The following is the text of a report set out on pages I-1 to I-72, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 石大勝華新材料集團股份有限公司 SHIDA SHINGHWA ADVANCED MATERIAL GROUP CO., LTD. (FORMERLY KNOWN AS 勝華新材料集團股份有限公司 SHINGHWA ADVANCED MATERIAL GROUP CO., LTD.) AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of 石大勝華新材料集團股份有限公司 Shida Shinghwa Advanced Material Group Co., Ltd. (formerly known as 勝華新材料集團股份有限公司 Shinghwa Advanced Material Group Co., Ltd., the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-72, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended December 31, 2023, 2024 and 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-3 to I-72 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [*date*] (the "Document") in connection with the [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the 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 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' judgment, 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 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 purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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-3 have been made.

Dividends

We refer to Note 28(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
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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 is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

		Years ended December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	5,634,788	5,546,730	6,808,387
Cost of sales		(5,281,410)	(5,252,320)	(6,321,651)
Gross profit		353,378	294,410	486,736
Other revenue	*5*	41,285	88,262	84,418
Other net (losses)/gains	*6*	(14,927)	14,646	(7,599)
Selling and distribution expenses		(86,539)	(81,870)	(85,320)
Administrative expenses		(156,007)	(146,293)	(157,619)
Research and development expenses		(192,057)	(238,282)	(271,039)
Reversal of/(provision for) impairment losses under expected credit losses ("ECL") model		1,257	(6,097)	(2,309)
(Loss)/profit from operations		(53,610)	(75,224)	47,268
Finance costs	*7(a)*	(25,510)	(61,090)	(96,533)
Share of profits less losses of associates		22	(123)	80
Loss before taxation	*7*	(79,098)	(136,437)	(49,185)
Income tax credit	*8*	13,864	66,014	43,306
Loss and total comprehensive income for the year		(65,234)	(70,423)	(5,879)
Attributable to:				
Equity shareholders of the Company		14,143	20,321	28,485
Non-controlling interests		(79,377)	(90,744)	(34,364)
Earnings per share				
Basic and diluted (RMB)	*11*	0.07	0.10	0.13

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*12*	4,708,772	5,144,320	5,031,364
Right-of-use assets	*12*	293,354	335,397	328,627
Investment properties	*12*	20,727	62,614	77,516
Intangible assets	*13*	33,267	43,494	37,247
Investments in associates	*15*	33,928	33,805	33,885
Prepayments and other receivables	*16*	82,327	20,367	13,139
Deferred tax assets	*24(b)*	12,533	61,057	137,832
		5,184,908	5,701,054	5,659,610
Current assets				
Inventories	*17*	425,264	603,430	682,224
Prepayments, trade and other receivables	*16*	1,014,546	1,849,610	2,858,412
Tax recoverable	*24(a)*	525	279	–
Derivative financial asset	*18*	1,603	–	–
Financial assets at fair value through profit or loss ("FVPL")	*18*	747	730	7,364
Time deposit	*18*	–	1,189,761	1,404,931
Restricted cash	*19*	50,735	144,582	360,660
Cash and cash equivalents	*19*	595,288	159,561	400,403
		2,088,708	3,947,953	5,713,994
Current liabilities				
Bank loans and other borrowings	*20*	465,024	1,974,869	3,323,671
Trade and other payables	*21*	1,737,710	1,700,207	1,900,086
Contract liabilities	*22*	55,565	39,813	38,162
Lease liabilities	*23*	1,651	1,035	2,243
Derivative financial liabilities	*18*	–	–	3,293
Current taxation	*24(a)*	7	885	351
		2,259,957	3,716,809	5,267,806
Net current (liabilities)/assets		(171,249)	231,144	446,188
Total assets less current liabilities		5,013,659	5,932,198	6,105,798
Non-current liabilities				
Bank loans	*20*	568,005	1,571,346	703,821
Lease liabilities	*23*	6,860	7,855	6,922
Deferred income	*25*	6,110	5,639	27,990
Provisions	*26*	4,406	210	7,702
Deferred tax liabilities	*24(b)*	42,759	23,241	56,466
		628,140	1,608,291	802,901
NET ASSETS		4,385,519	4,323,907	5,302,897
CAPITAL AND RESERVES				
Share capital	*28(c)*	202,680	202,680	232,701
Reserves	*28(d)*	3,687,863	3,693,390	4,677,977
Total equity attributable to equity shareholders of the Company		3,890,543	3,896,070	4,910,678
Non-controlling interests		494,976	427,837	392,219
TOTAL EQUITY		4,385,519	4,323,907	5,302,897

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment		43,817	42,638	38,613
Investment properties		8,435	8,038	9,078
Intangible assets		346	252	295
Investments in subsidiaries	*14*	2,992,683	3,001,602	2,982,262
Investments in associates	*15*	33,928	33,805	33,885
Prepayments and other receivables	*16*	9,770	9,770	9,770
Deferred tax assets		700	201	4,450
		3,089,679	3,096,306	3,078,353
Current assets				
Inventories		5,507	44,745	8,448
Prepayments, trade and other receivables	*16*	1,333,921	2,249,258	4,258,336
Tax recoverable		112	–	–
Derivative financial asset		1,603	–	–
Financial assets at FVPL		–	–	6,025
Restricted cash	*19*	28,022	4,627	77,770
Cash and cash equivalents	*19*	102,615	105,225	48,127
		1,471,780	2,403,855	4,398,706
Current liabilities				
Bank loans and other borrowings	*20*	26,707	709,081	842,807
Trade and other payables	*21*	1,124,961	1,055,914	2,277,765
Contract liabilities		6,528	9,425	6,894
		1,158,196	1,774,420	3,127,466
Net current assets		313,584	629,435	1,271,240
Total assets less current liabilities		3,403,263	3,725,741	4,349,593
Non-current liabilities				
Bank loans and other borrowings	*20*	2,000	338,000	–
Deferred income		–	278	5,072
Provisions		4,196	–	7,702
		6,196	338,278	12,774
NET ASSETS		3,397,067	3,387,463	4,336,819
CAPITAL AND RESERVES				
Share capital	*28(c)*	202,680	202,680	232,701
Reserves	*28(d)*	3,194,387	3,184,783	4,104,118
Total equity		3,397,067	3,387,463	4,336,819

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company							
		Share capital	Capital reserve	Statutory reserve	Special reserve	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000 *Note 28(c)*	*RMB'000* *Note 28(d)(i)*	*RMB'000* *Note 28(d)(ii)*	*RMB'000* *Note 28(d)(iii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023		202,680	430,246	143,664	31,031	3,133,133	3,940,754	512,233	4,452,987
Loss and total comprehensive income for the year		–	–	–	–	14,143	14,143	(79,377)	(65,234)
Contribution from non-controlling shareholders in subsidiaries		–	2,807	–	–	–	2,807	89,656	92,463
Equity-settled share-based transactions		–	(4,774)	–	–	–	(4,774)	(74)	(4,848)
Acquisition of non-controlling interests in subsidiaries	*28(d)(i)*	–	(1,583)	–	–	–	(1,583)	(14,079)	(15,662)
Safe production fund	*28(d)(iii)*	–	–	–	(4,582)	4,582	–	–	–
Dividend declared and paid to the shareholders of the Company	*28(b)*	–	–	–	–	(60,804)	(60,804)	–	(60,804)
Dividend declared and paid to non-controlling shareholder of a subsidiary		–	–	–	–	–	–	(13,383)	(13,383)
Balance at December 31, 2023		202,680	426,696	143,664	26,449	3,091,054	3,890,543	494,976	4,385,519
Balance at January 1, 2024		202,680	426,696	143,664	26,449	3,091,054	3,890,543	494,976	4,385,519
Loss and total comprehensive income for the year		–	–	–	–	20,321	20,321	(90,744)	(70,423)
Contribution from the non-controlling shareholder in a subsidiary		–	–	–	–	–	–	23,848	23,848
Equity-settled share-based transactions		–	(6,687)	–	–	–	(6,687)	(243)	(6,930)
Safe production fund	*28(d)(iii)*	–	–	–	3,901	(3,901)	–	–	–
Dividend declared and paid to the shareholders of the Company	*28(b)*	–	–	–	–	(8,107)	(8,107)	–	(8,107)
Balance at December 31, 2024		202,680	420,009	143,664	30,350	3,099,367	3,896,070	427,837	4,323,907

	Note	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
		Share capital	Capital reserve	Statutory reserve	Special reserve	Retained profits	Total		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		Note 28(c)	*Note 28(d)(i)*	*Note 28(d)(ii)*	*Note 28(d)(iii)*				
Balance at January 1, 2025		202,680	420,009	143,664	30,350	3,099,367	3,896,070	427,837	4,323,907
Loss and total comprehensive income for the year		–	–	–	–	28,485	28,485	(34,364)	(5,879)
Capital contribution from a non-controlling shareholder of a subsidiary		–	–	–	–	–	–	2,700	2,700
Non-public issuance of A shares	*28(c)*	30,021	952,148	–	–	–	982,169	–	982,169
Deemed disposal of partial interest in a subsidiary		–	3,954	–	–	–	3,954	(3,954)	–
Safe production fund	*28(d)(iii)*	–	–	–	12,587	(12,587)	–	–	–
Balance at December 31, 2025		232,701	1,376,111	143,664	42,937	3,115,265	4,910,678	392,219	5,302,897

CONSOLIDATED CASH FLOW STATEMENTS
(Expressed in RMB)

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash used in operations	*19(c)*	(432,059)	(1,035,346)	(701,317)
Income tax refund/(paid)		39,612	(904)	(499)
Net cash used in operating activities		(392,447)	(1,036,250)	(701,816)
Investing activities				
Payment for the purchase of property, plant and equipment, right-of-use assets and intangible assets		(817,281)	(556,284)	(168,722)
Payment of purchase of time deposits		–	(1,180,000)	(1,550,000)
Payment of purchase of financial assets at FVPL, derivative financial assets and derivative financial liabilities		(14,935)	(10,000)	(11,595)
Proceeds from redemption of time deposit		–	–	1,339,761
Proceeds from disposal of financial assets at FVPL and derivative financial assets		50,813	11,821	975
Proceeds from disposal of property, plant and equipment		5,962	1,905	3,587
Net cash used in investing activities		(775,441)	(1,732,558)	(385,994)
Financing activities				
Payment of capital element of lease liabilities	*19(d)*	(3,163)	(762)	(2,155)
Payment of interest element of lease liabilities	*19(d)*	(387)	(348)	(335)
Proceeds from bank loans and other borrowing	*19(d)*	997,379	3,132,144	3,980,319
Repayment of bank loans and other borrowing	*19(d)*	(344,872)	(620,608)	(3,409,416)
Interest of bank loans and other borrowing paid	*19(d)*	(23,899)	(70,108)	(72,968)
Payment of purchase of non-controlling interests		(7,444)	(1,500)	–
Proceeds of capital contributions from non-controlling shareholders		92,463	23,848	2,700
Net proceeds from issuance of new shares		–	–	982,169
Payment of [**REDACTED**]		[REDACTED]	[REDACTED]	[REDACTED]
Payment of restricted deposit		–	(121,057)	(628,153)
Release of restricted deposit		–	–	480,336
Dividends paid to non-controlling shareholders		(13,383)	–	–
Dividends paid to equity shareholders of the Company		(60,804)	(8,107)	–
Net cash generated from financing activities		635,890	2,333,502	1,329,667
Net (decrease)/increase in cash and cash equivalents		(531,998)	(435,306)	241,857
Cash and cash equivalents at the beginning of the year	*19(a)*	1,137,280	595,288	159,561
Effect of foreign exchange rate changes		(9,994)	(421)	(1,015)
Cash and cash equivalents at the end of the year	*19(a)*	595,288	159,561	400,403

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

石大勝華新材料集團股份有限公司 Shida Shinghwa Advanced Material Group Co., Ltd., (formerly known as 勝華新材料集團股份有限公司 Shinghwa Advanced Material Group Co., Ltd.) hereinafter referred to as the "Company", was established in Dongying City, Shandong Province, the People's Republic of China (the "PRC") on December 31, 2002 as a joint stock company with limited liability under the PRC Company Law. In May 2015, the Company's A Shares were listed on Shanghai Stock Exchange ("the A Share Listing").

