The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG JINSHENG NEW ENERGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Guangdong Jinsheng New Energy Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-[●]] to [I-[●]], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-[●]] to [I-[●]] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "**document**") in connection with the initial [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors 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* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 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 purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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

Adjustments

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

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA (the "**Underlying Financial Statements**").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	2,891,545	2,157,238	2,202,014
Cost of sales				
Cost of sales of goods and services	*6*	(2,940,264)	(2,220,357)	(2,042,156)
Impairment losses on inventories	*6*	(108,863)	(24,568)	(4,379)
Gross profit/(loss)		(157,582)	(87,687)	155,479
Other income and gains	*5*	45,164	40,028	27,613
Selling and marketing expenses		(4,319)	(3,565)	(4,402)
Administrative expenses		(112,677)	(132,041)	(149,755)
Research and development expenses		(99,961)	(77,097)	(95,532)
(Impairment losses)/reversal of impairment losses on financial assets and prepayments, net	*6*	(36,937)	328	(2,811)
Other expenses		(47,009)	(9,545)	(12,196)
Finance costs	*7*	(57,832)	(60,878)	(77,143)
Share of losses of associates and a joint venture		(164)	(11,684)	(6,054)
LOSS BEFORE TAX	*6*	(471,317)	(342,141)	(164,801)
Income tax expense	*10*	(65)	(1,458)	(1,675)
LOSS FOR THE YEAR		(471,382)	(343,599)	(166,476)

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
OTHER COMPREHENSIVE (LOSS)/INCOME				
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:				
Equity investments designated at fair value through other comprehensive (loss)/income ("FVOCI"):				
Changes in fair value, net of tax		(7,230)	7,315	31,299
		(7,230)	7,315	31,299
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		(7,230)	7,315	31,299
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		(7,230)	7,315	31,299
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(478,612)	(336,284)	(135,177)
Loss attributable to:				
Owners of the parent		(471,382)	(343,599)	(166,476)
Non-controlling interests		–	–	–
		(471,382)	(343,599)	(166,476)
Total comprehensive loss attributable to:				
Owners of the parent		(478,612)	(336,284)	(135,177)
Non-controlling interests		–	–	–
		(478,612)	(336,284)	(135,177)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	(1.28)	(0.93)	(0.45)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	1,624,840	1,935,069	1,963,560
Right-of-use assets	*14*	135,044	149,706	138,107
Intangible assets	*15*	1,034	729	494
Investments in associates and a joint venture	*16*	12,136	46,497	40,443
Equity investments designated at FVOCI	*18*	38,744	46,060	77,358
Deferred tax assets	*19*	–	–	–
Prepayments, other receivables and other assets	*22*	100,740	205,990	160,866
Pledged deposits	*25*	5,281	5,527	–
Other non-current assets		11,659	12,968	12,967
Total non-current assets		1,929,478	2,402,546	2,393,795
CURRENT ASSETS				
Inventories	*20*	291,416	293,577	106,805
Trade and bills receivables	*21*	421,188	304,250	411,985
Prepayments, other receivables and other assets	*22*	433,474	399,665	308,276
Financial assets at fair value through profit or loss	*23*	6,000	10,000	–
Derivative financial instruments	*24*	490	318	–
Pledged and restricted deposits	*25*	134,811	286,087	171,161
Cash and cash equivalents	*25*	99,698	53,044	33,163
Total current assets		1,387,077	1,346,941	1,031,390

	Notes	As at 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
CURRENT LIABILITIES				
Trade and bills payables	26	301,664	332,039	673,536
Other payables and accruals	27	64,874	73,687	70,038
Tax payable		3,740	–	–
Contract liabilities	28	10,950	20,640	13,555
Derivative financial instruments	24	291	–	–
Interest-bearing bank and other borrowings	30	1,162,976	1,853,210	1,286,583
Lease liabilities	14	11,851	24,383	22,724
Provision		979	–	2,984
Total current liabilities		1,557,325	2,303,959	2,069,420
NET CURRENT LIABILITIES		(170,248)	(957,018)	(1,038,030)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,759,230	1,445,528	1,355,765
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	30	420,593	359,995	215,468
Lease liabilities	14	37,390	32,814	15,657
Deferred income	29	29,144	105,875	151,283
Deferred tax liabilities	19	137	1,595	3,270
Total non-current liabilities		487,264	500,279	385,678
Net assets		1,271,966	945,249	970,087
EQUITY				
Equity attributable to owners of the parent				
Share capital	31	369,617	369,617	374,980
Reserves	33	902,349	575,632	595,107
		1,271,966	945,249	970,087
Non-controlling interests		–	–	–
Total equity		1,271,966	945,249	970,087

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	**Capital reserve**	**Share-based payment reserve**	**Special reserve – safety fund**	**Fair value reserve of equity investments designated at FVOCI**	**(Accumulated losses)/Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 31)*	*RMB'000* *(note 33)*	*RMB'000* *(note 32)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	361,658	902,138	23,963	6,438	(10,426)	190,494	1,474,265	–	1,474,265
Loss for the year	–	–	–	–	–	(471,382)	(471,382)	–	(471,382)
Other comprehensive loss for the year:									
Changes in fair value of equity investments designated at FVOCI, net of tax	–	–	–	–	(7,230)	–	(7,230)	–	(7,230)
Total comprehensive loss for the year	–	–	–	–	(7,230)	(471,382)	(478,612)	–	(478,612)
Contributions from shareholders	7,959	257,341	–	–	–	–	265,300	–	265,300
Share-based payments *(note 32)*	–	–	11,013	–	–	–	11,013	–	11,013
Safety fund *(note 33)*	–	–	–	(708)	–	708	–	–	–
At 31 December 2023	369,617	1,159,479*	34,976*	5,730*	(17,656)*	(280,180)*	1,271,966	–	1,271,966

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	**Capital reserve**	**Share-based payment reserve**	**Special reserve – safety fund**	**Fair value reserve of equity investments designated at FVOCI**	**Retained profits/ (Accumulated losses)**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 31)	*RMB'000 (note 33)*	*RMB'000 (note 32)*	*RMB'000 (note 33)*	*RMB'000 (note 33)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	369,617	1,159,479	34,976	5,730	(17,656)	(280,180)	1,271,966	–	1,271,966
Loss for the year	–	–	–	–	–	(343,599)	(343,599)	–	(343,599)
Other comprehensive income for the year:									
Changes in fair value of equity investments designated at FVOCI, net of tax	–	–	–	–	7,315	–	7,315	–	7,315
Total comprehensive (loss)/income for the year	–	–	–	–	7,315	(343,599)	(336,284)	–	(336,284)
Share-based payments *(note 32)*	–	–	9,567	–	–	–	9,567	–	9,567
Safety fund *(note 33)*	–	–	–	(2,760)	–	2,760	–	–	–
At 31 December 2024	369,617	1,159,479*	44,543*	2,970*	(10,341)*	(621,019)*	945,249	–	945,249

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital	**Capital reserve**	**Share-based payment reserve**	**Special reserve – safety fund**	**Fair value reserve of equity investments designated at FVOCI**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 31)*	*RMB'000* *(note 33)*	*RMB'000* *(note 32)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	369,617	1,159,479	44,543	2,970	(10,341)	(621,019)	945,249	–	945,249
Loss for the year	–	–	–	–	–	(166,476)	(166,476)	–	(166,476)
Other comprehensive income for the year:									
Changes in fair value of equity investments designated at FVOCI, net of tax	–	–	–	–	31,299	–	31,299	–	31,299
Total comprehensive income/(loss) for the year	–	–	–	–	31,299	(166,476)	(135,177)	–	(135,177)
Contributions from shareholders	5,363	142,637	–	–	–	–	148,000	–	148,000
Share-based payments *(note 32)*	–	–	12,015	–	–	–	12,015	–	12,015
Safety fund *(note 33)*	–	–	–	8,795	–	(8,795)	–	–	–
At 31 December 2025	374,980	1,302,116*	56,558*	11,765*	20,958*	(796,290)*	970,087	–	970,087

* These reserve accounts comprise the consolidated reserves of RMB902,349,000, RMB575,632,000 and RMB595,107,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Loss before tax		(471,317)	(342,141)	(164,801)
Adjustments for:				
Finance costs	7	57,832	60,878	77,143
Interest income	5	(2,514)	(3,109)	(3,997)
Depreciation of property, plant and equipment	6	44,727	71,824	84,673
Amortisation of intangible assets	6	266	305	322
Depreciation of right-of-use assets	6	4,430	11,314	11,546
Net loss/(gain) on disposal of items of property, plant and equipment	6	33,656	197	(1,011)
Unrealised (gains)/losses from derivatives	6	(625)	675	316
Write-down of inventories to net realisable value	6	108,863	24,568	4,379
Realised gains from financial assets at fair value through profit or loss	5	(2)	–	(17)
Impairment losses/(reversal of impairment losses) on financial assets and prepayments, net	6	36,937	(328)	2,811
Share of loss of a joint venture and associates		164	11,684	6,054
Share-based payment expenses	32	11,013	9,567	12,015
Dividend income	5	(4,009)	(3,938)	(3,375)
Realised (gains)/loss from derivatives	5	(2,468)	(3,362)	159
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Gain on disposal of equity interest in a joint venture	5	–	(4,845)	–
(Increase)/decrease in inventories		412,452	(26,729)	182,393
Increase in trade and bills receivables		(418,527)	(446,689)	(479,317)
(Increase)/decrease in pledged and restricted deposits		(107,021)	(27,641)	–
(Increase)/decrease in prepayments, other receivables and other assets		(127,382)	33,069	114,410
Increase in trade and bills payables		262,615	292,136	468,865
Increase in other payables and accruals		112,225	60,575	25,496
(Decrease)/increase in contract liabilities		6,800	9,690	(7,085)
(Decrease)/increase in deferred income		(204)	76,731	45,408
(Increase)/decrease in other non-current assets		2,773	(1,309)	1
Cash (used in)/generated from operations		(39,316)	(186,573)	378,035
Interest received	5	2,514	3,109	3,997
Income taxes paid		(21,339)	(3,740)	–
Net cash flows (used in)/generated from operating activities		(58,141)	(187,204)	382,032

