRC	51%	49%	–
Ulanqab Jingxi Teld Electric New Energy Technology Co., Ltd. (烏蘭察布京西特來電新能源科技有限公司)	PRC	64%	48%	551
Tavrida Electric (Qingdao) Co., Ltd. (特瑞德電氣(青島)有限公司)	PRC	51%	Nil	6,555

The carrying values of the assets and liabilities on the dates of disposal were as follows:

	For the year ended December 31, 2023 RMB’000	For the year ended December 31, 2024 RMB’000	For the ten months ended October 31, 2024 RMB’000	For the ten months ended October 31, 2025 RMB’000
Cash and cash equivalents	1,147	219	–	19,500
Property, plant and equipment (note 16)	733	11,150	–	54,390
Right-of-use assets (note 17)	–	986	–	17,371
Investment properties (note 18)	–	–	–	4,580
Other intangible assets (note 20)	–	–	–	96
Other non-current assets	–	2	–	3
Trade and bills receivables	11	103,560	91,351	187,034
Prepayments and other receivables	7,217	2,149	1,869	6,122
Contract assets	–	2,709	2,709	–
Deferred tax assets	76	363	–	6,064
Inventories	67	284	–	52,816
Trade and bills payables	(8,285)	(32,644)	(29,667)	(113,363)
Other payables and accruals	(48)	(91)	(288)	(6,917)
Contract liabilities	–	(65)	–	(929)
Lease liabilities	–	(1,270)	–	(1,065)
Deferred income (note 36)	(4,942)	–	–	(1,615)
Deferred tax liabilities	–	(329)	–	–
Interest-bearing bank and other borrowings	–	–	–	(53,077)
Net assets value of subsidiaries	(4,024)	87,023	65,974	171,010
Less: non-controlling interest	(11)	(42,628)	(32,314)	(81,130)
Subtotal	(4,035)	44,395	33,660	89,880
Transferred to interests held and classified as associates and joint ventures	(11)	(10,782)	–	(12,401)
Reclassification of cumulative reserve upon disposal	–	–	–	(6,762)
Gain/(loss) on disposal of subsidiaries	5,047	(6,113)	(6,160)	16,389
Total consideration	1,001	27,500	27,500	87,106

APPENDIX I

ACCOUNTANTS’ REPORT

	For the year ended December 31,	For the year ended December 31,	For the ten months ended October 31,	For the ten months ended October 31,
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Satisfied by:				
Cash consideration received	1,001	–	–	31,306
Consideration receivables from disposal	–	27,500	27,500	55,800
	<u>1,001</u>	<u>27,500</u>	<u>27,500</u>	<u>87,106</u>
Net cash inflow arising on disposal:				
Cash consideration received	1,001	–	–	31,306
Cash and cash equivalents disposed of	(1,147)	(219)	–	(19,500)
	<u>(146)</u>	<u>(219)</u>	<u>–</u>	<u>11,806</u>

For the ten months ended 31 October 2025

(a) Leshan Yilade

On 31 December 2024, a non-controlling interest party of Leshan Yilade and the Company, entered into an agreement, pursuant to which, the Company has conditionally agreed to sell 52.4194% of the equity interest in Leshan Yilade. The disposal was completed on 16 April 2025 and the Group’s equity interest in Leshan Yilade was entirely disposed.

RMB'000

Net assets at the date of disposal were as follows:

Cash and bank balances	11,133
Trade and bills receivables	175,112
Prepayment and other receivables	6,209
Inventories	37,276
Contract assets	(472)
Property, plant and equipment	30,420
Investment properties	4,580
Right-of-use assets	16,267
Intangible assets	96
Deferred tax assets	5,501
Bank and other borrowings	(52,949)
Trade and bills payables	(97,283)
Other payables and accrued charges	(2,064)
Non-controlling interests	(63,677)
Net assets value of subsidiary	<u>70,149</u>
Net assets value of 52.4194% of disposed subsidiary	70,149
Reclassification of cumulative reserve upon disposal of Leshan Yilade to profit or loss	(6,762)
Gain on disposal of subsidiary	<u>16,613</u>
Total consideration	<u>80,000</u>

APPENDIX I

ACCOUNTANTS’ REPORT

RMB'000

Satisfied by:

Cash consideration received	24,200
Consideration receivables from disposal	55,800
	<u>80,000</u>

Net cash inflow arising on disposal:

Cash consideration received	24,200
Cash and cash equivalents disposed of	(11,133)
	<u>13,067</u>

Out of total consideration of RMB80,000,000, approximately RMB24,200,000 was settled during the ten months ended 31 October 2025 whereas the remaining balance of approximately RMB55,800,000 was included in “Non-current trade receivables” as at 31 October 2025 and will be partial settled within 3 years.

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

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

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

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

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

(a) Disclosures of level in fair value hierarchy

	Fair value measurement using			Total
	Quoted prices (unadjusted) in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
<u>As at 31 December 2023</u>				
Notes receivable at fair value through other comprehensive income	—	—	147,825	147,825
Investments at fair value through profit or loss	—	—	3	3
Financial assets at fair value through profit or loss	19,689	—	—	19,689
Total	<u>19,689</u>	<u>—</u>	<u>147,828</u>	<u>167,517</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Fair value measurement using			
	Quoted prices (unadjusted) in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<u>As at 31 December 2024</u>				
Notes receivable at fair value through other comprehensive income	—	—	269,960	269,960
Investments at fair value through profit or loss	—	—	3	3
Total	—	—	269,963	269,963
	—	—		
<u>As at 31 October 2025 (unaudited)</u>				
Notes receivable at fair value through other comprehensive income	—	—	133,205	133,205
Investments at fair value through profit or loss	—	—	3	3
Total	—	—	133,208	133,208
	—	—		

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

	Notes receivable at fair value through other comprehensive income <i>RMB'000</i>	Investments at fair value through profit or loss <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	241,408	5,003	246,411
Addition	147,825	—	147,825
Total gains recognised in consolidated profit or loss	—	(5,000)	(5,000)
Disposal	(241,408)	—	(241,408)
At 31 December 2023 and 1 January 2024	147,825	3	147,828
Addition	269,960	—	269,960
Disposal	(147,825)	—	(147,825)
At 31 December 2024 and 1 January 2025	269,960	3	269,963
Addition	133,205	—	133,205
Disposal	(269,960)	—	(269,960)
At 31 October 2025 (unaudited)	133,205	3	133,208

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

The Group’s finance team is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors of the Company for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the board of directors of the Company on a regular basis.

APPENDIX I

ACCOUNTANTS’ REPORT

Level 3 fair value measurements

Note receivable at fair value through other comprehensive income amounted to RMB147,820,000, RMB269,960,000 and RMB133,205,000 as at 31 December 2023, 31 December 2024 and 31 October 2025 respectively are valued under discounted cash flow method and the key unobservable inputs is discount rate.

During the Track Record Period, there were no changes in the valuation techniques used.

49. EVENTS AFTER THE REPORTING PERIOD

No significant events took place subsequent to 31 October 2025.

50. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group in respect of any periods subsequent to 31 October 2025 and up to the date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by the Group in respect of any period subsequent to 31 October 2025.