The Company and its subsidiaries (hereinafter collectively referred to as "the Group") are principally engaged in manufacturing and sales of products, including (i) lithium-ion battery related products, (ii) fine chemicals; (iii) other chemicals.

The financial statements of the Company and its subsidiaries were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The Company's financial statements for the years ended December 31, 2023, 2024 and 2025 prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP") were audited by BDO China Shu Lun Pan Certified Public Accountants LLP 立信會計師事務所(特殊普通合夥) ("BDO China").

As at December 31, 2023, 2024 and 2025, and the date of this report, the Company has direct or indirect interests in the following material subsidiaries, all of which are private companies:

Company name	Place and date of incorporation/ establishment	Particulars of issued capital/paid-up capital	Effective interest held by the Group				Principal activities and place of operation
			As at December 31,			At the date of this report	
			2023	2024	2025		
勝華新能源科技(東營)有限公司 Shinghwa New Energy Technology (Dongying) Co., Ltd. ("Shinghwa Dongying", *notes (i) and (ii)*)	The PRC April 18, 2006	RMB1,250,000,000/ RMB1,250,000,000	100%	100%	100%	100%	Manufacturing and sales of lithium-ion battery related materials and fine chemicals in the PRC
東營石大勝華新能源有限公司 Dongying Shida Shinghwa New Energy Co., Ltd. ("Shinghwa Dongying New Energy", *notes (i) and (ii)*)	The PRC January 19, 2016	RMB580,000,000/ RMB388,135,000	51%	51%	51%	51%	Manufacturing and sales of lithium-ion battery related materials in the PRC
青島石大海潤石化科技有限公司 Qingdao Shida Hairun Petrochemical Technology Co., Ltd. ("Qingdao Hairun", *notes (i) and (ii)*)	The PRC April 21, 2016	RMB20,000,000/ RMB20,000,000	100%	100%	100%	100%	Sales of chemical products in the PRC
勝華新能源科技(武漢)有限公司 Shinghwa New Energy Technology (Wuhan) Co., Ltd. ("Shinghwa Wuhan", *notes (i) and (ii)*)	The PRC December 31, 2021	RMB700,000,000/ RMB545,329,800	100%	100%	100%	100%	Manufacturing and sales of lithium-ion battery related materials in the PRC
東營石大勝華新材料有限公司 Dongying Shida Shinghwa New Materials Co., Ltd. ("Shinghwa Dongying New Materials", *notes (i) and (ii)*)	The PRC December 03, 2008	RMB50,000,000/ RMB50,000,000	85%	85%	85%	85%	Manufacturing and sales of lithium-ion battery related materials in the PRC
北京勝華創世科技有限公司 Beijing Shinghwa Chuangshi Technology Co., Ltd. ("Shinghwa Beijing", *notes (i) and (ii)*)	The PRC October 24, 2017	RMB97,200,000/ RMB95,204,800	100%	100%	100%	100%	Investment in the PRC
青島石大勝華投資有限公司 Qingdao Shida Shinghwa Investment Co., Ltd. ("Shinghwa Qingdao", *notes (i) and (ii)*)	The PRC September 15, 2015	RMB300,000,000/ RMB300,000,000	100%	100%	100%	100%	Investment in the PRC

Company name	Place and date of incorporation/ establishment	Particulars of issued capital/paid-up capital	Effective interest held by the Group				Principal activities and place of operation
			As at December 31,			At the date of this report	
			2023	2024	2025		
石大勝華(泉州)有限公司 Shida Shinghwa (Quanzhou) Co., Ltd. ("Shinghwa Quanzhou", *notes (i) and (ii)*)	The PRC November 05, 2019	RMB330,500,000/ RMB330,500,000	55%	55%	55%	55%	Manufacturing and sales of lithium-ion battery related materials in the PRC
山東勝華國宏新材料有限公司 Shandong Shinghwa Guohong New Material Co., Ltd. ("Shinghwa Guohong", *notes (i) and (ii)*)	The PRC November 25, 2020	RMB287,349,375/ RMB287,349,375	60%	60%	60%	60%	Manufacturing and sales of lithium-ion battery related materials in the PRC
山東石大富華新材料科技有限公司 Shandong Shida Fuhua New Material Technology Co., Ltd. ("Shida Fuhua", *notes (i) and (ii)*)	The PRC November 06, 2019	RMB400,000,000/ RMB210,363,300	90%	90%	90%	90%	Manufacturing and sales of fine chemicals in the PRC
東營富華達遠新材料有限公司 Dongying Fuhua Dayuan New Materials Co., Ltd. ("Fuhua Dayuan", *notes (i) and (ii)*)	The PRC December 22, 2021	RMB50,000,000/ RMB48,100,000	90%	90%	90%	90%	Manufacturing and sales of fine chemicals in the PRC
勝華新材料科技(連江)有限公司 Shenghua New Material Technology (Lianjiang) Co., Ltd. ("Shinghwa Lianjiang", *notes (i), (iii) and (iv)*)	The PRC July 27, 2023	RMB130,000,000/ RMBNil	51%	51%	40%	40%	Manufacturing and sales of lithium-ion battery related materials in the PRC
勝華新材料科技(眉山)有限公司 Shenghua New Material Technology (Meishan) Co., Ltd. ("Shinghwa Meishan", *notes (i), (ii) and (iv)*)	The PRC June 01, 2022	RMB500,000,000/ RMB139,665,000	51%	51%	40%	40%	Manufacturing and sales of lithium-ion battery related materials in the PRC
東營勝華盈創新材料有限公司 Dongying Shinghwa Yingchuang New Materials Co., Ltd. ("Shinghwa Yingchuang", *notes (i), (ii) and (iv)*)	The PRC September 26, 2022	RMB60,000,000/ RMB45,030,000	51%	51%	40%	40%	Manufacturing and sales of lithium-ion battery related materials in the PRC
東營博川環保水務有限責任公司 Dongying Bochuan Environmental Protection Water Service Co., Ltd. (*notes (i) and (ii)*)	The PRC, October 29, 2015	RMB50,000,000/ RMB50,000,000	100%	100%	100%	100%	Sewage treatment in the PRC

Notes:

(i) The English translation of the names of the entities is for reference only. The official names of these entities are in Chinese. These entities were all limited liability companies under the law of the PRC.

(ii) The financial statements of these entities for the years ended December 31, 2023 and 2024 were prepared in accordance with the PRC GAAP and were audited by BDO China. The audited financial statements of these entities for the year ended December 31, 2025 are not yet available.

(iii) The financial statements of this entity for the period from July 27, 2023 (date of establishment) to December 31, 2023 and the year ended December 31, 2024 were prepared in accordance with the PRC GAAP and were audited by BDO China. The audited financial statements of this entity for the year ended December 31, 2025 are not yet available.

(iv) During the year ended December 31, 2025, two investors acquired 60% equity interests in Shinghwa Lianjiang through equity transfer from another then shareholder or capital contribution. One investor, holding 11% equity interest in Shinghwa Lianjiang, reached an acting in concert agreement with the Company, therefore, the Company continue to demonstrate control over Shinghwa Lianjiang. As at the end of each reporting period and the date of this report, Shinghwa Meishan and Shinghwa Yingchuang were fully owned by Shinghwa Lianjiang.

All companies comprising the Group have adopted December 31 as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning January 1, 2025 are set out in Note 34.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis, except for certain financial assets and liabilities measured at their fair value (see Note 2(e)).

(b) Use of estimates and judgments

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. 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 financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group elects to measure the non-controlling interests ("NCI") at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost. In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)).

(d) Associate

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognized at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)).

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(e) Other investments in securities and derivative financial instruments

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(f). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(t)(iii)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

– fair value through other comprehensive income ("FVOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income (see Note 2(t)(v)).

(iii) Derivative financial instruments

Derivative financial instruments are recognized at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

(f) Investment properties

Investment properties are initially measured at cost, and subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)). Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Investment properties . . . . 30 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Any gain or loss on disposal of investment property is recognized in profit or loss. Rental income from investment properties is recognized in accordance with Note 2(t)(ii).

(g) Property, plant and equipment and right-of-use assets

The following items of property, plant and equipment and right-of-use assets, except for construction in progress, are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note (2(j)(ii))):

– right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and

– items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note (2(i)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The estimated useful lives are as follows:

Buildings	15-30 years
Machinery	5-15 years
Motor vehicles, electronic equipment and others	3-10 years
Right-of-use assets	Lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

Software	10 years
Technical know-how	8-10 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(g) and 2(j)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with Note 2(t)(ii).

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortized cost (including cash and cash equivalents, restricted cash, time deposits, bills receivables and trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when:

– the probability of default for the remaining duration has increased by more than a certain percentage compared to the initial recognition; or

– significant adverse changes in operations or financial situation of the debtor.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 2(e)).

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being past due;

– due to economic or contractual considerations related to the debtor's financial difficulties, gives the debtor no other option concessions;

– it is probable that the debtor will enter bankruptcy or other financial reorganization;

– the disappearance of an active market for a security because of financial difficulties of the issuer;

– purchase or generate a financial asset at a significant discount that reflects the fact of credit loss; or

– the credit loss of financial assets may be caused by the combined effect of multiple events, and may not necessarily be caused by identifiable events.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using weighted average cost formula and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable 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.

(l) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(t)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(t)(iii)).

(m) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(j)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(v).

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organizations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the defined contribution basic pension insurance. There are no forfeited contributions for the defined contribution basic pension insurance in the PRC social insurance system as the contributions are fully vested to the employees upon payment to the scheme.

Qualified employees of the Group's entities are also eligible to participate in a defined contribution scheme operated by the Group. The Group's entities contribute funds which are calculated on certain percentages of the qualified employees' salary as a part of their retirement benefit.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the Black-Scholes pricing model for share options granted. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

The equity amount is recognized in the capital reserve until either the option is exercised (when it is transferred to share capital and capital reserve as appropriate) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities, provisions and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

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

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

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other revenue recognition are as follows:

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sales of goods

Revenue is recognized when the Group transfers the control over goods to customers (i.e. goods accepted by customers) and satisfies the performance obligation in the contract.

The Group determines whether it is a principal or an agent, based on whether it obtains control of the specified good or service before that good or service is transferred to a customer. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognizes revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Group is an agent, and recognizes revenue in the amount of any fee or commission to which it expects to be entitled.

The Group has taken advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the credit period is 12 months or less.

(b) Provision of services

The services rendered by the Group are mainly including (i) trading service, where the Group acted as agent in a trading transaction. Revenue is recognized when the customer confirms the completion of the transaction; and (ii) other services, which is recognized when the services are rendered.

(ii) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognized as income in the accounting period in which they are earned.

(iii) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized initially as deferred income and amortized to profit or loss on straight-line basis over the useful life of the asset.

(v) Dividends

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of operations outside Chinese mainland, including fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates approximates to the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

(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 over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the 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).

(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.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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 production 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.

3 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

(a) Impairment of property, plant and equipment, right-of-use assets and intangible assets

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired. If any such indication exists, the recoverable amount of the property, plant and equipment, right-of-use assets and intangible assets is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future periods.

(b) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognized and measured based on the expected manner of realization or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future periods.

(c) Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of businesses, less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. It could change significantly as a result of changes in customer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimates at the end of each reporting period.

(d) Provision for ECLs for trade receivables

The Group's management determines the loss allowance for expected credit losses on trade receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are engaged in manufacturing and sales of products, including (i) lithium-ion battery related products, (ii) fine chemicals; (iii) other chemicals.