	Notes	Year ended 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		400	1,932	4,876
Purchases of items of property, plant and equipment		(904,133)	(474,683)	(106,998)
Purchases of intangible assets		(562)	–	(91)
Payments of equity investments in an associate and a joint venture		(3,000)	(58,300)	–
Proceeds from disposal of equity interest in a joint venture		–	2,000	720
Withdrawal of financial assets at fair value through profit or loss		1,002	6,000	10,017
Placement of financial assets at fair value through profit or loss		(6,000)	(10,000)	–
Dividends received from equity investments		4,009	3,938	3,375
Purchases of derivative contracts		–	(367)	–
Proceeds from disposal of derivatives		2,894	3,362	–
Placement of deposits for derivatives		(17,020)	(36,750)	(100)
Withdrawal of deposits for derivatives		112	50,980	140
Net cash flows used in investing activities		(922,298)	(511,888)	(88,061)
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank and other borrowings		1,370,054	2,172,678	1,536,328
Repayment of bank and other borrowings		(641,405)	(1,312,833)	(1,866,298)
Interest paid	34	(50,317)	(57,629)	(59,147)
Capital contributions from shareholders		265,300	–	148,000
Payments of lease liabilities		(54,057)	(23,367)	(22,040)
Decrease/(increase) in pledged deposits		(20,659)	(123,881)	(44,210)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Net cash flows from financing activities		868,916	652,438	(313,852)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(111,523)	(46,654)	(19,881)
Cash and cash equivalents at beginning of year		211,221	99,698	53,044
CASH AND CASH EQUIVALENTS AT END OF YEAR		99,698	53,044	33,163
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		99,698	53,044	33,163
Cash and cash equivalents as stated in the statements of financial position and the statements of cash flows		99,698	53,044	33,163

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	751,576	787,635	790,460
Right-of-use assets	*14*	71,035	70,490	66,428
Intangible assets	*15*	268	240	290
Investments in subsidiaries	*17*	420,327	448,144	469,504
Investments in associates	*16*	–	46,497	40,443
Equity investments designated at FVOCI	*18*	38,744	46,060	77,358
Deferred tax assets	*19*	–	–	–
Prepayments, other receivables and other assets	*22*	79,734	15,947	11,121
Pledged deposits	*25*	5,281	5,527	–
Total non-current assets		1,366,965	1,420,540	1,455,604
CURRENT ASSETS				
Inventories	*20*	67,037	39,895	59,046
Trade and bills receivables	*21*	148,298	418,760	361,711
Prepayments, other receivables and other assets	*22*	977,184	1,023,539	1,185,688
Financial assets at fair value through profit or loss	*23*	–	10,000	–
Derivative financial instruments	*24*	490	318	–
Pledged and restricted deposits	*25*	35,240	125,416	143,248
Cash and cash equivalents	*25*	16,690	34,026	25,013
Total current assets		1,244,939	1,651,954	1,774,706
CURRENT LIABILITIES				
Trade and bills payables	*26*	154,432	280,333	422,336
Other payables and accruals	*27*	15,352	249,408	508,906
Contract liabilities	*28*	564	3,662	2,216
Derivative financial instruments	*24*	291	–	–
Interest-bearing bank and other borrowings	*30*	644,391	967,127	653,852

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Lease liabilities	*14*	2,766	4,216	2,656
Provision		–	–	2,714
Total current liabilities		817,796	1,504,746	1,592,680
NET CURRENT ASSETS		427,143	147,208	182,026
TOTAL ASSETS LESS CURRENT LIABILITIES		1,794,108	1,567,748	1,637,630
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	*30*	362,822	229,280	173,526
Lease liabilities	*14*	14,630	12,678	10,466
Deferred income	*29*	160	33,660	60,775
Deferred tax liabilities	*19*	28	212	203
Total non-current liabilities		377,640	275,830	244,970
Net assets		1,416,468	1,291,918	1,392,660
EQUITY				
Share capital	*31*	369,617	369,617	374,980
Reserves	*33*	1,046,851	922,301	1,017,680
Total equity		1,416,468	1,291,918	1,392,660

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company, formerly known as Zhaoqing Jinsheng Metal Industry Co., Ltd.* ("肇慶市金晟金屬實業有限公司"), was registered in the People's Republic of China ("**PRC**") on 24 December 2010 and was converted into a joint stock limited liability company on 13 January 2022. The registered office of the Company is located at Zhaoqing, Guangdong Province, China.

During the Relevant Periods, the Group was engaged in recycling, resource recovery, and reuse of lithium batteries, specifically involving the following principal activities:

(a) manufacture and sale of recycled products

(b) manufacture and sale of second-life battery products

As at 31 December 2025, the Company had direct and indirect interests in its subsidiaries, most of which are private limited liability companies, the particulars of the Company's principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and place of operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Jiangxi Ruida New Energy Technology Co., Ltd.* ("Jiangxi Ruida") 江西睿達新能源科技有限公司 *(note i)*	PRC Chinese mainland 20 October 2014	RMB200,000,000	100%	–	Recycling of lithium batteries, including the research, development, production, and sales of recycled and second-life products
Jiangxi Zhongda New Materials Technology Co., Ltd.* 江西眾大新材料科技有限公司 *(note iv)*	PRC Chinese mainland 21 September 2019	RMB50,000,000	–	100%	No actual operations since its inception
Guangzhou Jinsheng New Energy Trading Co., Ltd.* 廣州金晟新能源貿易有限公司 *(note iv)*	PRC Chinese mainland 13 July 2022	RMB10,000,000	100%	–	Sale of battery recycling solutions and products
Jiangxi Senneng New Materials Technology Co., Ltd.* 江西森能新材料科技有限公司 *(note iv)*	PRC Chinese mainland 16 September 2022	RMB60,000,000	–	100%	Research, development, production, and sales of cathode materials
Jiangxi Longsheng New Materials Co., Ltd.* 江西龍晟新材料有限公司 *(note i)*	PRC Chinese mainland 16 November 2022	RMB100,000,000	100%	–	Research, development, production, and sales of recycled ternary lithiumion batteries
Jiangxi Lida New Energy Co., Ltd.* 江西力達新能源有限公司 *(note iv)*	PRC Chinese mainland 23 November 2022	RMB10,000,000	–	100%	Operations ceased since May 19, 2023

Name	Place and date of incorporation/ registration and place of operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Jiangxi Longxiang Lithium Battery Co., Ltd.* 江西龍祥鋰電池有限公司 *(note ii)*	PRC Chinese mainland 13 June 2023	RMB230,000,000	100%	–	Dismantling and crushing of various retired lithium batteries
Jiangxi Longxing Lithium Battery Materials Technology Co., Ltd.* 江西龍興鋰電材料科技有限公司 *(note iv)*	PRC Chinese mainland 13 June 2023	RMB100,000,000	100%	–	Dismantling and crushing of various retired lithium batteries
Jinsheng International New Energy Technology Co., Ltd.* 金晟國際新能源科技有限公司 *(note iii)*	Hong Kong 15 May 2023	HKD100,000,000	100%	–	Investment holding

* The English names of the above company registered in the PRC represents the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.

\# The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Periods or formed a substantial portion of the net assets of the Group.

(i) The statutory financial statements of this entity for the years ended 31 December 2023 prepared under China Accounting Standards for Business Enterprises ("CASBE") were audited by Dahua Certified Public Accountants (Special General Partnership) ("大華會計師事務所(特殊普通合夥)"), certified public accountants registered in the PRC. As at the date of this report, no audited financial statements have been prepared for these entities for the year ended 31 December 2024 and 2025.

(ii) The statutory financial statements of this entity for the year ended 31 December 2023 prepared under "CASBE" were audited by Guangdong Hengruitai Accounting Firm ("廣東恒瑞泰會計師事務所(普通合夥)"), certified public accountants registered in the PRC.As at the date of this report, no audited financial statements have been prepared for this entity for the year ended 31 December 2024 and 2025.

(iii) The statutory financial statements of this entity for the year ended 31 December 2023 prepared under Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") were audited by SHKK CPA Limited Certified Public Accountants, certified public accountants registered in Hong Kong. As at the date of this report, no audited financial statements have been prepared for this entity for the year ended 31 December 2024 and 2025.

(iv) As at the date of this report, no audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of registration or newly registered.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information.

The Historical Financial Information has been prepared on a going concern basis. As at 31 December 2025, the Group had net current liabilities of RMB1,038,030,000. In view of such circumstances, the management of the Company has given consideration to the future liquidity and financial resources available to the Group, which mainly include the net cash flows generated from the Group's operating activities and financial credit facilities, in assessing whether the Group will have sufficient financial resources to continue as a going concern and will not have any going concern issue as a result of the shortage of working capital. Accordingly, the management of the Company is of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

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

Basis of consolidation

The Historical Financial Information includes the financial information of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2.2 Issued But Not Yet Effective IFRS Accounting Standards

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

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IAS21	*Translation to a Hyperinflationary Presentation Currency*[3]
Annual improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

1 No mandatory effective date yet determined but available for adoption

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

3 Effective for annual/reporting periods beginning on or after 1 January 2027

The Group is in the process of making a detailed assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 Material Accounting Policy Information

Investments in associates and joint ventures

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

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

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

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

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

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

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

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

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

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

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

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

Impairment of non-financial assets

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

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Buildings	3.17% to 31.67%
Machinery	9.50% to 31.67%
Others	1.9% to 31.67%

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

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

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

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

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

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Categories	**Estimated useful lives**
Software	5 years
Trademarks and patents	10 years

The estimated useful lives of intangible assets are determined by considering the period of the economic benefits to the Group or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(i) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 5 years
Leasehold land	20 years
Machinery	3 years

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

(ii) Lease liabilities

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

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

(iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

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

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

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as other borrowings within the scope of IFRS 9.

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

*Financial assets at fair value through profit or loss ("**FVTPL**")*

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

This category includes derivative instruments.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or

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

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

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

Impairment of financial assets

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

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

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

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

Simplified approach

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

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and bills payables, other payables and accruals, derivation financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

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

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

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

Derecognition of financial liabilities

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

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as futures contracts and options. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

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

When the effect of discounting is material, the amount recognised 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 profit or loss.

Income tax

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

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

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

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

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

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

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

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

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

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

Sale of recycling and reuse products, second-life use products and other products

Revenue from the sale of these products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Acceptance occurs when the products have been shipped to the specific location and the customer has acknowledged the receipt, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed.

Rendering processing services

Revenue from processing services is recognised at a point in time as services are rendered and entrusted processing materials have been accepted by the customer.

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

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

Borrowing costs

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

Share-based payments

The Company operates a share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted.

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

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

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

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

Other employee benefits

Pension scheme

The employees of the Company and Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances — Chinese mainland

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

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Leases classification — Group as a lessor

The Group has entered into leases on certain battery packages. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the battery packages and the present value of the minimum lease payments amounting to substantially all the fair value of the battery packages, that it transfers substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as finance leases.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group had tax losses of RMB538,125,000, RMB1,059,550,000 and RMB1,312,106,000 carried forward as at 31 December 2023, 2024 and 2025 respectively. These losses related to the entities that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The entities have neither taxable temporary difference nor tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on these tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB107,397,000, RMB73,597,000 and RMB53,878,000, respectively, for the year ended 31 December 2023, 2024 and 2025. Further details are included in note 19 to the Historical Financial Information.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the Historical Financial Information.

Write-down of inventories to net realisable value

The Group reviews the carrying amounts of the inventories at the end of each of the Relevant Periods to determine whether the inventories are carried at the lower of cost and net realisable value. The net realisable value is estimated based on the current market situation and historical experience on similar inventories. Any change in the assumptions would increase or decrease the amount of inventories written down or the related reversals of write-down and affect the Group's financial position.

Share-based payments

The Group makes the best estimate of the number of exercisable equity instruments at the end of each of the Relevant Periods. Share-based payment expenses are recognised over the vesting period based on the best available estimate of the number of equity instruments expected to vest. If necessary, this estimate of number of exercisable equity instruments shall be revised using the latest subsequent information obtained. When determining the fair value of the equity instruments, the Group evaluates the fair value of these equity instruments granted on the grant date, primarily based on the recent transaction price.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 39 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. Further details are included in note 18 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

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

As at 31 December 2023, 2024 and 2025, due to the downturn of market prices of the Group's major products which has led to the Group's loss-making in the years ended 31 December 2023, 2024 and 2025, the Group considered there were impairment indicators that the carry amounts of the Group's major non-current assets including property, plant and equipment, right-of-use assets and intangible assets located in both Guangdong Province and Jiangxi Province may not be recoverable and hence has involved external experts to perform impairment assessments on the abovesaid non-current assets.

The recoverable amount of the cash-generating units separately in Guangdong Province and Jiangxi Province has been determined based on a value-in-use calculation using cash flow projections derived from financial budgets covering the remaining useful life of the non-financial assets, as approved by the Group's senior management. The compound annual revenue growth rates and the average gross margin rates, and pre-tax discount rates applied to the cash flow projections, used to extrapolate the cash flows of the cash-generating units are as follows:

	As at 31 December		
	2023	2024	2025
Compound annual revenue growth rates	0.2%-28.86%	1.22%-17.11%	1.2%-15.96%
Average gross margin rates	4.17%-39.74%	4.86%-41.32%	2.2%-30.1%
Pre-tax discount rates	13.66%-14.74%	14.35%-16.10%	13.99%-16.09%

The calculation of value-in-use is based on the following assumptions:

- Compound annual revenue growth rates and average gross margin rates are based on the cash generating units' past performance and expected market development.
- Discount rates reflect current market assessments of the time value of money and the specific risks relating to the cash generating units.

Based on the assessment, the recoverable amount of the cash-generating unit has exceeded our Group's carrying amount and no impairment provision was made for non-financial assets as at 31 December 2023, 2024 and 2025.

The Group has considered the reasonably possible changes to the key assumptions as adopted in the impairment assessments and considered will not result in any impairment charge to be recognized.

4. OPERATING SEGMENT INFORMATION

The Group has only one reportable operating segment which principally engages in (i) recycling and reuse of end-of-life lithium batteries and battery production scraps and offcuts; and (ii) second-life battery reutilisation business. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

All the non-current assets of the Group are physically located in the Chinese mainland. The geographical location of a customer is based on the location at which the customer operates, and all of the revenue of the Group was derived from operations in the Chinese mainland during the Relevant Periods.

Information about major customers

Revenue from the major customers, including sales to a group of entities which are known to be under common control with that customer, which amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer I	532,730	N/A*	N/A*
Customer II	N/A*	573,568	828,931
Customer III	N/A*	293,549	N/A*

* N/A represents revenue from the customers which amounted to less than 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Recycled products	2,782,713	1,998,091	1,952,733
Processing services	5,703	834	60,817
Others	103,129	158,313	188,464
Total revenue from contracts with customers	2,891,545	2,157,238	2,202,014
Timing of revenue recognition			
Goods and services transferred at a point in time	2,891,545	2,157,238	2,202,014

The following table shows the amounts of revenue recognised during the Relevant Periods that were included in the contract liabilities at the beginning of each reporting period.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting periods:			
Recycled products	3,260	7,652	19,818
Others	877	3,151	360
Total	4,137	10,803	20,178

Revenue from contracts with customers

(b) Performance obligations

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

Sale of products

The performance obligation is satisfied upon acceptance of the recycled products, second-life battery products and other products, and payment is generally due within 30 days from acceptance. Certain upfront payment is made in advance.

Rendering services

The performance obligation is satisfied at a point in time as processing services are rendered and entrusted processing materials have been accepted. The payment is generally due within 15 days from acceptance.

All the amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are generally expected to be recognised as revenue within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Interest income	2,514	3,109	3,997
Government grants and subsidies*	34,782	21,181	19,578
Dividend income	4,009	3,938	3,375
Rental income	159	27	–
Others	597	4,241	110
Total other income	42,061	32,496	27,060
Gains			
Realised gains from financial assets at FVTPL	2	–	17
Realised gains/(losses) from derivatives	2,468	3,362	(159)
Gain on disposal of items of property, plant and equipment	8	–	1,011
Unrealised gains/(losses) from derivatives	625	(675)	(316)
Disposal of joint ventures and associates	–	4,845	–
Total gains	3,103	7,532	553
Total other income and gains	45,164	40,028	27,613

* Government grants and subsidies for the Group mainly represent incentives received from local governments for the purpose of compensation on local economic contribution and purchases of items of property, plant and equipment, and super deduction and refunds of value-added tax. There are no unfulfilled conditions or contingencies relating to these grants and subsidies.

6. LOSS BEFORE TAX

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

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold		2,940,264	2,220,357	2,042,156
Write-down of inventories to net realisable value		108,863	24,568	4,379
Depreciation of property, plant and equipment	*13*	44,727	71,824	84,673
Depreciation of right-of-use assets	*14(a)*	4,430	11,314	11,546
Amortisation of intangible assets*	*15*	266	305	322
Lease payments not included in the measurement of lease liabilities	*14(c)*	1,263	1,389	1,688
Employee benefit expenses (excluding directors' remuneration *(note 8))*:				
Wages, salaries and other allowances		111,551	122,090	89,518
Pension scheme contributions and social welfare**		12,477	13,014	12,413
Share-based payment expenses		4,445	3,450	4,494
Total		128,473	138,554	106,425

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Impairment losses/(reversal of impairment losses) on financial assets and prepayments, net		36,937	(328)	2,811
Realised gains/(losses) from derivatives	*5*	(2,468)	(3,362)	159
Unrealised (gains)/losses from derivatives	*5*	(625)	675	316
Net loss/(gain) on disposal of property, plant and equipment***		33,656	197	(1,011)
Loss on derecognition of debt instruments measured at FVOCI		11,397	6,681	7,224

* The amortisation of intangible assets for the Relevant Periods was included in "Administrative expenses" in profit or loss.

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

*** The amount of RMB33,656,000 incurred in 2023 included the non-recurring loss on property, plant and equipment caused by fire in the amount of RMB33,153,000.

7. FINANCE COSTS

	Year ended 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on interest-bearing bank and other borrowings	64,590	66,106	80,185
Interest on lease liabilities	1,105	3,423	2,467
Subtotal	65,695	69,529	82,652
Less: Interest capitalised	(7,863)	(8,651)	(5,509)
Total	57,832	60,878	77,143

8. DIRECTORS' REMUNERATION

Directors' remuneration for the Relevant Periods is as follows:

	Year ended 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	397	383	366
Other emoluments:			
Salaries, allowances and benefits in kind	1,996	2,370	2,286
Performance related bonuses	420	520	520
Share-based payment expenses	6,568	6,117	7,521
Pension scheme contributions and social welfare	25	38	44
Subtotal	9,009	9,045	10,371
Total fees and other emoluments	9,406	9,428	10,737

(a) Independent non-executive directors

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Ms. Chen Yixi	132	120	122
Mr. Wang Chaoxi*	19	131	122
Mr. Tan Yue**	114	N/A	N/A
Mr. Luo Zhengtang***	N/A	6	122
Mr. Huang Shaoxian****	132	126	N/A
Total	397	383	366

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

* Mr. Wang Chaoxi was appointed as an independent non-executive director in November 2023.

** Mr. Tan Yue was appointed as an independent non-executive director in January 2022 and resigned as an independent non-executive director with effect from 10 November 2023.

*** Mr. Luo Zhengtang was appointed as an independent non-executive director on 15 December 2024.

**** Mr. Huang Shaoxian was appointed as an independent non-executive director in December 2022 and resigned as an independent non-executive director with effect from 15 December 2024.