The amount of each significant category of revenue recognized for the years ended December 31, 2023, 2024 and 2025 is as follows:

(i) Disaggregation of revenue

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15:			
Revenue from sales of goods			
– Lithium-ion battery related materials	2,699,654	3,399,056	4,793,554
– Fine chemicals	1,817,772	1,599,820	1,614,761
– Other chemicals	1,094,260	539,103	365,418
Subtotal	5,611,686	5,537,979	6,773,733

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from provision of services			
– Trading service	10,528	4,501	12,047
– Other service	11,723	2,802	20,543
Subtotal	22,251	7,303	32,590
	5,633,937	5,545,282	6,806,323
Revenue from other sources:			
– Rentals	851	1,448	2,064
	851	1,448	2,064
Total	5,634,788	5,546,730	6,808,387

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
Point in time	5,633,220	5,545,282	6,806,323
Over time	717	–	–
	5,633,937	5,545,282	6,806,323

(ii) Revenue expected to be recognized in the future arising from contracts in existence at the reporting date

Contracts within the scope of IFRS 15

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sales contracts have an original expected duration of less than one year.

(b) Segment reporting

The Group manages its businesses by divisions, which are organized by products lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following three reportable segments.

– Lithium-ion battery related materials: this segment specializes in manufacture and sale of carbonate solvents, lithium hexafluorophosphate, and electrolyte products.

– Fine chemical: this segment specializes in the manufacture and sale of methyl tert-butyl ether and other chemical products.

– Others: this segment specializes in trading of other chemical products, such liquefied petroleum gas, fluorobenzene, propylene and etc.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the cost of sales incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments.

Segment profit/loss represents gross profit earned by/loss from each segment.

Disaggregation of revenue from contracts with customers, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended December 31, 2023, 2024 and 2025 is set out below.

	Year ended December 31, 2023			
	Lithium-ion battery related materials	Fine chemicals	Others	Total
Revenue from external customers				
Revenue from contracts with customers within the scope of IFRS 15	2,699,654	1,817,772	1,116,511	5,633,937
Revenue from other sources				
Gross rental income	–	–	851	851
Reportable segment revenue	2,699,654	1,817,772	1,117,362	5,634,788
Gross profit	173,864	134,398	45,116	353,378

	Year ended December 31, 2024			
	Lithium-ion battery related materials	Fine chemicals	Others	Total
Revenue from external customers				
Revenue from contracts with customers within the scope of IFRS 15	3,399,056	1,599,820	546,406	5,545,282
Revenue from other sources				
Gross rental income	–	–	1,448	1,448
Reportable segment revenue	3,399,056	1,599,820	547,854	5,546,730
Gross profit	175,609	98,225	20,576	294,410

	Year ended December 31, 2025			
	Lithium-ion battery related materials	Fine chemicals	Others	Total
Revenue from external customers				
Revenue from contracts with customers within the scope of IFRS 15	4,793,554	1,614,761	398,008	6,806,323
Revenue from other sources				
Gross rental income	–	–	2,064	2,064
Reportable segment revenue	4,793,554	1,614,761	400,072	6,808,387
Gross profit	391,154	50,231	45,351	486,736

(ii) Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

(iii) Geographic information

The following table sets information about the Group's revenue from external customers based on the customers' regions of domicile. The revenue is generated from Greater China area and overseas markets, such as countries in America, Europe, and other regions in Asia during the Track Record Period.

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue by location of the customers			
– Chinese mainland, Hong Kong, Macau and Taiwan	3,982,398	4,292,297	5,755,590
– Overseas *(note)*	1,652,390	1,254,433	1,052,797
Total	5,634,788	5,546,730	6,808,387

Note: No revenue from individual country/region contributing over 10% of total revenue of the Group for the years ended December 31, 2023, 2024 and 2025.

As at December 31, 2023, 2024 and 2025, substantially all of the non-current assets of the Group were located in the PRC.

(iv) Information about major customers

Revenue from a customer, with whom transactions contributed to 10% or more of the Group's revenue for the year ended December 31, 2025, is set out below:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A *(note)*	81,351	348,017	885,616

Note: Revenue from Lithium-ion battery related materials segment as defined in Note 4(b).

5 OTHER REVENUE

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Value-added tax ("VAT") refund and super deduction *(notes (i) and (ii))*	551	40,563	40,859
Interest income on bank deposit	28,545	38,599	31,168
Sales of scrap materials	5,381	1,902	756
Other government grants *(note (iii))*	6,808	7,198	11,635
	41,285	88,262	84,418

Notes:

(i) VAT refund

In accordance with the relevant provisions of the "Announcement on Improving VAT Policies for Comprehensive Utilization of Resources" (Announcement No. 40 of 2021 issued by the Ministry of Finance and State Administration of Taxation), since March 1, 2022, the Group's revenue from sewage treatment services provided within the Group are included in the catalog of "Value Added Tax Preferential Utilization Products and Labor Services (2022 Edition)", and therefore the VAT arising from such revenue is subjected to VAT refund ranging from 70% to 100% of the VAT paid.

(ii) VAT super deduction

According to Article 1 of the Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Additional Value added Tax Deduction for Advanced Manufacturing Enterprises (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation in 2023), from January 1, 2023 to December 31, 2027, certain subsidiaries certified as advanced manufacturing enterprises are allowed to deduct extra 5% of the current deductible input VAT tax amount from the VAT payable ("Super deduction of VAT").

(iii) Government grants

Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC, mainly including awards for staff retention, environmental management projects, amortization of government grants related to addition of environmental protection facilities and research and development activities.

6 OTHER NET (LOSSES)/GAINS

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Exchange gains	1,074	10,206	619
(Losses)/gains on disposal of property, plant and equipment	(4,839)	3,385	224
Investment (losses)/gains and net fair value changes on financial assets at FVPL and derivatives	(9,277)	201	(7,344)
Others	(1,885)	854	(1,098)
	(14,927)	14,646	(7,599)

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans and other borrowing	25,643	81,630	97,564
Interest on lease liabilities	387	348	335
Total interest expense	26,030	81,978	97,899
Less: interest expense capitalized into construction in progress	(520)	(20,888)	(1,366)
	25,510	61,090	96,533

Note: The borrowing costs have been capitalized at rates of 3.30%, 3.00% to 3.35% and 2.70%, for the years ended December 31, 2023, 2024 and 2025, respectively, per annum.

(b) Staff costs (including directors' and supervisors' emoluments)

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	337,771	357,739	333,872
Share-based payment expenses *(note (i))*	(4,848)	(6,930)	–
Contributions to defined contribution retirement plan *(note (ii))*	29,056	30,467	30,300
Total employee benefits expenses	361,979	381,276	364,172
Less:			
– Employee benefits expense capitalized into construction-in-progress	(42,282)	(62,901)	(29,139)
– Employee benefits expense capitalized into cost of inventories	(200,393)	(187,968)	(205,463)
– Employee benefits expense recognized as research and development expenses	(48,447)	(41,440)	(43,912)
	70,857	88,967	85,658

Notes:

(i) The reversal of share-based payment expenses represented the forfeiture of share option due to failure in fulfillment of Performance Target as defined in Note 27.

(ii) The Group has no other material obligations for payments of pension benefits beyond the contributions above.

(c) Other items

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amortization cost of intangible assets *(Note 13)*	4,413	6,068	5,738
Depreciation charge *(Note 12)*			
– owned property, plant and equipment	223,231	275,749	444,931
– investment properties	1,408	2,171	4,391
– right-of-use assets	7,317	7,549	9,331
Total amortization and depreciation cost	236,369	291,537	464,391
Less:			
– Amortization and depreciation cost capitalized into construction-in-progress	(3,084)	(3,303)	(1,092)
– Amortization and depreciation capitalized into cost of inventories	(161,042)	(201,714)	(274,297)
– Amortization and depreciation recognized as research and development expenses	(24,130)	(18,939)	(40,257)
	48,113	67,581	148,745
Auditors' remuneration	850	850	850
Cost of inventories sold	5,166,902	5,092,486	6,163,438
Research and development expenses *(note)*	192,057	238,282	271,039

Note: For the years ended December 31, 2023, 2024 and 2025, research and development expenses include RMB72,577,000, RMB60,379,000 and RMB84,169,000, respectively relating to staff costs and depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in Notes 7(b) and (c) for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax – Corporate income tax			
Provision for the year	897	1,841	515
(Over)/under-provision in respect of prior years	(1,415)	187	(271)
	(518)	2,028	244
Deferred tax			
Origination and reversal of temporary differences	(13,346)	(68,042)	(43,550)
Income tax credit	(13,864)	(66,014)	(43,306)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before taxation	(79,098)	(136,437)	(49,185)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the countries concerned *(notes (i) and (v))*	(19,705)	(33,925)	(12,167)
Effect of tax concessions *(note (ii) and note (iii))*	1,971	3,393	1,217
Tax effect of additional tax deduction on research and development expenses *(note (iv))*	(24,944)	(35,742)	(32,100)
(Over)/under-provision in prior years	(1,415)	187	(271)
Tax effect of non-deductible expenses	1,355	104	35
Tax effect of non-taxable income	–	(31)	(20)
Tax effect of tax losses not recognized	28,874	–	–
Actual tax credit	(13,864)	(66,014)	(43,306)

Notes:

(i) The Company and the subsidiaries of the Group established in Chinese mainland are subject to the PRC Corporate Income Tax rate of 25% during the Track Record Period except for those subject to tax concessions disclosed in the notes below.

(ii) According to the Corporate Income Tax Law of the PRC and its relevant regulations, entities that qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%. The details are as follows:

– Shinghwa Quanzhou as qualified as a high-technology enterprises and was subject to a preferential income tax rate of 15% from 2024 to 2026;

– Shinghwa Dongying, Shinghwa Dongying New Materials, Shinghwa Guohong and Shinghwa Dongying New Energy were qualified as a high-technology enterprise and were subject to a preferential income tax rate of 15% from 2023 to 2025;

– Fuhua Dayuan was qualified as a high-technology enterprise and was subject to a preferential income tax rate of 15% from 2024 to 2026.

– Shinghwa Wuhan was qualified as a high-technology enterprise and was subject to a preferential income tax rate of 15% from 2025 to 2027.

(iii) Certain subsidiaries of the Group have been filed as Small Low-profit Enterprises. The entitled subsidiaries are subject to preferential income tax rates of 5% during the Track Record Period.

(iv) Under the Corporate Income Tax Law of the PRC and its relevant regulations, a 100% additional tax deduction is allowed for qualified research and development expenditure from October 1, 2022 onwards.

(v) Taxation of overseas subsidiaries are charged at the prevailing rates in the relevant countries and are calculated on a stand-alone basis.

(vi) The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organization for Economic Co-operation and Development. The Pillar Two income tax are levied on certain subsidiaries under the local new tax laws which introduced a domestic minimum top-up tax effective from January 1, 2024. The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred. This new tax policy did not have a material impact on the Historical Financial information.

9 DIRECTORS AND SUPERVISORS' EMOLUMENTS

Directors and supervisors' emoluments as recorded in the Historical Financial Information are as follows:

	Year ended December 31, 2023						
	Directors and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments(vii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director							
Dr. Guo Tianming	–	1,360	–	25	1,385	(408)	977
Executive directors							
Mr. Yu Haiming	–	1,282	–	21	1,303	(220)	1,083
Mr. Hou Jiaxiang *(note (ii))*	–	89	–	3	92	–	92
Non-Executive Directors							
Mr. Zhou Linlin *(note (ii))*	–	–	–	–	–	–	–
Mr. Yu Xiangjin *(note (ii))*	–	–	–	–	–	–	–
Mr. Jiang Weibo *(note (ii))*	–	–	–	–	–	–	–
Mr. Chen Wei *(note (i))*	–	–	–	–	–	–	–
Mr. Zhang Jinlou *(note (iii))*	–	–	–	–	–	–	–
Ms. Li Rongrong *(note (iii))*	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Xu Chunming	120	–	–	–	120	–	120
Mr. Zhang Sheng	120	–	–	–	120	–	120
Mr. Wang Qingyun	120	–	–	–	120	–	120
Supervisors							
Mr. Gao Jianhong	–	1,138	–	15	1,153	–	1,153
Ms. Wang Xiaohong	–	456	–	16	472	–	472
Ms. Liu Junling *(note (v))*	–	–	–	–	–	–	–
	360	4,325	–	80	4,765	(628)	4,137

	Year ended December 31, 2024						
	Directors and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments(vii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director							
Dr. Guo Tianming	–	1,371	–	26	1,397	(583)	814
Executive director							
Mr. Yu Haiming	–	1,287	–	21	1,308	(315)	993
Non-Executive Directors							
Mr. Yu Xiangjin *(note (ii))*	–	–	–	–	–	–	–
Mr. Jiang Weibo *(note (ii))*	–	–	–	–	–	–	–
Mr. Chen Wei *(note (i))*	–	–	–	–	–	–	–
Ms. Li Rongrong *(note (iii))*	–	–	–	–	–	–	––
Independent non-executive directors							
Mr. Xu Chunming *(note (iv))*	120	–	–	–	120	–	120
Mr. Zhang Sheng	120	–	–	–	120	–	120
Mr. Wang Qingyun	120	–	–	–	120	–	120
Supervisors							
Mr. Gao Jianhong	–	941	–	15	956	–	956
Ms. Wang Xiaohong	–	355	–	16	371	–	371
Ms. Liu Junling *(note (v))*	–	–	–	–	–	–	–
	360	3,954	–	78	4,392	(898)	3,494

	Year ended December 31, 2025						
	Directors and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments(vii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director							
Dr. Guo Tianming	–	1,694	–	23	1,717	–	1,717
Executive director							
Mr. Yu Haiming	–	1,552	–	72	1,624	–	1,624
Non-Executive Directors							
Mr. Yu Xiangjin *(note (ii))*	–	–	–	–	–	–	–
Mr. Jiang Weibo *(note (ii))*	–	–	–	–	–	–	–
Mr. Chen Wei *(note (i))*	–	–	–	–	–	–	–
Ms. Li Rongrong *(note (iii))*	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Zhang Sheng	120	–	–	–	120	–	120
Mr. Zhou Hongjun *(note (iv))*	120	–	–	–	120	–	120
Mr. Wang Qingyun	120	–	–	–	120	–	120
Supervisors							
Mr. Gao Jianhong *(note (viii))*	–	808	–	44	852	–	852
Ms. Wang Xiaohong *(note (viii))*	–	418	–	48	466	–	466
Ms. Liu Junling *(notes (v) and (viii))*	–	–	–	–	–	–	–
	360	4,472	–	187	5,019	–	5,019

Notes:

(i) For the years ended December 31, 2023, 2024 and 2025, Mr. Chen Wei was not paid directly by the Group but received remuneration from the shareholders of the Company or its related parties other than the Group. No apportionment has been made as the qualifying services provided by him to the Group are incidental to his responsibilities to the shareholder.

(ii) Mr. Hou Jiaxiang resigned as executive director of the Company in January 2023. After his resignation, he continued to be a employee of the Group, the amount did not reflect his emolument after his resignation as executive director. Mr. Zhou Linlin resigned as non-executive director of the Company in January 2023. Mr. Yu Xiangjin and Mr. Jiang Weibo were appointed as non-executive directors of the Company in February 2023. Mr. Zhou Linlin, Mr. Yu Xiangjin and Mr. Jiang Weibo were not paid directly by the Group but received remuneration from the shareholders of the Company or its related parties other than the Group. No apportionment has been made as the qualifying services provided by them to the Group are incidental to their responsibilities to the shareholder.

(iii) Mr. Zhang Jinlou resigned as non-executive director of the Company in July 2023, and Ms. Li Rongrong was appointed as non-executive director of the Company in September 2023. Both Mr. Zhang Jinlou and Ms. Li Rongrong were not paid directly by the Group but received remuneration from the shareholders of the Company or its related parties other than the Group. No apportionment has been made as the qualifying services provided by their to the Group are incidental to their responsibilities to the shareholder.

(iv) Mr. Xu Chunming resigned as independent non-executive director of the Company in December 2024, and Mr. Zhou Hongjun was appointed as an independent non-executive director of the Company in January 2025.

(v) For the years ended December 31, 2023, 2024 and 2025, Ms. Liu Junling was not paid directly by the Group but received remuneration from the shareholders of the Company or its related parties other than the Group. No apportionment has been made as the qualifying services provided by her to the Group are incidental to her responsibilities to the shareholder.

(vi) For the years ended December 31, 2023, 2024 and 2025, no emoluments were paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office. No director or supervisor has waived or agreed to waive any emoluments for the years ended December 31, 2023, 2024 and 2025.

(vii) As detailed in Note 27, several directors were entitled to the share option scheme. As the performance condition was not fulfilled, all options granted to those directors were forfeited during the Track Record Period, the share-based payment expense has been reversed and was disclosed as negative amounts.

(viii) Pursuant to the latest laws regulations of the China Securities Regulatory Commission, shareholders of the Company passed a resolution at the general meeting held in November 2025 to abolish the supervisory committee of the Company effective immediately. After the abolition, supervisors other than Ms. Liu Junling continued to be employees of the Group. The above amounts did not reflect their emolument after the abolition.

10 INDIVIDUALS WITH HIGHEST REMUNERATION

During the years ended December 31, 2023, 2024 and 2025, of the five individuals with the highest emoluments, three, two and three are directors or supervisors whose emoluments are disclosed in Note 9.

The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	2,100	3,057	2,101
Share-based payment expenses *(note)*	(196)	(420)	–
Retirement scheme contributions	37	49	41
	1,941	2,686	2,142

Note: As detailed in Note 27, five individuals with the highest emoluments other than directors and supervisors were entitled to the share option scheme. As the performance condition was not fulfilled, all options granted to those individuals were forfeited during the Track Record Period, the share-base payment expense has been reversed and was disclosed as negative amounts.

The emoluments of the two, three and two individuals with the highest emoluments are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
HKD Nil-HKD1,000,000	–	1	–
HKD1,000,001-HKD1,500,000	2	2	2
	2	3	2

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2023, 2024 and 2025 is based on the profit for the year attributable to equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

(i) Profit attributable to equity shareholders of the Company

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to equity shareholders of the Company	14,143	20,321	28,485

(ii) Weighted average number of ordinary shares

	Years ended December 31,		
	2023	2024	2025
Issued ordinary shares at the beginning of the year	202,680,000	202,680,000	202,680,000
Effect of issuance of ordinary shares *(Note 28(c))*	–	–	10,939,164
Weighted average number of ordinary shares at December 31	202,680,000	202,680,000	213,619,164

(b) Diluted earnings per share

For the years ended December 31, 2023, 2024 and 2025, share options issued under the Group's share-based payment arrangement described under Note 27 were not included in the calculation of diluted earnings per share because their effect would have been anti-dilutive. Therefore, diluted earnings per share were the same as basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

(a) Reconciliation of carrying amount

The Group:

	Buildings	Machinery	Motor vehicles, electronic equipment and others	Construction in progress	Sub-total	Buildings – Right-of-use assets	Leasehold lands – Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:										
At January 1, 2023	894,871	2,107,673	187,144	730,288	3,919,976	12,401	265,583	277,984	36,220	4,234,180
Additions	3,055	51,639	55,861	2,266,454	2,377,009	–	56,517	56,517	–	2,433,526
Transfer from construction in progress	134,716	557,326	23,509	(715,551)	–	–	–	–	–	–
Acquisition from business combination	–	3,097	–	–	3,097	–	–	–	–	3,097
Transfer to construction in progress	–	(63,734)	(1,238)	37,886	(27,086)	–	–	–	–	(27,086)
Disposals	(678)	(27,853)	(792)	–	(29,323)	–	–	–	(18)	(29,341)
At December 31, 2023 and January 1, 2024	1,031,964	2,628,148	264,484	2,319,077	6,243,673	12,401	322,100	334,501	36,202	6,614,376
Additions	1,847	25,873	83,748	654,652	766,120	1,087	48,505	49,592	–	815,712
Transfer from construction in progress	305,050	1,400,734	70,060	(1,775,844)	–	–	–	–	–	–
Transfer to investment properties	(49,416)	–	–	–	(49,416)	–	–	–	49,416	–
Disposals	(4,486)	(13,859)	(3,075)	–	(21,420)	–	–	–	–	(21,420)
At December 31, 2024 and January 1, 2025	1,284,959	4,040,896	415,217	1,197,885	6,938,957	13,488	370,605	384,093	85,618	7,408,668
Additions	–	21,237	36,216	304,862	362,315	2,430	131	2,561	–	364,876
Transfer from construction in progress	394,842	900,275	46,909	(1,342,026)	–	–	–	–	–	–
Transfer to investment properties	(24,871)	–	–	–	(24,871)	–	–	–	24,871	–
Adjustments	–	–	–	–	–	–	–	–	(1,606)	(1,606)
Disposals	–	(14,057)	(3,923)	–	(17,980)	–	–	–	–	(17,980)
At December 31, 2025	1,654,930	4,948,351	494,419	160,721	7,258,421	15,918	370,736	386,654	108,883	7,753,958

The Group:

	Buildings	Machinery	Motor vehicles, electronic equipment and others	Construction in progress	Sub-total	Buildings – Right-of-use assets	Leasehold lands – Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:										
At January 1, 2023	(181,404)	(1,039,985)	(106,175)	–	(1,327,564)	(3,187)	(30,643)	(33,830)	(14,067)	(1,375,461)
Charge for the year	(45,368)	(155,487)	(22,376)	–	(223,231)	(1,583)	(5,734)	(7,317)	(1,408)	(231,956)
Written back on disposals	317	11,214	486	–	12,017	–	–	–	–	12,017
Transfer to construction in progress	–	26,077	1,009	–	27,086	–	–	–	–	27,086
At December 31, 2023 and January 1, 2024	(226,455)	(1,158,181)	(127,056)	–	(1,511,692)	(4,770)	(36,377)	(41,147)	(15,475)	(1,568,314)
Charge for the year	(47,680)	(190,197)	(37,872)	–	(275,749)	(1,502)	(6,047)	(7,549)	(2,171)	(285,469)
Written back on disposals	319	7,588	2,688	–	10,595	–	–	–	–	10,595
Transfer to investment properties	5,358	–	–	–	5,358	–	–	–	(5,358)	–
At December 31, 2024 and January 1, 2025	(268,458)	(1,340,790)	(162,240)	–	(1,771,488)	(6,272)	(42,424)	(48,696)	(23,004)	(1,843,188)
Charge for the year	(62,396)	(319,837)	(62,698)	–	(444,931)	(1,818)	(7,513)	(9,331)	(4,391)	(458,653)
Written back on disposals	–	5,189	3,258	–	8,447	–	–	–	–	8,447
Transfer to investment properties	3,972	–	–	–	3,972	–	–	–	(3,972)	–
At December 31, 2025	(326,882)	(1,655,438)	(221,680)	–	(2,204,000)	(8,090)	(49,937)	(58,027)	(31,367)	(2,293,394)
Impairment loss:										
At January 1, 2023	(2,761)	(19,343)	(1,161)	–	(23,265)	–	–	–	–	(23,265)
Written back on disposals	42	14	–	–	56	–	–	–	–	56
At December 31, 2023 and January 1, 2024	(2,719)	(19,329)	(1,161)	–	(23,209)	–	–	–	–	(23,209)
Written back on disposals	–	55	5	–	60	–	–	–	–	60
At December 31, 2024 and January 1, 2025	(2,719)	(19,274)	(1,156)	–	(23,149)	–	–	–	–	(23,149)
Written back on disposals	–	92	–	–	92	–	–	–	–	92
At December 31, 2025	(2,719)	(19,182)	(1,156)	–	(23,057)	–	–	–	–	(23,057)
Net book value:										
At December 31, 2025	1,325,329	3,273,731	271,583	160,721	5,031,364	7,828	320,799	328,627	77,516	5,437,507
At December 31, 2024	1,013,782	2,680,832	251,821	1,197,885	5,144,320	7,216	328,181	335,397	62,614	5,542,331
At December 31, 2023	802,790	1,450,638	136,267	2,319,077	4,708,772	7,631	285,723	293,354	20,727	5,022,853

Note: Due to failure to complete the construction application procedures and other reasons, the Group did not have certificates of ownership for certain properties located in Chinese mainland. As at December 31, 2023, 2024 and 2025, the aggregate net carrying amount of these properties were RMB147,958,000, RMB83,859,000 and RMB422,122,000, respectively.