(b) Executive director and non-executive directors

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Executive directors:						
Mr. Li Sen (Chief executive)	–	1,032	300	5,401	22	6,755
Mr. Li Xin	–	846	120	1,167	3	2,136
Mr. Zhou Chutao	–	59	–	–	–	59
Non-executive director:						
Ms. Xing Lizhe	–	59	–	–	–	59
Total	–	1,996	420	6,568	25	9,009

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Executive directors:						
Mr. Li Sen (Chief executive)	–	1,087	400	5,095	24	6,606
Mr. Li Xin	–	899	120	1,022	–	2,041
Mr. Zhou Chutao	–	275	–	–	14	289
Non-executive director:						
Ms. Xing Lizhe	–	109	–	–	–	109
Total	–	2,370	520	6,117	38	9,045

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025						
Executive directors:						
Mr. Li Sen (Chief executive)	–	1,087	400	6,294	25	7,806
Mr. Li Xin	–	906	120	1,227	–	2,253
Mr. Zhou Chutao	–	293	–	–	19	312
Non-executive director:						
Ms. Xing Lizhe	–	–	–	–	–	–
Total	–	2,286	520	7,521	44	10,371

Other than that Ms. Xing Lizhe waived her remuneration for the year ended 31 December 2025, none of the Directors waived their remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included two directors of the Company during the Relevant Periods, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three highest paid employees who are not directors of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,258	2,208	2,619
Performance related bonuses	360	360	240
Share-based payment expenses	2,766	2,918	2,756
Pension scheme contributions and social welfare	69	79	48
Total	5,453	5,565	5,663

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

	Year ended 31 December		
	2023	2024	2025
Nil to HK$1,000,000	–	–	–
HK$1,000,001 to HK$1,500,000	2	2	2
HK$2,500,001 to HK$3,000,000	–	–	–
HK$3,000,001 to HK$3,500,000	1	1	1
HK$3,500,001 to HK$4,000,000	–	–	–
Total	3	3	3

10. INCOME TAX

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

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods.

Chinese Mainland

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations (the "EIT Law"), the entities which operate in Chinese Mainland are subject to EIT at a rate of 25% on the taxable income except those which are subject to tax concession as set out below:

(a) The Company was accredited as a "High and New Technology Enterprise" ("**HNTE**") in 2023. Hence, the Company was entitled to a preferential EIT rate of 15% for the Relevant Periods.

(b) Jiangxi Ruida was accredited as a HNTE in 2021. The HNTE qualification was renewed in 2024. Hence, Jiangxi Ruida was entitled to a preferential tax rate of 15% for the Relevant Periods.

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	–	–	–
Deferred income tax	65	1,458	1,675
Total	65	1,458	1,675

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(471,317)	(342,141)	(164,801)
Tax at the statutory tax rate	(117,829)	(85,535)	(41,200)
Effect on preferential tax rate	38,789	25,439	4,287
Income not subject to tax	(21,238)	(16,017)	(8,765)
Expenses not deductible for tax	7,724	9,252	8,760
Additional deductible allowance for qualified research and development costs*	(12,128)	(9,587)	(15,806)

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Losses attributable to associates and a joint venture	41	375	1,513
Tax losses utilised from previous periods	–	(320)	(992)
Deductible temporary differences and tax losses not recognised	104,706	77,851	53,878
Tax charge at the Group's effective tax rate	65	1,458	1,675

* Additional deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits during the Relevant Periods.

11. DIVIDENDS

No dividends have been paid or declared by the Company during the Relevant Periods.

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

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) attributable to owners of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods, as adjusted to reflect the changes in share capital set forth in note 31 during the Relevant Periods.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during the Relevant Periods.

The following reflects the earnings/(loss) and share data used in the basic earnings/(loss) per share computation:

	Year ended 31 December		
	2023	2024	2025
Earnings:			
Loss for the year attributable to owners of the parent, used in the basic earnings/(losses) per share calculation (RMB'000)	(471,382)	(343,599)	(166,476)
Number of shares:			
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings/(losses) per share calculation (in thousand shares)	368,659	369,617	372,949

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2023	Buildings	Machinery	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023:					
Cost	156,924	286,281	458,374	18,033	919,612
Accumulated depreciation	(12,368)	(45,080)	–	(5,252)	(62,700)
Net carrying amount	144,556	241,201	458,374	12,781	856,912
At 1 January 2023, net of accumulated depreciation	144,556	241,201	458,374	12,781	856,912
Additions	–	961	832,474	13,230	846,665
Disposals	–	(846)	(33,153)	(11)	(34,010)
Transfers	387,074	111,225	(502,043)	3,744	–
Depreciation provided during the year	(8,465)	(30,501)	–	(5,761)	(44,727)
At 31 December 2023, net of accumulated depreciation	523,165	322,040	755,652	23,983	1,624,840
At 31 December 2023:					
Cost	543,997	397,093	755,652	34,840	1,731,582
Accumulated depreciation	(20,832)	(75,053)	–	(10,857)	(106,742)
Net carrying amount*	523,165	322,040	755,652	23,983	1,624,840

31 December 2024	Buildings	Machinery	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:					
Cost	543,997	397,093	755,652	34,840	1,731,582
Accumulated depreciation	(20,832)	(75,053)	–	(10,857)	(106,742)
Net carrying amount	523,165	322,040	755,652	23,983	1,624,840
At 1 January 2024, net of accumulated depreciation	523,165	322,040	755,652	23,983	1,624,840
Additions	325	1,763	380,776	1,293	384,157
Disposals	–	(587)	(193)	(1,324)	(2,104)
Transfers	123,263	150,735	(274,867)	869	–
Depreciation provided during the year	(26,948)	(37,108)	–	(7,768)	(71,824)
At 31 December 2024, net of accumulated depreciation	619,805	436,843	861,368	17,053	1,935,069
At 31 December 2024:					
Cost	667,585	549,004	861,368	35,679	2,113,636
Accumulated depreciation	(47,780)	(112,161)	–	(18,626)	(178,567)
Net carrying amount*	619,805	436,843	861,368	17,053	1,935,069

31 December 2025	Buildings	Machinery	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025:					
Cost	667,585	549,004	861,368	35,679	2,113,636
Accumulated depreciation	(47,780)	(112,161)	–	(18,626)	(178,567)
Net carrying amount	619,805	436,843	861,368	17,053	1,935,069
At 1 January 2025, net of accumulated depreciation	619,805	436,843	861,368	17,053	1,935,069
Additions	–	344	116,584	101	117,029
Disposals	–	(2,564)	–	(1,301)	(3,865)
Transfers	495	37,182	(38,480)	803	–
Depreciation provided during the year	(24,463)	(53,038)	–	(7,172)	(84,673)
At 31 December 2025, net of accumulated depreciation	595,837	418,767	939,472	9,484	1,963,560
At 31 December 2025:					
Cost	668,080	583,720	939,472	31,740	2,223,012
Accumulated depreciation	(72,243)	(164,953)	–	(22,256)	(259,452)
Net carrying amount*	595,837	418,767	939,472	9,484	1,963,560

* As at 31 December 2023, 2024 and 2025, certain items of property, plant and equipment were pledged as security for bank facilities and other loans granted to the Group, with net carrying amounts approximately of RMB603,854,000, RMB742,945,000 and RMB807,179,000, respectively. As at 31 December 2023, 2024 and 2025 certain machines of the Group were subject to sale and leaseback transactions with finance leasing companies, with net carrying amounts approximately of RMB221,601,000, RMB160,577,000 and RMB202,858,000, respectively.

The Company

31 December 2023	Buildings	Machinery	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023:					
Cost	67,850	39,098	170,303	6,922	284,173
Accumulated depreciation	(3,365)	(7,651)	–	(2,089)	(13,105)
Net carrying amount	64,485	31,447	170,303	4,833	271,068
At 1 January 2023, net of accumulated depreciation	64,485	31,447	170,303	4,833	271,068
Additions	–	868	517,327	7,171	525,366
Disposals	–	(416)	(33,153)	(4)	(33,573)
Transfers	332,579	52	(332,631)	–	–
Depreciation provided during the year	(5,270)	(3,475)	–	(2,540)	(11,285)
At 31 December 2023, net of accumulated depreciation	391,794	28,476	321,846	9,460	751,576
At 31 December 2023:					
Cost	400,429	39,552	321,846	14,012	775,839
Accumulated depreciation	(8,635)	(11,076)	–	(4,552)	(24,263)
Net carrying amount*	391,794	28,476	321,846	9,460	751,576

31 December 2024	Buildings	Machinery	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:					
Cost	400,429	39,552	321,846	14,012	775,839
Accumulated depreciation	(8,635)	(11,076)	–	(4,552)	(24,263)
Net carrying amount	391,794	28,476	321,846	9,460	751,576
At 1 January 2024, net of accumulated depreciation	391,794	28,476	321,846	9,460	751,576
Additions	326	1,660	58,261	74	60,321
Disposals	–	(585)	(193)	(275)	(1,053)
Transfers	25,235	–	(25,235)	–	–
Depreciation provided during the year	(16,133)	(3,509)	–	(3,567)	(23,209)
At 31 December 2024, net of accumulated depreciation	401,222	26,042	354,679	5,692	787,635
At 31 December 2024:					
Cost	425,989	40,481	354,679	13,365	834,514
Accumulated depreciation	(24,767)	(14,439)	–	(7,673)	(46,879)
Net carrying amount*	401,222	26,042	354,679	5,692	787,635

31 December 2025	Buildings	Machinery	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025:					
Cost	425,989	40,481	354,679	13,365	834,514
Accumulated depreciation	(24,767)	(14,439)	–	(7,673)	(46,879)
Net carrying amount	401,222	26,042	354,679	5,692	787,635
At 1 January 2025, net of accumulated depreciation	401,222	26,042	354,679	5,692	787,635
Additions	–	862	25,896	38	26,796
Disposals	–	(18)	–	(646)	(664)
Transfers	495	–	(495)	–	–
Depreciation provided during the year	(16,550)	(3,625)	–	(3,132)	(23,307)
At 31 December 2025, net of accumulated depreciation	385,167	23,261	380,080	1,952	790,460
At 31 December 2025:					
Cost	426,484	41,256	380,080	9,819	857,639
Accumulated depreciation	(41,317)	(17,995)	–	(7,867)	(67,179)
Net carrying amount*	385,167	23,261	380,080	1,952	790,460

* As at 31 December 2023, 2024 and 2025, certain items of property, plant and equipment were pledged as securities for bank facilities granted to the Company with net carrying amounts approximately of RMB520,091,000, RMB513,992,000 and RMB488,355,000, respectively. As at 31 December 2023, 2024 and 2025, certain machinery of the Company was subject to sale and leaseback transactions with financing leasing companies, with net carrying amounts approximately of RMB19,176,000, RMB11,974,000 and RMB11,359,000, respectively.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, buildings and machinery used in its operations. Leases of leasehold land generally have lease terms of 20 years, while buildings and machinery generally have lease terms between 2 and 5 years, and lease terms of 3 years, respectively. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

Sale and leaseback transactions — seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases with financing lease companies. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the years ended 31 December 2023, 2024 and 2025, the Group raised borrowings in respect of such sale and leaseback arrangements in the amounts of RMB54,890,000, RMB330,250,000 and RMB54,892,000, respectively. The payment terms are in accordance with the contracts, generally range from two to three years, and the applicable effective interest rate ranges from 5.88% to 6.70% per year.