(b) Right-of-use assets

The analysis of expense items in relation to leases recognized in the Group's profit or loss is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	387	348	335
Expense relating to short-term leases	475	437	691
	862	785	1,026

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 19(f) and 29(b).

(c) Investment properties

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 0.5 to 8 years, with an option to renew the lease after that date at which time all terms are renegotiated.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,349	2,153	1,565
After 1 year but within 2 years	2,153	1,565	1,350
After 2 years but within 3 years	1,565	1,350	1,278
After 3 years but within 4 years	1,350	1,278	1,284
After 4 years but within 5 years	1,278	1,284	1,356
After 5 years	3,961	2,677	1,321
	11,656	10,307	8,154

13 INTANGIBLE ASSETS

The Group:

	Software	Technical know-how	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2023	37,105	2,655	39,760
Additions	1,553	186	1,739
At December 31, 2023 and January 1, 2024	38,658	2,841	41,499
Additions	5,459	10,836	16,295
At December 31, 2024 and January 1, 2025	44,117	13,677	57,794
Disposal	(509)	–	(509)
At December 31, 2025	43,608	13,677	57,285
Accumulated amortization:			
At January 1, 2023	(3,509)	(310)	(3,819)
Charge for the year	(4,137)	(276)	(4,413)
At December 31, 2023 and January 1, 2024	(7,646)	(586)	(8,232)
Charge for the year	(5,281)	(787)	(6,068)
At December 31, 2024 and January 1, 2025	(12,927)	(1,373)	(14,300)
Charge for the year	(4,073)	(1,665)	(5,738)
At December 31, 2025	(17,000)	(3,038)	(20,038)

	Software	Technical know-how	Total
	RMB'000	*RMB'000*	*RMB'000*
Net book value:			
At December 31, 2025	26,608	10,639	37,247
At December 31, 2024	31,190	12,304	43,494
At December 31, 2023	31,012	2,255	33,267

The amortization charge for the year is included in capitalized in inventory and administrative expenses in the consolidated statements of profit or loss and other comprehensive income.

14 INVESTMENTS IN SUBSIDIARIES

The carrying amounts of investments in subsidiaries of the Company is listed below:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost	2,992,683	3,001,602	2,982,262

Further details of the material subsidiaries of the Group are set out in Note 1.

The following table lists out the information relating to Shinghwa Guohong, Shinghwa Quanzhou and Shinghwa Dongying New Energy, the subsidiaries of the Group which have a material NCI. The summarized financial information presented below represents the amounts before any inter-company elimination.

Shinghwa Guohong	For the years ended December 31/As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
NCI percentage of Shinghwa Guohong	40%	40%	40%
Current assets	285,124	227,840	511,906
Non-current assets	131,241	164,200	213,442
Current liabilities	(32,353)	(41,681)	(402,389)
Non-current liabilities	(3,000)	(3,547)	(3,184)
Net assets	381,012	346,812	319,775
Carrying amount of NCI	152,405	138,725	127,910
Revenue for the year	503,735	453,447	456,826
Loss and total comprehensive income for the year	(15,291)	(34,151)	(27,032)
Loss and total comprehensive income attributable to NCI	(6,116)	(13,660)	(10,813)
Dividends paid to NCI	(13,383)	–	–
Cash flows generated from/(used in) operating activities	110,500	127,375	(179,449)
Cash flows used in investing activities	(21,336)	(1,912)	(21,317)
Cash flows (used in)/generated from financing activities	(33,469)	(300,689)	197,464

Shinghwa Quanzhou	For the years ended December 31/As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
NCI percentage of Shinghwa Quanzhou	45%	45%	45%
Current assets	118,393	137,013	220,398
Non-current assets	615,454	546,520	553,076
Current liabilities	(472,995)	(541,832)	(651,011)
Non-current liabilities	(81,190)	(44,317)	(39,454)
Net assets	179,662	97,384	83,009
Carrying amount of NCI	80,848	43,823	37,354
Revenue for the year	421,058	505,207	492,014

Shinghwa Quanzhou	For the years ended December 31/As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss and total comprehensive income for the year	(97,887)	(82,040)	(14,376)
Loss and total comprehensive income attributable to NCI	(44,049)	(36,918)	(6,469)
Dividends paid to NCI	–	–	–
Cash flows (used in)/generated from operating activities	(58,492)	175,309	51,666
Cash flows used in investing activities	(4,034)	(2,774)	(16,872)
Cash flows generated from/(used in) financing activities	68,370	(173,466)	(8,678)

Shinghwa Dongying New Energy	For the years ended December 31/As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
NCI percentage of Shinghwa Dongying New Energy	49%	49%	49%
Current assets	49,167	60,389	236,271
Non-current assets	830,883	900,453	962,632
Current liabilities	(391,396)	(510,506)	(675,095)
Non-current liabilities	(45,579)	–	(46,875)
Net assets	443,075	450,336	476,933
Carrying amount of NCI *(note)*	217,107	220,665	233,697
Revenue for the year	76,574	117,147	455,158
(Loss)/profit and total comprehensive income for the year	(30,574)	(41,338)	26,560
(Loss)/profit and total comprehensive income attributable to NCI	(14,981)	(20,256)	13,014
Dividends paid to NCI	–	–	–
Cash flows (used in)/generated from operating activities	(40,066)	51,857	57,689
Cash flows used in investing activities	(474,401)	(159,714)	(48,625)
Cash flows generated from/(used in) financing activities	329,294	107,869	(8,971)

Note: During the year ended December 31, 2024, the minority shareholder of Shinghwa Dongying New Energy made contribution of RMB23,848,000 to Shinghwa Dongying New Energy.

15 INVESTMENTS IN ASSOCIATES

The Group and the Company:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of registered/ paid-up capital	Proportion of ownership interest held by the Company — As at December 31, 2023	2024	2025	Principal activity
四川中氟勝華新材料科技有限公司 Sichuan Zhongfu Shenghua New Material Technology Co., Ltd.	company with limited liability	the PRC	RMB408,000,000/ RMB100,000,000	34%	34%	34%	Research and development of emerging energy technologies
東營石大宏益化工有限公司 Dongying Shida Hongyi Chemical., Ltd. ("Hongyi Chemical")	company with limited liability	the PRC	RMB22,000,000/ RMB22,000,000	40%	40%	40%	Sales of chemical products

During the Track Record Period, each of above associate was not individually significant.

Aggregate information of associates that are not individually material:

	For the years ended December 31/As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	33,928	33,805	33,885
Aggregate amounts of the Group's share of profits less losses of those associates	22	(123)	80

16 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
– Third parties	584,979	1,378,411	2,377,511
– Related parties	25,645	17,971	88,292
Less: loss allowance	(88)	(7,499)	(6,028)
	610,536	1,388,883	2,459,775
Bills receivables	143,844	150,778	153,690
	754,380	1,539,661	2,613,465
Prepayments *(note (ii))*	150,355	85,766	130,993
Input VAT recoverable	151,560	169,411	99,288
Prepaid listing expense	–	–	8,672
Amounts due from an associate	3,314	3,769	3,772
Other receivables and deposits	61,501	94,293	42,064
Less: loss allowance for other receivables and amounts due from an associates	(24,237)	(22,923)	(26,703)
	1,096,873	1,869,977	2,871,551
Less: Non-current portion			
– Receivable from disposal of non-current asset	(9,891)	(9,888)	(9,770)
– Prepayment for purchase of property, plant and equipment	(72,436)	(10,479)	(3,369)
	(82,327)	(20,367)	(13,139)
Current portion	1,014,546	1,849,610	2,858,412

Notes:

(i) Bills receivables mainly including bank acceptance bills, whose fair values approximate to their carrying values and were classified as financial assets at FVOCI under IFRS 9. The Group accepts bank acceptance bills from major banks in the PRC for settlement of trade debts. The management considered that the risk of these bills relates substantially to credit risk. Accordingly, when these bills were transferred by either discounting or endorsement, they were derecognized as a financial asset. As at December 31, 2023, 2024 and 2025, the Group transferred bank acceptance bills totaling RMB800,832,000, RMB558,902,000 and RMB908,394,000, respectively, and derecognized as financial assets. These bank acceptance bills will mature six months from the date of issue.

(ii) Prepayments mainly represent prepayments for purchase of property, plant and equipment and raw materials.

(iii) All of the current portion of trade and other receivables are expected to be recovered or recognized as expense within one year or are recovered on demand.

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
– Third parties	401,098	490,297	936,746
– Subsidiaries	7,526	17,998	56,378
– Other related parties	12,295	13,515	51,429
Less: loss allowance	(4)	(161)	(2,012)
	420,915	521,649	1,042,541
Bills receivables	32,479	34,796	50,120
	453,394	556,445	1,092,661
Prepayments	7,816	90,912	59,941
Input VAT recoverable	2,291	4,295	1,059
Prepaid listing expense	–	–	8,672
Amounts due from subsidiaries *(note)*	846,981	1,582,376	3,092,542
Amounts due from an associate	2,860	2,860	2,860
Other receivables and deposits	30,350	22,140	13,231
Less: loss allowance for other receivables and amounts due from an associates	(1)	–	(2,860)
	1,343,691	2,259,028	4,268,106
Less: Non-current portion			
– Receivable from disposal of non-current asset	(9,770)	(9,770)	(9,770)
Current portion	1,333,921	2,249,258	4,258,336

Note: As at December 31, 2023, 2024 and 2025, the amounts due from subsidiaries were interest-free, repayable on demand, except for amounts of RMB96,332,000, RMB398,130,000 and RMB249,852,000, respectively, were with interest rate of 3.36%, 3.07% to 6.00% and 2.86% to 6.00%, respectively, per annum, payment on demand.

Ageing analysis

As detailed in Note 29(a), trade receivables under credit sales arrangement are normally due within 6-11 months from the date of delivery of goods or services. The ageing analysis of trade receivables and bills receivables net of loss allowance, based on the past due status, is as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current (not past due)	754,380	1,447,334	2,548,772
Overdue within 180 days	–	92,327	64,068
Overdue 181 days-365 days	–	–	625
	754,380	1,539,661	2,613,465

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current (not past due)	453,394	553,461	1,054,508
Overdue within 180 days	–	2,984	38,153
	453,394	556,445	1,092,661

17 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprises:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	180,131	177,048	277,481
Finished goods	253,330	349,988	398,187
Other materials	24,369	94,720	14,887
	457,830	621,756	690,555
Less: write-down of inventories	(32,566)	(18,326)	(8,331)
	425,264	603,430	682,224

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

The Group:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	5,166,902	5,092,486	6,163,438
Carrying amount of inventories recognized as research and development expenses	119,478	177,741	186,705
Write-down of inventories	10,706	12,433	2,914
	5,297,086	5,282,660	6,353,057

18 FINANCIAL ASSETS AT FVPL AND OTHER FINANCIAL INSTRUMENTS

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVPL			
– Listed fund investment	708	703	329
– Wealth management products *(note (i))*	–	–	7,035
– Convertible bond	1	1	–
– Listed securities in the PRC	38	26	–
	747	730	7,364
Other financial assets			
– Time deposits *(note (ii))*	–	1,189,761	1,404,931
Derivative financial asset *(note (iii))*			
– Foreign currency forward contract	1,603	–	–
Derivative financial liability *(note (iii))*			
– Lithium carbonate futures contract	–	–	(3,293)

Notes:

(i) Wealth management products

The wealth management products are with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, mainly including foreign exchanges, bonds, debentures and other financial assets.