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

Year ended 31 December 2023	Leasehold land	Buildings	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year	51,759	427	–	52,186
Additions	50,826	12,744	23,718	87,288
Depreciation charge *(note 6)*	(2,424)	(1,047)	(959)	(4,430)
At the end of the year	100,161	12,124	22,759	135,044

Year ended 31 December 2024	Leasehold land	Buildings	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year	100,161	12,124	22,759	135,044
Additions	1,266	–	24,859	26,125
Depreciation charge *(note 6)*	(4,032)	(2,631)	(4,651)	(11,314)
Disposals	–	(149)	–	(149)
At the end of the year	97,395	9,344	42,967	149,706

Year ended 31 December 2025	Leasehold land	Buildings	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year	97,395	9,344	42,967	149,706
Depreciation charge *(note 6)*	(4,145)	(2,549)	(4,852)	(11,546)
Remeasurement	–	–	(53)	(53)
At the end of the year*	93,250	6,795	38,062	138,107

* As at 31 December 2024 and 2025, certain leasehold land with a net carrying amount approximately of RMB68,639,000 and RMB66,958,000 was pledged as security for bank facilities granted to the Group.

The Company

Year ended 31 December 2023	Leasehold land	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	31,940	–	31,940
Additions	37,462	3,451	40,913
Depreciation charge	(1,703)	(115)	(1,818)
At the end of the year	67,699	3,336	71,035

Year ended 31 December 2024	Leasehold land	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	67,699	3,336	71,035
Additions	–	3,452	3,452
Depreciation charge	(3,335)	(662)	(3,997)
At the end of the year	64,364	6,126	70,490

Year ended 31 December 2025	Leasehold land	Machinery	Total
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	64,364	6,126	70,490
Depreciation charge	(3,365)	(689)	(4,054)
Remeasurement	–	(8)	(8)
At the end of the year*	60,999	5,429	66,428

* As at 31 December 2024 and 2025, certain leasehold land with a net carrying amount approximately of RMB52,184,000 and RMB50,918,000 was pledged as security for bank facilities granted to the Company.

(b) Lease liabilities

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	10,474	49,241	57,197
New leases	87,256	26,125	–
Accretion of interest recognised during the year *(note 7)*	1,105	3,423	2,467
Payments	(49,594)	(21,438)	(20,220)
Disposals	–	(154)	–
Remeasurement	–	–	(1,063)
Carrying amount at the end of the year	49,241	57,197	38,381
Analysed into:			
Current portion	11,851	24,383	22,724
Non-current portion	37,390	32,814	15,657

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	10,075	17,396	16,894
New leases	40,881	3,451	–
Accretion of interest recognised during the year	594	964	710
Payments	(34,154)	(4,917)	(3,466)
Remeasurement	–	–	(1,016)
Carrying amount at the end of the year	17,396	16,894	13,122
Analysed into:			
Current portion	2,766	4,216	2,656
Non-current portion	14,630	12,678	10,466

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities *(note 7)*	1,105	3,423	2,467
Depreciation charge of right-of-use assets *(note 6)*	4,430	11,314	11,546
Expense relating to short-term leases	1,263	1,389	1,688
Total amount recognised in profit or loss	6,798	16,126	15,701

The Group as a lessor

The Group leases certain battery packages under finance lease arrangements. The terms of the lease contracts contain variable payments based on the number of units to be used by the tenants. Generally, these lease contracts also require the tenants to pay minimum rental payments. The amounts of the finance income recognised in profit or loss by the Group during the years ended 31 December 2023, 2024 and 2025 were RMB159,000, RMB27,000 and nil, respectively.

As at 31 December 2023, 2024 and 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable finance leases with its tenants are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	1,171	–	–
After one year but within two years	–	–	–
Total	1,171	–	–

15. INTANGIBLE ASSETS

The Group

31 December 2023	Software	Trademarks and patents	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023:			
Cost	1,180	–	1,180
Accumulated amortisation	(410)	–	(410)
Net carrying amount	770	–	770
At 1 January 2023, net of accumulated amortisation	770	–	770
Additions	253	277	530
Amortisation provided during the year	(257)	(9)	(266)
At 31 December 2023, net of accumulated amortisation	766	268	1,034
At 31 December 2023:			
Cost	1,433	277	1,710
Accumulated amortisation	(667)	(9)	(676)
Net carrying amount	766	268	1,034

31 December 2024	Software	Trademarks and patents	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024:			
Cost	1,433	277	1,710
Accumulated amortisation	(667)	(9)	(676)
Net carrying amount	766	268	1,034
At 1 January 2024, net of accumulated amortisation	766	268	1,034
Amortisation provided during the year	(277)	(28)	(305)
At 31 December 2024, net of accumulated amortisation	489	240	729
At 31 December 2024:			
Cost	1,433	277	1,710
Accumulated amortisation	(944)	(37)	(981)
Net carrying amount	489	240	729

31 December 2025	Software	Trademarks and patents	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025:			
Cost	1,433	277	1,710
Accumulated amortisation	(944)	(37)	(981)
Net carrying amount	489	240	729
At 1 January 2025, net of accumulated amortisation	489	240	729
Additions	87	–	87
Amortisation provided during the year	(294)	(28)	(322)
At 31 December 2025, net of accumulated amortisation	282	212	494
At 31 December 2025:			
Cost	1,520	277	1,797
Accumulated amortisation	(1,238)	(65)	(1,303)
Net carrying amount	282	212	494

The Company

31 December 2023	Trademarks and patents
	RMB'000
At 1 January 2023:	
Cost	–
Accumulated amortisation	–
Net carrying amount	–
At 1 January 2023, net of accumulated amortisation	–
Additions	277
Amortisation provided during the year	(9)
At 31 December 2023, net of accumulated amortisation	268
At 31 December 2023:	
Cost	277
Accumulated amortisation	(9)
Net carrying amount	268

31 December 2024	Trademarks and patents
	RMB'000
At 1 January 2024:	
Cost	277
Accumulated amortisation	(9)
Net carrying amount	268
At 1 January 2024, net of accumulated amortisation	268
Additions	–
Amortisation provided during the year	(28)
At 31 December 2024, net of accumulated amortisation	240
At 31 December 2024:	
Cost	277
Accumulated amortisation	(37)
Net carrying amount	240

31 December 2025	Software	Trademarks and patents	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025:			
Cost	–	277	277
Accumulated amortisation	–	(37)	(37)
Net carrying amount	–	240	240
At 1 January 2025, net of accumulated amortisation	–	240	240
Additions	87	–	87
Amortisation provided during the year	(9)	(28)	(37)
At 31 December 2025, net of accumulated amortisation	78	212	290
At 31 December 2025:			
Cost	87	277	364
Accumulated amortisation	(9)	(65)	(74)
Net carrying amount	78	212	290

16. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets of associates:			
Hubei Ruipai New Energy Technology Co., Ltd. ("Ruipai Technology")	–	46,497	40,443
Longnan Longxing Mining Development Co., Ltd. ("Longxing Mining") *(Note i)*	–	–	–
Suqian Shenghong Shengli New Energy Technology Co., Ltd. ("Suqian Shenghong") *(Note ii)*	–	–	–
Share of net assets of joint venture:			
Guangdong Longji Power Technology Co., Ltd. ("Longji Power") *(Note iii)*	12,136	–	–
Total	12,136	46,497	40,443

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets of associates			
Ruipai Technology	–	46,497	40,443
Longxing Mining	–	–	–
Total	–	46,497	40,443

Notes:

i Longxing Mining was established on 22 December 2023, and as at 24 December 2024, it had not received any capital contributions from shareholders and had not commenced operations. Longxing Mining was deregistered on 24 December 2024.

ii The investment in Suqian Shenghong amounting to RMB100,000 was fully impaired, as Suqian Shenghong had not commenced production since 2022.

iii Longji Power was established on 21 December 2023 and was primarily engaged in sales of second-life battery products. The Group held 41% of equity interest in Longji Power and accounted for its equity investment using the equity method. On 30 June 2024, in light of the Longji Power's underperformance, the Group entered into an equity transfer agreement where the Group disposes all of its equity interest in Longji Power to a joint venture partner of Longji Power. On 15 July 2024, the Group completed the disposal of its entire equity interest in Longji Power, which led to the recognition of gain from disposal of a joint venture in the amount of RMB4,845,000 (note 5).

The joint venture of the Group is considered not individually material and the following table illustrates the financial information of the Group's joint venture:

Longji Power

	As at 31 December 2023
	RMB'000
Share of loss of the joint venture for the period	(400)
Carrying amount of the Group's investment in the joint venture	12,136

Particulars of a material associate of the Group are as follows:

As at 31 December 2025

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of equity attributable to the Group	Principal activities
Ruipai Technology	Ordinary shares	Xiangyang, Hubei PRC/Chinese mainland 12 March 2024	49%	Recycle of power batteries

Ruipai Technology is an entity specialising in the recycle of power batteries, jointly invested by the Group and Dongfeng Hongtai Holding Group Co., Ltd. and is accounted for using the equity method.