(ii) Time deposits

Time deposits are deposited with banks in Chinese mainland with fixed interests with the maturity periods from 3 months to 1 year.

(iii) Derivative financial instruments

The Group entered into certain commodity and foreign currency forward contracts to manage the risks associated with United States Dollars ("USD") exchange rate fluctuations and raw materials price volatility.

19 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and in hand	595,288	159,561	400,403

The Company:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and in hand	102,615	105,225	48,127

(b) Restricted cash

The Group:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Guarantee deposits *(note (i))*	50,735	138,650	293,631
Others *(note (ii))*	–	5,932	67,029
Restricted Cash	50,735	144,582	360,660

The Company:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Guarantee deposits *(note (i))*	28,022	4,627	77,770

Notes:

(i) As at the end of each reporting period, the restricted deposits for the Group and the Company mainly represented guarantee deposits pledged to bank for bank loans, issuance of bills payables and letters of credit which were provided to the customer of the Group to guarantee the fulfillment of certain performance obligation.

(ii) As at December 31, 2024 and 2025, certain subsidiaries of the Group were defendants in certain legal action involving the alleged failure in fulfilling contract obligation to the suppliers of those subsidiaries. The directors of the Company believe that the Group has made sufficient accrual included in the trade payables based on its best estimation. Certain amount of cash at banks was frozen due to those legal claims.

(c) Reconciliation of loss before taxation to cash generated from operations:

	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before taxation		(79,098)	(136,437)	(49,185)
Adjustments for:				
(Reversal of)/provision for impairment losses under ECL model		(1,257)	6,097	2,309
Depreciation of property, plant and equipment and investment properties	7(c)	224,639	277,920	449,322
Depreciation of right-of-use assets	7(c)	7,317	7,549	9,331
Amortization of intangible assets	7(c)	4,413	6,068	5,738
Losses/(gains) on disposal of property, plant and equipment	6	4,839	(3,385)	(224)
Investment losses/(gains) and net fair value changes on financial assets at FVPL	6	9,277	(201)	7,344
Share of profits less losses of associates	15	(22)	123	(80)
Equity-settled share-based payment expenses	27	(4,848)	(6,930)	–
Interest expense	7(a)	25,510	61,090	96,533
Foreign exchange gain	6	(1,074)	(10,206)	(619)
Changes in working capital:				
Decrease/(increase) in restricted deposits		37,209	27,210	(68,261)
Increase in inventories		(26,476)	(178,166)	(78,794)
Increase in prepayments, trade and other receivables		(408,202)	(1,270,711)	(1,446,798)
(Decrease)/increase in contract liabilities		(52,734)	(15,752)	(1,651)
Increase/(decrease) in deferred income		3,063	(471)	22,351
Increase in trade and other payables		(178,811)	205,052	343,875
(Decrease)/increase provisions	26	4,196	(4,196)	7,492
Cash used in operations		(432,059)	(1,035,346)	(701,317)

Years ended December 31,

(d) Reconciliation of liabilities arising from financing activities:

	Bank loans and other borrowings	Lease liabilities	Payables for acquisition of non-controlling interests	Dividends payables	Total
	RMB'000 (*Note 20*)	*RMB'000* (*Note 23*)	*RMB'000* (*Notes 21 and 28(d)(i)*)	*RMB'000*	*RMB'000*
At January 1, 2023	380,303	11,522	–	–	391,825
Changes from financing cash flows:					
Proceeds from loans and borrowings	997,379	–	–	–	997,379
Repayment of loans and borrowings	(344,872)	–	–	–	(344,872)
Interest paid	(23,899)	–	–	–	(23,899)
Payment of capital element of lease rentals	–	(3,163)	–	–	(3,163)
Payment of interest element of lease rentals	–	(387)	–	–	(387)
Payment of purchase of non-controlling interests	–	–	(7,444)	–	(7,444)
Dividends paid to non-controlling shareholders	–	–	–	(13,383)	(13,383)
Dividends paid to equity shareholders of the Company	–	–	–	(60,804)	(60,804)
Total changes from financing cash flows	**628,608**	**(3,550)**	**(7,444)**	**(74,187)**	**543,427**
Other changes:					
Interest expenses *(Note 7(a))*	25,123	387	–	–	25,510
Interest expense capitalized into construction in progress *(Note 7(a))*	520	–	–	–	520
Acquisition of non-controlling interests	–	–	15,662	–	15,662
Dividends approved	–	–	–	74,187	74,187
Others *(note)*	(1,525)	152	–	–	(1,373)
Total other changes	**24,118**	**539**	**15,662**	**74,187**	**114,506**
At December 31, 2023	**1,033,029**	**8,511**	**8,218**	**–**	**1,049,758**

	Bank loans and other borrowings	Lease liabilities	Payables for acquisition of non-controlling interests	Dividends payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 20)	*(Note 23)*	*(Notes 21 and 28(d)(i))*		
At January 1, 2024	1,033,029	8,511	8,218	–	1,049,758
Changes from financing cash flows:					
Proceeds from new bank loans	3,132,144	–	–	–	3,132,144
Repayment of bank loans	(620,608)	–	–	–	(620,608)
Interest paid	(70,108)	–	–	–	(70,108)
Payment of capital element of lease rentals	–	(762)	–	–	(762)
Payment of interest element of lease rentals	–	(348)	–	–	(348)
Payment of purchase of non-controlling interests	–	–	(1,500)	–	(1,500)
Dividends paid to equity shareholders of the Company	–	–	–	(8,107)	(8,107)
Total changes from financing cash flows	**2,441,428**	**(1,110)**	**(1,500)**	**(8,107)**	**2,430,711**
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	1,087	–	–	1,087
Interest expenses *(Note 7(a))*	60,742	348	–	–	61,090
Interest expense capitalized into construction in progress *(Note 7(a))*	20,888	–	–	–	20,888
Dividends approved	–	–	–	8,107	8,107
Others *(note)*	(9,872)	54	–	–	(9,818)
Total other changes	**71,758**	**1,489**	**–**	**8,107**	**81,354**
At December 31, 2024	**3,546,215**	**8,890**	**6,718**	**–**	**3,561,823**

	Bank loans and other borrowings	Lease liabilities	Payables for acquisition of non-controlling interests	Dividends payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 20)	*(Note 23)*	*(Note 21)*		
At January 1, 2025	3,546,215	8,890	6,718	–	3,561,823
Changes from financing cash flows:					
Proceeds from new bank loans and other borrowing	3,980,319	–	–	–	3,980,319
Repayment of bank loans	(3,409,416)	–	–	–	(3,409,416)
Interest paid	(72,968)	–	–	–	(72,968)
Payment of capital element of lease rentals	–	(2,155)	–	–	(2,155)
Payment of interest element of lease rentals	–	(335)	–	–	(335)
Total changes from financing cash flows	**497,935**	**(2,490)**	**–**	**–**	**495,445**
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	2,430	–	–	2,430
Interest expenses *(Note 7(a))*	96,198	335	–	–	96,533
Interest expense capitalized into construction in progress *(Note 7(a))*	1,366	–	–	–	1,366
Others *(note)*	(114,222)	–	–	–	(114,222)
Total other changes	**(16,658)**	**2,765**	**–**	**–**	**(13,893)**
At December 31, 2025	**4,027,492**	**9,165**	**6,718**	**–**	**4,043,375**

Note: For the years ended December 31, 2023, 2024 and 2025, certain bank loans amounted to RMB1,525,000, RMB9,872,000 and RMB114,222,000, respectively, were raised by endorsement of bill receivables and trade receivables, while significant risk and reward associated with bills receivables and trade receivables have not been transferred. Those bank loans were repaid upon the settlement of bills receivables and trade receivables.

(e) Major non-cash transactions:

For the years ended December 31, 2023, 2024 and 2025, part of the consideration for the purchase of property, plant and equipment was made by transfer of bills receivables amounted to RMB902,664,000, RMB416,577,000 and 293,197,000, respectively.

(f) Total cash outflow for leases

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	475	437	691
Within investing cash flows	56,517	48,505	131
Within financing cash flows	3,550	1,110	2,490
	60,542	50,052	3,312

20 BANK LOANS AND OTHER BORROWING

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Secured but unguaranteed bank loans and other borrowing *(note (i))*	–	90	109,470
Unsecured and unguaranteed bank loans and other borrowing *(note (ii))*	1,033,029	3,546,125	3,918,022
	1,033,029	3,546,215	4,027,492
Less: current portion of bank loans and other borrowing	(465,024)	(1,974,869)	(3,323,671)
	568,005	1,571,346	703,821

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unsecured and unguaranteed bank loans and other borrowing	28,707	1,047,081	842,807
Less: current portion of bank loans and other borrowing	(26,707)	(709,081)	(842,807)
	2,000	338,000	–

Notes:

(i) As at December 31, 2024 and 2025, secured bank loans and other borrowings are pledged by certain plant, property and equipment and land use rights with aggregated net carrying amount of RMB112,990,000 and RMB207,524,000.

(ii) The interest rate profile of the Group's bank loans and other borrowings was disclosed in Note 29(c)(i).

(a) The analysis of the repayment schedule of bank loans and other borrowing are as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	465,024	1,974,869	3,323,671
After 1 year but within 2 years	209,138	937,663	430,925
After 2 years but within 5 years	358,867	633,683	272,896
	1,033,029	3,546,215	4,027,492

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	26,707	709,081	842,807
After 1 year but within 2 years	1,000	248,000	–
After 2 years but within 5 years	1,000	90,000	–
	28,707	1,047,081	842,807

21 TRADE AND OTHER PAYABLES

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– Related parties	18,824	71,322	73,615
– Third parties	1,253,411	1,352,338	1,536,180
	1,272,235	1,423,660	1,609,795
Bills payables	221,690	69,700	46,556
	1,493,925	1,493,360	1,656,351
Other taxes payable	13,669	10,354	44,515
Payroll payables	164,734	133,958	126,869
Payables for acquisition of non-controlling interests	8,218	6,718	6,718
Deposits	43,468	43,797	36,742
Other payables	13,696	12,020	28,891
	1,737,710	1,700,207	1,900,086

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– Subsidiaries	144,945	119,768	263,040
– Third parties	25,535	29,993	46,314
	170,480	149,761	309,354
Bills payables	174,000	–	823,350
	344,480	149,761	1,132,704
Amounts due to subsidiaries	718,494	837,202	1,071,759
Other taxes payable	1,439	3,587	1,856
Payroll payables	49,720	47,845	54,910
Deposits	5,702	12,098	10,940
Other payables	5,126	5,421	5,596
	1,124,961	1,055,914	2,277,765

As at December 31, 2023, 2024 and 2025, the ageing analysis of trade payables and bills payables (which are included in trade and other payables), based on invoice date for trade payables and issuance date for bills payables, is as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,305,556	1,082,965	1,112,752
1 to 2 years	88,566	240,514	155,618
2 to 3 years	85,251	78,267	233,709
3 to 4 years	10,581	77,264	76,659
4 to 5 years	1,389	10,418	63,318
Over 5 years	2,582	3,932	14,295
	1,493,925	1,493,360	1,656,351

The Company:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	342,630	147,542	1,130,091
1 to 2 years	34	596	737
2 to 3 years	123	34	354
3 to 4 years	1,475	83	26
4 to 5 years	76	1,295	61
Over 5 years	142	211	1,435
	344,480	149,761	1,132,704

22 CONTRACT LIABILITIES

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities:			
Receipts in advance	55,565	39,813	38,162

Movements in contract liabilities:

The Group:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	108,299	55,565	39,813
Increase in contract liabilities during the year	55,565	39,813	38,162
Decrease in contract liabilities as a result of recognizing revenue during the year	(108,299)	(55,565)	(39,813)
At the end of the year	55,565	39,813	38,162

23 LEASE LIABILITIES

As at the end of each reporting period, the lease liabilities were repayable as follows:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,651	1,035	2,243
After 1 year but within 2 years	1,035	2,729	1,995
After 2 years but within 5 years	3,358	3,868	3,619
Above 5 years	2,467	1,258	1,308
	6,860	7,855	6,922
	8,511	8,890	9,165

24 INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Corporate Income Tax			
Tax recoverable	525	279	–
Current taxation	(7)	(885)	(351)
	518	(606)	(351)
The movement of Corporate Income Tax are as follows:			
At January 1,	39,612	518	(606)
Reversal/(provision) for income taxation for the year	518	(2,028)	(244)
Corporate Income Tax (refund)/paid *(note)*	(39,612)	904	499
At December 31	518	(606)	(351)

Note: The refund of Corporate Income Tax is from overpaid provisional income tax due to recognition of deductible temporary difference.

(b) Deferred tax assets and liabilities recognized

(i) Movement of each component of deferred tax assets and liabilities.

The components of deferred tax assets/(liabilities) recognized in the statements of financial position and the movements during the year are as follows:

The Group:

	Unused tax losses	Right-of-use assets	Lease liabilities	Impairment and other allowance	Unrealized profit from Inter-group transactions	Depreciation and amortization allowances difference	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets/(liabilities) arising from:								
At January 1, 2023	–	(2,224)	2,396	13,495	3,995	(62,339)	1,105	(43,572)
Credited/(charged) to profit or loss	75,245	(95)	92	(3,122)	(2,529)	(55,959)	(286)	13,346
At December 31, 2023 and January 1, 2024	75,245	(2,319)	2,488	10,373	1,466	(118,298)	819	(30,226)
Credited/(charged) to profit or loss	108,577	398	(252)	(1,099)	(611)	(38,394)	(577)	68,042
At December 31, 2024 and January 1, 2025	183,822	(1,921)	2,236	9,274	855	(156,692)	242	37,816
Credited/(charged) to profit or loss	163,918	342	(506)	1,779	982	(125,122)	2,157	43,550
At December 31, 2025	347,740	(1,579)	1,730	11,053	1,837	(281,814)	2,399	81,366

(ii) Reconciliation to the consolidated statement of financial position

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognized in the consolidated statements of financial position	12,533	61,057	137,832
Net deferred tax liabilities recognized in the consolidated statements of financial position	(42,759)	(23,241)	(56,466)
	(30,226)	37,816	81,366

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(r), the Group has not recognized deferred tax assets in respect of cumulative unused tax losses arising from the Group of RMB415,556,000, RMB412,970,000 and RMB410,870,000 as at December 31, 2023, 2024 and 2025, respectively, as it is not probable that future taxable profits against which the deductible temporary differences can be utilized will be available in the relevant tax jurisdiction and entity.

Pursuant to the relevant laws and regulations in Chinese mainland, the unrecognized unused tax losses at the end of each reporting period will expire in the following years:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Year of 2024	2,586	–	–
Year of 2025	2,100	2,100	–
Year of 2026	1,808	1,808	1,808
Year of 2027	82,069	–	–
Year of 2028	193,146	–	–
Year of 2029	–	–	–
Year of 2030	–	–	–
Year of 2031	–	–	–
Year of 2032	35,041	117,110	117,110
Year of 2033	98,806	291,952	291,952
Total	415,556	412,970	410,870

25 DEFERRED INCOME

The Group:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1,	3,047	6,110	5,639
Received during the year	3,652	401	24,348
Amortization for the year	(589)	(872)	(1,997)
Balance at December 31,	6,110	5,639	27,990

The Group and the Company received government grants for the acquisition of non-current assets. These grants are deferred over the useful lives of relevant assets. The amortization amounts were recognized as "other revenue" in the consolidated statements of profit or loss and other comprehensive income.

26 PROVISIONS

The Group:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Litigation provisions	4,196	–	7,702
Onerous contracts	210	210	–
	4,406	210	7,702

The movements of provisions during the year were as follows:

The Group:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning	210	4,406	210
Additions	4,196	–	7,702
Provisions utilized	–	(4,196)	(210)
Balance at the end	4,406	210	7,702

27 EQUITY-SETTLED SHARE-BASED PAYMENTS

On June 6, 2022, pursuant to the approval of the Extraordinary General Meeting of the Company, 11,093,000 share options were granted to a total of 265 eligible directors, supervisors and employees (the "2022 Scheme"). Each option granted can be converted into one A shares at an exercise price of RMB111.84. The 2022 Scheme is subject to vesting periods of 12 months, 24 months and 36 months, respectively, from the date of registration of the respective grants of the share options, and the respective vesting proportion to equity interests granted were 50%, 30% and 20% respectively.

The options granted would vest after specific dates, on condition that directors, supervisors and employees remain in service with performance requirements, including personal performance requirement and the overall performance target of the Group ("Performance Target").

The fair value of services received in return for the share options granted is measured by reference to the fair value of share options granted. The estimated fair value of the share options granted is measured based on a Black-Scholes pricing model.

Set out below are the fair value of share options and assumptions.

Fair value of share options and assumptions	
Fair value at measurement date per option (RMB)	1.48-6.04
Number of options granted	11,093,000
Fair value at measurement date (RMB)	36,405,000
Exercise price (RMB)	111.84

Time to maturity	12 months-36 months
Expected volatility	0.14-0.15
Risk-free rate	1.5%-2.8%
Dividend yield	0.31%

Movements in options granted to the Group's directors, supervisors and employees and the respective weighted-average grant date fair value are as follows:

	Number of options	Weighted average grant date fair value per option
		RMB
Outstanding as of January 1, 2023	11,093,000	3.06
Forfeited during the year	(5,661,000)	1.66
Outstanding as of January 1, 2023, December 31, 2023 and January 1, 2024	5,432,000	4.73
Forfeited during the year	(3,403,200)	3.95
Outstanding as of December 31, 2024 and January 1, 2025	2,028,800	6.04
Forfeited during the year	(2,028,800)	6.04
Outstanding as of December 31, 2025	–	–

Equity-settled share-based payment expenses recognized in profit or loss were disclosed in Note 7(b).

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

	Share capital	Capital reserve	Statutory reserve	Special reserve	Retained profits	Total
	RMB'000 *Note 28(c)*	*RMB'000* *Note 28(d)(i)*	*RMB'000* *Note 28(d)(ii)*	*RMB'000* *Note 28(d)(iii)*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	202,680	422,539	143,664	3,714	1,548,577	2,321,174
Profit and total comprehensive income for the year	–	–	–	–	1,141,545	1,141,545
Equity-settled share-based transactions	–	(4,848)	–	–	–	(4,848)
Dividends declared	–	–	–	–	(60,804)	(60,804)
Balance at December 31, 2023	202,680	417,691	143,664	3,714	2,629,318	3,397,067
Balance at January 1, 2024	202,680	417,691	143,664	3,714	2,629,318	3,397,067
Profit and total comprehensive income for the year	–	–	–	–	5,433	5,433
Equity-settled share-based transactions	–	(6,930)	–	–	–	(6,930)
Safe production fund	–	–	–	(123)	123	–
Dividends declared	–	–	–	–	(8,107)	(8,107)
Balance at December 31, 2024	202,680	410,761	143,664	3,591	2,626,767	3,387,463
Balance at January 1, 2025	202,680	410,761	143,664	3,591	2,626,767	3,387,463
Loss and total comprehensive income for the year	–	–	–	–	(32,813)	(32,813)
Non-public issuance of A shares	30,021	952,148	–	–	–	982,169
Balance at December 31, 2025	232,701	1,362,909	143,664	3,591	2,593,954	4,336,819

(b) Dividends

Cash dividends

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Ordinary A shares			
Final dividends in respect of the previous year, declared and paid during the year (tax inclusive)	60,804	8,107	–
	60,804	8,107	–

The final dividends of RMB3.0, RMB0.4 and nil per share (tax inclusive) in respect of the years ended December 31, 2022, 2023 and 2024 were approved by the respective Annual General Meetings of the Company.

On March 30, 2026, the board of directors of the Company approved a final dividends of RMB0.04 for each ten shares (tax inclusive) in respect of the year ended December 31, 2025, which is subject to the approval in the Annual General Meeting of the Company.

(c) Share capital

Issued share capital of the Company

	No. of shares	*RMB'000*
Ordinary shares of RMB1.00 each, issued and fully paid:		
At January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024 and January 1, 2025	202,680,000	202,680
Issuance of ordinary shares (*note*)	30,021,014	30,021
At December 31, 2025	232,701,014	232,701

Note: The Company issued 30,021,014 ordinary shares of RMB1.00 each in August 2025, the difference between the net proceeds received of RMB982,169,000 from shareholders of the Company and par value of shares issued was credited in capital reserve.

(d) Nature and purposes of reserves

(i) Capital reserve

The capital reserve comprises the following:

– *Share premium*

The share premium comprises capital contribution from shareholders of the Company in excess of the par value of shares.

– *Share-based payments reserve*

The share-based payments reserve represents the portion of the grant date fair value of unvested restricted share units granted to the directors, supervisors and employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 2(q)(ii).

– *Reserve arising from transactions with non-controlling interests*

During the year ended December 31, 2023, the Group acquired 1.80% equity interests of Shinghwa Dongying New Materials from non-controlling interests at a consideration of RMB4,698,000. The Group recognized a decrease in capital reserves of RMB800,000 and a decrease in non-controlling interests of RMB3,898,000.

During the year ended December 31, 2023, the Group acquired 20.00% equity interests of Shida Fuhua from non-controlling interests at a consideration of RMB2,829,000. The Group recognized an increase in capital reserves of RMB60,000 and a decrease in non-controlling interests of RMB2,889,000.

During the year ended December 31, 2023, the Group acquired 10.00% equity interests of Shinghwa Lianjiang from its then non-controlling shareholder, which is a entity controlled by the key management personnel of the Group, at a consideration of RMB8,135,000. The Group recognized a decrease in capital reserves of RMB843,000 and a decrease in non-controlling interests of RMB7,292,000.

(ii) Statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies which are incorporated in the PRC until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to equity holders.

For the entities concerned, this reserve can be utilized in setting off accumulated losses or increasing capital and is non-distributable other than in liquidation.

For the years ended December 31, 2023, 2024 and 2025, no statutory surplus reserve was made by the Company since the reserve balance has reached 50% of its registered capital.

For the years ended December 31, 2023, 2024 and 2025, appropriation to statutory surplus reserves made by the Company's PRC subsidiaries amounting to RMB18,496,000, RMB16,054,000 and RMB10,202,000, respectively, and were included in the consolidated retained profits attributable to equity shareholders of the Company and NCI.

(iii) Special reserve

Pursuant to the relevant PRC laws and regulations, the Group is required to transfer production and maintenance funds at fixed rates based on relevant bases to a specific reserve ("Safe Production Fund") account. The production and maintenance funds could be utilized when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of accrued/utilized would be transferred to/from the specific reserve account from/to retained earnings.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's overall strategy remains unchanged throughout the years ended December 31, 2023, 2024 and 2025. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at December 31, 2023, 2024 and 2025 was 39.7%, 55.2% and 53.4%.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted deposits, time deposits and bills receivables is limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers to have low credit risk. The Group does not provide any guarantee which would expose the Group to credit risk.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's background and financial strengths, past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as the economic environment in which the customer operates. Trade receivables under credit sales arrangement are normally due within 6-11 months from the date of delivery of goods or services. The Group has concentration of credit risk for trade receivables. As at December 31, 2023, 2024 and 2025, gross carrying amount of trade receivables of the Group amounted to RMB610,624,000, RMB1,396,382,000 and RMB2,465,803,000, respectively, of which 48%, 60% and 65% were due from the five largest customers in aggregate of the Group respectively.