The following tables illustrate the summarised financial information in respect of Ruipai Technology adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

Ruipai Technology

	As at 31 December 2024	As at 31 December 2025
	RMB'000	*RMB'000*
Current assets	78,118	85,181
Non-current assets	57,477	190,566
Current liabilities	(40,703)	(43,295)
Non-current liabilities	–	(149,916)
Net assets	94,892	82,536
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	49%	49%
Group's share of net assets of the associate	46,497	40,443
Carrying amount of the investment	46,497	40,443
Revenue	–	32,808
Loss for the year	(5,109)	(12,355)
Total comprehensive loss for the year	(5,109)	(12,355)

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment cost	420,327	458,144	479,504
Impairment *(note i)*	–	(10,000)	(10,000)
Total	420,327	448,144	469,504

Note:

(i) Due to the business adjustment, the investment in a subsidiary, Guangzhou Jinsheng New Energy Trading Co., Ltd., was fully impaired in 2024. The directors have involved external experts to perform impairment assessments on the Company's investments in other subsidiaries which were based on value-in-use model using cash flow projections derived from financial budgets as approved by the Group's senior management or calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. Based on the impairment assessment, no impairment provision was made for the Company's investment in the subsidiaries except for Guangzhou Jinsheng New Energy Trading Co., Ltd.

18. EQUITY INVESTMENTS DESIGNATED AT FVOCI

The Group and the Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity investments designated at FVOCI:			
Unlisted equity investments, at fair value:			
Jiangxi Liyuan New Material Co., Ltd.	7,516	9,228	37,127
Jiangxi Wanzai Rural Commercial Bank Co., Ltd.	31,228	36,832	40,231
Total	38,744	46,060	77,358

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

A portion of the Group's equity investment in Jiangxi Wanzai Rural Commercial Bank Limited with net carrying amounts approximately of RMB14,338,000 at 31 December 2025, were pledged to secure bank facilities.

19. DEFERRED TAX

The movements in deferred tax assets and deferred tax liabilities of the Group and the Company during the Relevant Periods are as follows:

The Group

Deferred tax assets

	Lease liabilities
	RMB'000
At 1 January 2023	1,571
Deferred tax credited to the consolidated statement of profit or loss and other comprehensive income during the year	3,878
At 31 December 2023	5,449
At 1 January 2024	5,449
Deferred tax credited to the consolidated statement of profit or loss and other comprehensive income during the year	3,565
At 31 December 2024	9,014
At 1 January 2025	9,014
Deferred tax charged to the consolidated statement of profit or loss and other comprehensive income during the year	(3,363)
At 31 December 2025	5,651

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,643
Deferred tax charged to the consolidated statements of profit or loss and other comprehensive income during the year	3,943
At 31 December 2023	5,586
At 1 January 2024	5,586
Deferred tax charged to the consolidated statements of profit or loss and other comprehensive income during the year	5,023
At 31 December 2024	10,609
At 1 January 2025	10,609
Deferred tax credited to the consolidated statements of profit or loss and other comprehensive income during the year	(1,688)
At 31 December 2025	8,921

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position.

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	–	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	137	1,595	3,270

The Company

Deferred tax assets

	Lease liabilities
	RMB'000
At 1 January 2023	1,512
Deferred tax credited to the statement of profit or loss and other comprehensive income during the year	1,098
At 31 December 2023	2,610
At 1 January 2024	2,610
Deferred tax charged to the statement of profit or loss and other comprehensive income during the year	(76)
At 31 December 2024	2,534
At 1 January 2025	2,534
Deferred tax charged to the statement of profit or loss and other comprehensive income during the year	(411)
At 31 December 2025	2,123

The Company

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,579
Deferred tax charged to the statements of profit or loss and other comprehensive income during the year	1,059
At 31 December 2023	2,638
At 1 January 2024	2,638
Deferred tax charged to the statements of profit or loss and other comprehensive income during the year	108
At 31 December 2024	2,746
At 1 January 2025	2,746
Deferred tax credited to the statements of profit or loss and other comprehensive income during the period	(420)
At 31 December 2025	2,326

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position.

The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statement of financial position	–	–	–
Net deferred tax liabilities recognised in the statement of financial position	28	212	203

As at 31 December 2023, 2024 and 2025, the Group had tax losses arising in Hong Kong of nil, RMB45,000 and RMB24,000, respectively, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

As at 31 December 2023, 2024 and 2025, deferred tax assets have not been recognised in respect of tax losses of RMB538,125,000, RMB1,059,505,000 and RMB1,312,082,000 arising in Chinese mainland, respectively, which will expire in one to ten years for offsetting against future taxable profits.

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

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses not recognised	538,125	1,059,550	1,312,106
Deductible temporary differences	318,815	209,601	227,151
Total	856,940	1,269,151	1,539,257

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses not recognised	132,692	268,813	366,061
Deductible temporary differences	112,629	142,431	183,493
Total	245,321	411,244	549,554

20. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	105,509	81,444	8,165
Work in progress	123,638	104,813	89,063
Finished goods	62,269	107,320	9,577
Total	291,416	293,577	106,805

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	19,043	7,951	838
Work in progress	33,445	23,271	55,386
Finished goods	14,549	8,673	2,822
Total	67,037	39,895	59,046

21. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	134,402	116,229	351,946
Bills receivables, carried at amortised cost	279,954	183,281	85,100
Bills receivable, measured at fair value through other comprehensive income	27,728	21,368	–
Impairment	(20,896)	(16,628)	(25,061)
Net carrying amount	421,188	304,250	411,985

* Certain bills receivable with amounts of nil, RMB17,761,000 and nil as at 31 December 2023, 2024 and 2025, respectively, were pledged for the issuance of banker's acceptance bills (note 26).

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	104,640	366,090	353,350
Bills receivables, carried at amortised cost	46,771	55,943	16,984
Bills receivable, measured at fair value through other comprehensive income	1,421	1,381	–
Impairment	(4,534)	(4,654)	(8,623)
Net carrying amount	148,298	418,760	361,711

* Certain bills receivable with amounts of nil, RMB86,000 and nil as at 31 December 2023, 2024 and 2025, respectively, were pledged for the issuance of banker's acceptance bills (note 26).

The Group's trading terms with its customers are mainly on credit. The credit period is generally within 30 days from acceptance. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods (based on the recognition date and net of loss allowance) is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	413,692	295,944	260,267
3 to 6 months	1,851	3,557	140,004
6 months to 1 year	5,203	511	7,539
1 to 2 years	416	4,238	1,526
2 years to 3 years	26	–	2,649
Total	421,188	304,250	411,985

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	148,298	418,249	282,140
Over 3 months	–	511	79,571
Total	148,298	418,760	361,711

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	18,884	20,896	16,628
Impairment losses, net	2,012	(4,268)	8,433
At the end of the year	20,896	16,628	25,061

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,394	4,534	4,654
Impairment losses, net	3,140	120	3,969
At the end of the year	4,534	4,654	8,623

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy. The bills receivable measured at amortised cost is subject to impairment under the general approach.

The bills receivable held by the Group, which were measured at fair value through other comprehensive income, were mostly issued by reputable banks and with short-term maturity. Bills receivables at fair value through other comprehensive income is subject to impairment under the general approach, the identified impairment loss was assessed to be minimal as at the end of each of the Relevant Periods.

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

The Group

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On a collective basis:			
Within 3 months	434,006	4.7%	20,314
3 to 6 months	1,948	5.0%	97
6 months to 1 year	5,477	5.0%	274
1 to 2 years	520	20.0%	104
2 years to 3 years	52	50.0%	26
On an individual basis	81	100.0%	81
Total	442,084	4.7%	20,896

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On a collective basis:			
Within 3 months	310,394	4.7%	14,450
3 to 6 months	3,744	5.0%	187
6 months to 1 year	538	5.0%	27
1 to 2 years	5,298	20.0%	1,060
On an individual basis	904	100.0%	904
Total	320,878	5.2%	16,628

As at 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On a collective basis:			
Within 3 months	273,964	5.0%	13,697
3 to 6 months	147,373	5.0%	7,369
6 months to 1 year	7,936	5.0%	397
1 to 2 years	1,908	20.0%	382
2 years to 3 years	5,298	50.0%	2,649
On an individual basis	567	100.0%	567
Total	437,046	5.7%	25,061

The Company

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On a collective basis:			
Within 3 months	152,832	3.0%	4,534
Total	152,832	3.0%	4,534

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On a collective basis:			
Within 3 months	422,876	1.1%	4,627
4 months to 1 year	538	5.0%	27
Total	423,414	1.1%	4,654

As at 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On a collective basis:			
Within 3 months	286,575	1.5%	4,435
3 to 6 months	83,759	5.0%	4,188
Total	370,334	2.3%	8,623

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	335,511	351,464	315,966
Deposits	19,157	20,056	12,667
Other receivables	17,807	17,728	4,317
Value added tax recoverable	198,850	237,130	155,898
Tax repayments	–	165	280
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	571,325	634,570	499,018
Less: Impairment losses	(37,111)	(28,915)	(29,876)
Less: Non-current portion	(100,740)	(205,990)	(160,866)
Current portion	433,474	399,665	308,276

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	116,405	383,244	700,064
Deposits	2,982	12,591	893
Amount due from the intra-group companies	830,885	542,939	430,532
Other receivables	14,575	342	514
Value-added tax recoverable	92,372	92,395	54,962
Tax repayments	–	–	–
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	1,057,219	1,039,538	1,196,855
Less: Impairment losses	(301)	(52)	(46)
Less: Non-current portion	(79,734)	(15,947)	(11,121)
Current portion	977,184	1,023,539	1,185,688

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if these financial assets were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the abovementioned financial assets were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Wealth management products, at fair value	6,000	10,000	–

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Wealth management products, at fair value	–	10,000	–

The financial assets above were wealth management products issued by banks in Chinese mainland. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Derivative financial assets without designated hedging relationship:			
Lithium carbonate futures*	490	318	–
Derivative financial liabilities without designated hedging relationship:			
Lithium carbonate options*	291	–	–

* The futures and options are not designated for hedge purposes and are measured at fair value through profit or loss. Changes in the fair value of non-hedging futures and options were charged to the statements of profit or loss and other comprehensive income during the Relevant Periods.