The Group purchases credit insurance to cover all trade receivables credit exposure. For any debtors overdue for more than 180 days, the Group is able to claim from the insurer up to 90% of the overseas debtors or up to 80% of the domestic debtors of the losses. During the Track Record Period, the actual credit loss not born by insurer is minimal.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. According to the past experience of the Group, all individual customers have similar loss patterns. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items on a collective basis.

Movement in the loss allowance account in respect of trade receivables during the years ended December 31, 2023, 2024 and 2025 is as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	84	88	7,499
Loss allowance recognized/(reversed)	4	7,411	(1,471)
At the end of the year	88	7,499	6,028

	As at December 31, 2023		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
On individual basis	100%	88	88
On collective basis			
– Current (not past due)	0%	610,536	–
		610,624	88

	As at December 31, 2024		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
On individual basis	100%	2,644	2,644
On collective basis			
– Current (not past due)	0%	1,296,556	–
– Overdue within 180 days	5%	97,182	4,855
		1,396,382	7,499

	As at December 31, 2025		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
On individual basis	100%	2,587	2,587
On collective basis			
– Current (not past due)	0%	2,395,082	–
– Overdue within 180 days	5%	67,440	3,372
– Overdue 181 days to 365 days	10%	694	69
		2,465,803	6,028

While for amounts due from an associate and other receivables and deposits, the Group individually assessed ECL allowance based on the past due status. As at December 31, 2023, 2024 and 2025, aggregated loss allowance amounted to RMB24,237,000, RMB22,923,000 and RMB26,703,000, respectively, was made to amounts due from an associate and other receivables and deposits.

(b) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank borrowings and monitors compliance with loan covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contracted rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	As at December 31, 2023				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount of (asset)/liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Derivatives – gross settlement					
Foreign exchange forward contracts					(1,603)
– inflow	63,222	–	–	63,222	
– outflow	(61,619)	–	–	(61,619)	
	1,603	–	–	1,603	

	As at December 31, 2023					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount of (asset)/liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	1,559,307	–	–	–	1,559,307	1,559,307
Bank loans and other borrowing	491,665	224,474	373,917	–	1,090,056	1,033,029
Lease liabilities	1,973	1,308	3,923	2,616	9,820	8,511
	2,052,945	225,782	377,840	2,616	2,659,183	2,600,847

	As at December 31, 2024					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount of (asset)/liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	1,555,895	–	–	–	1,555,895	1,555,895
Bank loans and other borrowing	2,040,773	971,080	650,007	–	3,661,860	3,546,215
Lease liabilities	1,308	3,007	4,314	1,308	9,937	8,890
	3,597,976	974,087	654,321	1,308	5,227,692	5,111,000

	As at December 31, 2025					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount of (asset)/liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	1,728,702	–	–	–	1,728,702	1,728,702
Bank loans and other borrowing	3,366,796	446,353	277,748	–	4,090,897	4,027,492
Lease liabilities	2,552	2,224	3,923	1,308	10,007	9,165
	5,098,050	448,577	281,671	1,308	5,829,606	5,765,359

(c) Interest rate risk

The Group's interest rate risk exposure arises primarily from lease liabilities and banks loans. These borrowings bearing interest at variable rates expose the Group to cash flow interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Effective interest rates	Amount	Effective interest rates	Amount	Effective interest rates	Amount
	%	RMB'000	%	RMB'000	%	RMB'000
Fixed rate borrowings:						
Bank loans and other borrowing	2.8%-3.98%	464,513	2.70%-3.98%	2,222,237	2.20%-3.98%	2,626,690
Lease liabilities	3.98%-4.35%	8,511	3.98%-4.35%	8,890	3.10%-4.35%	9,165
		473,024		2,231,127		2,635,855
Floating rate borrowings:						
Bank loans and other borrowing	Floating rate based on Loan Prime Rate ("LPR")	568,516	Floating rate based on LPR	1,323,978	Floating rate based on LPR	1,400,802
Total borrowings		1,041,540		3,555,105		4,036,657
Fixed rate borrowings as a percentage of total borrowings		45.42%		62.76%		65.30%

(ii) Sensitivity analysis

As at December 31, 2023, 2024 and 2025, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and decrease/increase the retained profits by approximately RMB462,000, RMB1,058,000 and 1,120,000, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of each reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments may held by the Group at the end of each reporting period, the impact on the Group's loss after tax (and retained profits) is estimated as an annualized impact on interest expense of such a change in interest rates. The analysis is performed on the same basis during the years ended December 31, 2023, 2024 and 2025.

In respect of the exposure to cash flow interest rate risk arising from other floating rate non-derivative financial instruments held by the Group, such as cash and cash equivalents, at the end of the reporting period, the Group is not exposed to significant interest rate risk as the interest rates of cash at bank are not expected to change significantly.

(d) Currency risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group is exposed to currency risk primarily from cash and cash equivalents and trade receivables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group's currency risk mainly arises from transactions denominated in USD and Euro ("EUR").

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB translated using the spot rate at the period end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in RMB)					
	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	USD	EUR	USD	EUR	USD	EUR
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	(61,619)	–	–	–	–	–
Trade and other receivables	170,759	5,133	185,600	5,029	232,790	8,584
Cash and cash equivalents	12,118	531	20,068	563	18,718	308
Trade and other payables	(20,525)	–	(42,724)	–	(88,240)	(814)
Exposure arising from recognized assets	100,733	5,664	162,944	5,592	163,268	8,078

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Increase/ (decrease) in foreign exchange rates	Decrease/(increase) in loss after tax and increase/(decrease) in retained earnings	Increase/ (decrease) in foreign exchange rates	Decrease/(increase) in loss after tax and increase/(decrease) in retained earnings	Increase/ (decrease) in foreign exchange rates	Decrease/(increase) in loss after tax and increase/(decrease) in retained earnings
	%	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*
USD	1%	2,088	1%	2,064	1%	2,831
USD	(1%)	(2,088)	(1%)	(2,064)	(1%)	(2,831)
EUR	1%	43	1%	42	1%	80
EUR	(1%)	(43)	(1%)	(42)	(1%)	(80)

(e) Price risk

Commodity price risk

The Group is exposed to commodity price risk mainly arising from lithium carbonate, the price volatility of which could impact financial performance. The Group uses derivative financial instruments, including commodity forward contracts to manage a portion of such risk. As a result, the Group is also exposed to lithium carbonate market price through its holding of lithium carbonate futures contract as at December 31, 2025. If the market price of lithium carbonate had been 1% higher/lower, the post-tax loss for the year ended December 31 , 2025 would increase/decrease by RMB129,000 as a result of the changes in lithium carbonate market price.

(f) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;

– Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets that are measured at fair value at the end of each reporting date:

	Fair value at December 31,	Fair value measurements as at December 31, 2023 categorized into		
	2023	Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets at FVPL:				
– Listed securities in the PRC	38	38	–	–
– Listed fund investment	708	708	–	–
– Listed convertible bond	1	1	–	–
Derivative financial asset:				
– Foreign currency forward contract	1,603	–	1,603	–
Financial assets at FVOCI:				
– Bill receivables	143,844	–	–	143,844
	146,194	747	1,603	143,844

	Fair value at December 31,	Fair value measurements as at December 31, 2024 categorized into		
	2024	Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets at FVPL:				
– Listed securities in the PRC	26	26	–	–
– Listed fund investment	703	703	–	–
– Convertible bond	1	1	–	–
Financial assets at FVOCI:				
– Bill receivables	150,778	–	–	150,778
	151,508	730	–	150,778

	Fair value at December 31,	Fair value measurements as at December 31, 2025 categorized into		
	2025	Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets at FVPL:				
– Listed fund investment	329	329	–	–
– Wealth management products	7,035	–	7,035	–
Financial assets at FVOCI:				
– Bill receivables	153,690	–	–	153,690
	161,054	329	7,035	153,690
Derivative financial liability				
– lithium carbonate futures contract	(3,293)	–	(3,293)	–

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3.

The fair value of listed securities in the PRC, listed fund investment and convertible bond are determined based on the closing price quoted on the stock exchange at the end of the reporting period, as these quoted prices are unadjusted and observable for identical assets in an active market.

The fair value of foreign forward exchange contract and lithium carbonate futures contract in Level 2 is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

For wealth management products issued by banks that are measured at FVPL in Level 2, the fair value is determined by the net asset value of the products published by the issuing banks on the balance sheet date.

For bills receivables that are measured at FVOCI in level 3, the fair value is determined by using discounted cash flow model, the significant unobservable input is discount rate. An increase in discount rate would result in a decrease in fair value.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortized cost approximate their fair values at the end of each reporting period.

30 COMMITMENTS

Commitments outstanding at December 31, 2023, 2024 and 2025 not provided for in the financial statements were as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase commitments outstanding in connection with the Group's construction contracts:			
Authorized and contracted	677,548	261,624	476,768
Authorized but not contracted	45,507	51,195	312,896
	723,055	312,819	789,664

31 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 9, is as follows.

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	8,649	7,635	8,794
Share-based payment expense *(note)*	(1,117)	(1,597)	–
Contributions to defined contribution retirement plan	149	142	314
	7,681	6,180	9,108

Note: As detailed in Note 27, key management personnel was entitled to the share option scheme. As the performance condition was not fulfilled, all options granted to those individuals were forfeited during the Track Record Period, the share-based payment expense has been reversed and was disclosed as negative amounts.

(b) Other related parties transactions

Besides for related party transaction disclosed elsewhere, during the Track Record Period, the Group entered into the following related party transactions:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods and services from			
Immediate controlling shareholder	20,852	17,553	–
Entities with significant influence over the Group's material subsidiaries and their subsidiaries	935,581	778,993	759,508
	956,433	796,546	759,508
Sales of goods to			
Entity controlled by the key management personnel	717	–	–
Entities with significant influence over the Group's material subsidiaries and their subsidiaries	232,664	230,700	197,315
	233,381	230,700	197,315
Purchase of right-of-use assets from			
Entity with significant influence over a Group's material subsidiary	–	1,087	2,011

Financing arrangement

During the year ended December 31, 2025, the Group borrowed a loan from one of the intermediate controlling shareholders of RMB300,000,000 which was interest-free. The loan was subsequently fully repaid during the same year.

(c) Balance with related party

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from related parties with trade in nature with			
Associate of the Group	113	113	113
Entity controlled by the key management personnel	717	–	–
Entities with significant influence over the Group's material subsidiaries and their subsidiaries	33,638	28,210	96,268
	34,468	28,323	96,381
Amounts due to related parties with trade in nature with			
Associate of the Group	65	65	65
Entity controlled by the key management personnel	8,134	6,634	8,054
Entities with significant influence over the Group's material subsidiaries and their subsidiaries	27,897	83,590	83,132
Other related parties	643	500	500
	36,739	90,789	91,751
Amounts due from an associate with non-trade in nature *(note)*	3,314	3,769	3,772

Note: As at the end of each reporting period, other receivables due from Hongyi Chemical were non-trade in nature, interest-free and repayable on demand. The directors of the Company are in the view that the amount due from Hongyi Chemical will not be repaid prior to the [**REDACTED**] of the Company's shares on the Stock Exchange due to its current financial position. As at December 31, 2025, full provision of ECL allowance was made to the other receivables.

32 SUBSEQUENT EVENTS

[Besides for subsequent events disclosed elsewhere, there is no significant non-adjusting event after December 31, 2025.]

33 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The directors of the Company consider the immediate controlling shareholder of the Company as at December 31, 2023 and 2024 and December 31, 2025 was 青島中石大控股有限公司 Qingdao China University of Petroleum Holdings Ltd..

The ultimate controlling party of the Company was State-owned Assets Administration Bureau of Qingdao West Coast New Area.

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the IASB has issued a number of amendments, new standards and interpretations, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity*	January 1, 2026
Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*	January 1, 2026
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18, *Presentation and disclosure in financial statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *Translation to a hyperinflationary presentation currency*	January 1, 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except for the following:

IFRS 18, ***Presentation and disclosure in financial statements***

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for the year beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to December 31, 2025.