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	113,228	113,744	128,641
Time deposits	126,562	230,914	75,683
Subtotal	239,790	344,658	204,324
Less: Pledged current deposits:			
Pledged for bank facilities	–	(90,000)	(10,000)
Pledged for letters of credit	(3,500)	(37,135)	(22,160)
Pledged for bank acceptance bills	(130,011)	(157,652)	(133,581)
Less: Restricted current deposits	(1,300)	(1,300)	(5,420)
Subtotal	(134,811)	(286,087)	(171,161)
Less: Pledged time deposits with original maturity of more than one year	(5,281)	(5,527)	–
Subtotal	(5,281)	(5,527)	–
Total cash and cash equivalents	99,698	53,044	33,163

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	30,220	87,492	92,578
Time deposits	26,991	77,477	75,683
Subtotal	57,211	164,969	168,261
Less: Pledged current deposits:			
Pledged for bank facilities	–	(60,000)	–
Pledged for letters of credit	(3,500)	(37,135)	(10,000)
Pledged for bank acceptance bills	(30,440)	(26,981)	(127,828)

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Less: Restricted current deposits	(1,300)	(1,300)	(5,420)
Subtotal	(35,240)	(125,416)	(143,248)
Less: Pledged time deposits with original maturity of more than one year	(5,281)	(5,527)	–
Subtotal	(5,281)	(5,527)	–
Total cash and cash equivalents	16,690	34,026	25,013

At the end of each of the Relevant Periods, the amount of cash and cash balances of the Group denominated in non-RMB currencies was minimal. The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Certain bank deposits are pledged for the issuance of banker's acceptance bills (note 26), interest-bearing bank borrowings and letters of credit (note 30).

As at 31 December 2023 and 31 December 2024, certain bank balance was frozen by judicial authority for a lawsuit case, amounting to RMB1,300,000 and RMB1,300,000, respectively. The freeze on this bank balance has been lifted in January 2025 due to the final settlement of the lawsuit case.

As at 31 December 2023, 2024 and 2025, the balances of the Group's bank deposits in Jiangxi Wanzai Rural Commercial Bank Limited were approximately RMB551,000, RMB161,000 and RMB140,000, respectively.

As at 31 December 2023, 2024 and 2025, the balances of the Company's bank deposits in Jiangxi Wanzai Rural Commercial Bank Limited were approximately RMB10,000, RMB48,000 and RMB24,000, respectively.

Cash at banks earns interest at floating rates based on daily bank deposit rate.

The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. At the end of each of the Relevant Periods, the Group and the Company assessed the credit risk of cash and cash equivalents and pledged deposits, and considered the risk to be minimal as they were placed in reputable financial institutions.

The carrying amounts of the cash and cash equivalents approximated to their fair values due to their short-term maturity.

26. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the recognition date, was as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	289,790	255,487	538,797
1 to 2 years	9,031	67,878	90,127
2 to 3 years	1,557	7,242	39,253
Over 3 years	1,286	1,432	5,359
Total	301,664	332,039	673,536

Trade payables are non-interest-bearing and are normally settled on 60-day terms. At the end of each of the Relevant Periods, the carrying amounts of trade and bills payables approximated to their fair values.

As at 31 December 2023, 2024 and 2025, certain bills payable of the Group were secured by the pledged deposits amounting to RMB130,011,000, RMB157,652,000 and RMB67,576,000, respectively.

As at 31 December 2023, 2024 and 2025, certain bills payable of the Group were secured by the bills receivable amounting to RMB17,761,000 and nil, respectively.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	122,990	229,773	362,343
1 to 2 years	31,442	48,987	27,306
2 to 3 years	–	1,573	32,598
Over 3 years	–	–	89
Total	154,432	280,333	422,336

As at 31 December 2023, 2024 and 2025, the Company's certain bills payables were secured by the pledged deposits amounting to RMB30,440,000, RMB26,981,000 and RMB60,073,000, respectively.

As at 31 December 2023, 2024 and 2025, the Company's certain bills payables were secured by the bills receivable amounting to nil, RMB86,000 and nil, respectively.

27. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	9,509	8,881	25,895
Other payables	50,324	60,958	38,195
Other tax payables	4,518	2,520	4,186
Others	523	1,328	1,762
Total	64,874	73,687	70,038

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	4,333	2,915	12,061
Amount due to the intra-group companies	2,300	211,210	478,408
Other payables	7,723	34,659	17,561
Other tax payables	996	624	876
Total	15,352	249,408	508,906

Other payables are unsecured and repayable on demand.

28. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers	10,950	20,640	13,555

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers	564	3,662	2,216

The Group receives payments from customers based on billing schedules as established in the contracts. A portion of payments is usually received in advance of the performance under the contracts.

29. DEFERRED INCOME

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants and subsidies	29,144	105,875	151,283

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants and subsidies	160	33,660	60,775

30. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

31 December 2023	Effective interest rate	Maturity	
	(%)		*RMB'000*
Current			
Bank loans – secured	1.22-5	2024	953,897
Current portion of long-term bank loans – secured	3.2-5.3	2024	128,095
Other loans – secured	6.39-9.58	2024	80,984
Total – current			1,162,976
Non-current			
Bank loans – secured	3.2-5	2025-2028	410,833
Other loans – secured	6.39-9.29	2025-2026	9,760
Total – non-current			420,593
Total			1,583,569

31 December 2024	Effective interest rate	Maturity	
	(%)		*RMB'000*
Current			
Bank loans – secured	0.7-5.5	2025	1,328,007
Current portion of long-term bank loans – secured	3.2-5	2025	239,164
Other loans – secured	5.88-6.7	2025	265,899
Other loans – unsecured	6.0	2025	20,140
Total – current			1,853,210
Non-current			
Bank loans – secured	3.2-5	2026-2028	245,548
Other loans – secured	5.88-6.7	2026	114,447
Total – non-current			359,995
Total			2,213,205

31 December 2025	Effective interest rate	Maturity	
	(%)		*RMB'000*
Current			
Bank loans – secured	0.7-5.5	2026	741,716
Current portion of long-term bank loans – secured	3.2-5.0	2026	151,274
Other loans – secured	5.88-6.7	2026	140,032
Other loans – unsecured	2.95-4.55	2026	253,561
Total – current			1,286,583
Non-current			
Bank loans – secured	2.80-4.65	2027-2028	180,289
Other loans – secured	5.88-6.7	2027-2028	35,179
Total – non-current			215,468
Total			1,502,051

Notes:

(i) The Group's bank and other loans are all denominated in RMB.

(ii) Certain bank and other loans were guaranteed by controlling shareholders and their respective associates. Further details are included in note 37 to the Historical Financial Information.

(iii) Certain items of property, plant and equipment (note 13) with net carrying amounts of approximately RMB603,854,000, RMB742,945,000 and RMB807,179,000 as at 31 December 2023, 2024 and 2025, respectively, were pledged as security for bank facilities and other loans granted to the Group.

(iv) A portion of the Group's equity investment (note 18) with amounts of approximately RMB40,843,000 as at 31 December 2025, respectively, was pledged as security for bank facilities granted to the Group.

(v) Certain bank deposits (note 25) with amounts of RMB3,500,000, RMB127,135,000 and RMB32,160,000 as at 31 December 2023, 2024 and 2025, respectively, were pledged as security for bank facilities and letter of credit granted to the Group.

(vi) Certain leasehold land (note 14) with an amount of RMB68,639,000 and RMB66,958,000 as at 31 December 2024 and 2025 was pledged as security for bank facilities granted to the Group.

(vii) Certain number of patent rights were pledged as security for bank facilities granted to the Group as at 31 December 2024 and 2025.

(viii) As at 31 December 2023, 2024 and 2025, certain bank loans amounting to RMB224,900,000, RMB284,390,000 and RMB252,220,000, respectively, were subject to financial covenants, primarily with requirements regarding the debt-to-asset ratio. As at 31 December 2023, 2024 and 2025, the Group was not in violation of these covenants.

An analysis of the maturity of borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable:			
Within one year or on demand	1,081,992	1,567,171	892,990
In the second year	222,996	144,359	110,907
In the third to fifth years, inclusive	123,320	101,189	69,382
Beyond five years	64,517	–	–
Total	1,492,825	1,812,719	1,073,279
Analysed into:			
Other loans repayable:			
Within one year or on demand	80,984	286,039	393,593
In the second year	9,760	114,447	35,179
Total	1,583,569	2,213,205	1,502,051

The Company

31 December 2023	Effective interest rate	Maturity	
	(%)		*RMB'000*
Current			
Bank loans – secured	1.35-4.6	2024	507,705
Current portion of long-term bank loans – secured	3.7-5.3	2024	126,292
Other loans – secured	8.2	2024	10,394
Total – current			644,391
Non-current			
Bank loans – secured	3.9-5.0	2025-2027	357,298
Other loans – secured	8.2	2025	5,524
Total – non-current			362,822
Total			1,007,213

31 December 2024	Effective interest rate	Maturity	
	(%)		*RMB'000*
Current			
Bank loans – secured	0.7-5.5	2025	761,149
Current portion of long-term bank loans – secured	3.35-5	2025	180,989
Other loans – secured	6.18-6.2	2025	24,989
Total – current			967,127
Non-current			
Bank loans – secured	3.35-5	2026-2027	228,640
Other loans – secured	6.18-6.2	2026	640
Total – non-current			229,280
Total			1,196,407

31 December 2025	Effective interest rate	Maturity	
	(%)		*RMB'000*
Current			
Bank loans – secured	0.7-5.5	2026	364,052
Current portion of long-term bank loans – secured	3.35-5.0	2026	141,129
Other loans – unsecured	2.95-4.55	2026	148,671
Total – current			653,852
Non-current			
Bank loans – secured	3.35-5.0	2027	173,526
Total – non-current			173,526
Total			827,378

Notes:

(a) The Company's bank loans are all denominated in RMB.

(b) Certain bank loans and other loans were guaranteed by controlling shareholders and their respective associates. Further details are included in note 37 to the Historical Financial Information.

(c) Certain items of property, plant and equipment (note 13) with net carrying amounts of approximately RMB520,091,000, RMB513,992,000 and RMB488,355,000 as at 31 December 2023, 2024 and 2025, respectively, were pledged as security for bank facilities granted to the Company.

(d) Certain bank deposits (note 25) with amounts of RMB3,500,000, RMB97,135,000 and RMB12,160,000 as at 31 December 2023, 2024 and 2025, respectively, were pledged as security for bank facilities and letter of credit granted to the Company.

(e) Certain leasehold land (note 14) with an amount of RMB52,184,000 and RMB50,918,000 as at 31 December 2024 and 2025 was pledged as security for bank facilities granted to the Company.

(f) Certain number of patent rights were pledged as security for bank facilities granted to the Company as at 31 December 2024 and 2025.

(g) As at 31 December 2023, 2024 and 2025, certain bank loans amounting to RMB224,900,000, RMB234,390,000 and RMB170,159,000 respectively, were subject to financial covenants, primarily with requirements regarding the debt-to-asset ratio. As at 31 December 2023, 2024 and 2025, the Company was not in violation of these covenants.

An analysis of the maturity of borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable:			
Within one year or on demand	633,997	942,138	505,181
In the second year	172,881	134,214	107,526
In the third to fifth years, inclusive	119,900	94,426	66,000
Beyond five years	64,517	–	–
Total	991,295	1,170,778	678,707

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Other loans repayable:			
Within one year or on demand	10,394	24,989	148,671
In the second year	5,524	640	–
Total	1,007,213	1,196,407	827,378

31. SHARE CAPITAL

The Group and the Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Issued:			
Ordinary shares of RMB1.00 each	369,617	369,617	374,980
Fully paid:			
Ordinary shares of RMB1.00 each	369,617	369,617	374,980

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

	Number of shares in issue	**Share capital**
	in thousand shares	*RMB'000*
At 1 January 2023	369,617	361,658
Contributions from shareholders *(note i)*	–	7,959
At 31 December 2023	369,617	369,617
At 31 December 2023 and 31 December 2024 and 1 January 2025	369,617	369,617
New issues *(note ii)*	5,363	5,363
At 31 December 2025	374,980	374,980

Notes:

(i) Pursuant to the shareholders' resolution dated 28 December 2022, the Company issued shares amounting to RMB9,617,000 for [**REDACTED**] investors. In these newly issued shares, an amount of RMB1,658,000 was paid in 2022, with the remaining RMB7,959,000 was paid in 2023.

(ii) Pursuant to the shareholders' resolution dated 14 May 2025, the Company issued 5,362,956 shares with par value of RMB1 per share at a total consideration of RMB148,000,000 to Jiangxi Dongliang Investment Holdings Co., Ltd., and received the consideration in May and June 2025.

32. SHARE-BASED PAYMENTS

To provide incentives and rewards to eligible participants who contribute to the Group's operation, the Company, has designed and established an employee shareholding platform for the Company to operate a restricted share incentive scheme (the "**Scheme**") which became effective on 9 February 2021. The restricted shares granted to the employees under the Scheme shall be vested and exercisable upon completion of a five-year service period. The shares granted are subject to restrictions on transfer, termination and such other limitations set forth in the plan. After the grant of the awards, the participants became partners of the employee incentive platform. Mr. Li Sen, the chairman of the board of directors of the Company, acts as the general partner of the platform, and is obliged to repurchase the shares of the resigned eligible participants at subscription prices. If the Company fails to complete its [**REDACTED**] of shares before the agreed timeline, Mr. Li Sen is also obliged to repurchase the shares of the resigned eligible participants at subscription prices plus interest.

The fair value of services received in return for shares granted to employees was measured by reference to the fair value of shares granted and the subscription price paid by employees. When determining the fair value of the equity instruments, the Group evaluates the fair value of these equity instruments granted on the grant date, primarily based on the recent transaction price. During the Relevant Periods, the fair value of the granted shares ranges from RMB14.21 per share to RMB38.89 per share.

Movements in the number of restricted shares under the Scheme during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	in thousand shares	*in thousand shares*	*in thousand shares*
At beginning of the year	8,400	8,400	8,400
Granted	50	130	–
Forfeited/cancelled	(50)	(130)	–
At end of the year	8,400	8,400	8,400

Share-based payment expenses during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Restricted shares granted by the Company under the Scheme	11,013	9,567	12,015

33. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve of the Group includes the share premium contributed by the shareholders of the Company.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 32 to the Historical Financial Information.

(c) Special reserve — safety funds

Pursuant to the *Management Measures for the Extraction and Use of Enterprise Safety Production Funds*, the Group is required to set aside an amount to maintenance, production and other similar funds. The funds can be used for the maintenance of production and improvements of safety and are not available for distribution to shareholders.

(d) Fair value reserve of equity investments designated at FVOCI

The fair value reserve represented fair value changes of the equity investment designated at fair value through other comprehensive income as set out in note 18 to the Historical Financial Information.

(e) Statutory reserve

In accordance with the PRC Company Law, the Group is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations, the statutory reserve may be used either to offset losses, or to be converted to increase paid-in capital or share capital, provided that the balance after such conversion is not less than 25% of the registered capital. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

The following tables set forth the reserves of the Company:

	Capital reserve	Share-based payment reserve	Special reserve – safety fund	Fair value reserve of equity investments designated at FVOCI	Accumulated losses	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	983,030	23,963	6,438	(10,426)	(26,604)	976,401
Loss for the year	–	–	–	–	(190,674)	(190,674)
Other comprehensive loss for the year:						
Changes in fair value of equity investments designated at FVOCI, net of tax	–	–	–	(7,230)	–	(7,230)
Total comprehensive loss for the year	–	–	–	(7,230)	(190,674)	(197,904)
Contributions from shareholders	257,341	–	–	–	–	257,341
Share-based payments	–	11,013	–	–	–	11,013
Safety fund	–	–	(1,448)	–	1,448	–
At 31 December 2023	1,240,371	34,976	4,990	(17,656)	(215,830)	1,046,851

	Capital reserve	Share-based payment reserve	Special reserve – safety fund	Fair value reserve of equity investments designated at FVOCI	Accumulated losses	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	1,240,371	34,976	4,990	(17,656)	(215,830)	1,046,851
Loss for the year	–	–	–	–	(141,432)	(141,432)
Other comprehensive income for the year:						
Changes in fair value of equity investments designated at FVOCI, net of tax	–	–	–	7,315	–	7,315
Total comprehensive loss for the year	–	–	–	7,315	(141,432)	(134,117)
Contributions from shareholders	–	–	–	–	–	–
Share-based payments	–	9,567	–	–	–	9,567
Safety fund	–	–	(2,019)	–	2,019	–
At 31 December 2024	1,240,371	44,543	2,971	(10,341)	(355,243)	922,301

	Capital reserve	Share-based payment reserve	Special reserve – safety fund	Fair value reserve of equity investments designated at FVOCI	Accumulated losses	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	1,240,371	44,543	2,971	(10,341)	(355,243)	922,301
Loss for the year	–	–	–	–	(90,572)	(90,572)
Other comprehensive income for the year:						
Changes in fair value of equity investments designated at FVOCI, net of tax	–	–	–	31,299	–	31,299
Total comprehensive income/(loss) for the year	–	–	–	31,299	(90,572)	(59,273)
Contributions from shareholders	142,637	–	–	–	–	142,637
Share-based payments	–	12,015	–	–	–	12,015
Safety fund	–	–	3,710	–	(3,710)	–
At 31 December 2025	1,383,008	56,558	6,681	20,958	(449,525)	1,017,680

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB87,256,000, RMB26,125,000 and nil, respectively, in respect of lease arrangements for leasehold land, buildings and machinery.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	985,141	10,474	995,615
Changes from financing cash flows	728,649	(49,594)	679,055
New leases	–	87,256	87,256
Non-cash settlement of other borrowings*	(144,494)	–	(144,494)
Interest expense	64,590	1,105	65,695
Interest paid	(50,317)	–	(50,317)
At 31 December 2023	1,583,569	49,241	1,632,810
At 1 January 2024	1,583,569	49,241	1,632,810
Changes from financing cash flows	859,845	(21,438)	838,407
New leases	–	26,125	26,125
Non-cash settlement of other borrowings*	(238,686)	–	(238,686)
Interest expense	66,106	3,423	69,529
Interest paid	(57,629)	–	(57,629)
Disposals	–	(154)	(154)
At 31 December 2024	2,213,205	57,197	2,270,402
At 1 January 2025	2,213,205	57,197	2,270,402
Changes from financing cash flows	(329,970)	(20,220)	(350,190)
Non-cash settlement of other borrowings*	(402,222)	–	(402,222)
Interest expense	80,185	2,467	82,652
Interest paid	(59,147)	–	(59,147)
Remeasurement	–	(1,063)	(1,063)
At 31 December 2025	1,502,051	38,381	1,540,432

* The non-cash settlement of other borrowings comprises (i) the settlement of other borrowings arising from endorsed bills receivable that are not derecognised and (ii) the netting of refundable sale and leaseback deposits against lease payments payable.

(c) Total cash outflow for leases

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	1,263	1,389	1,688
Within financing activities	49,594	21,438	20,220
Total	50,857	22,827	21,908

35. PLEDGE OF ASSETS

Details of the Group's assets pledged are included in notes 13, 14, 18, 21 and 25 to the Historical Financial Information at the end of each of the Relevant Periods.

36. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Property, plant and equipment	523,999	673,692	555,525

In addition, the Group had the following commitments provided to associates at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Capital injection obligation	33,900	500	500

37. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of related parties	Relationship with the Group
Li Yan	Controlling shareholder
Li Sen	Controlling shareholder
Li Yao	Controlling shareholder
Li Xin	Controlling shareholder
Li Wang	Controlling shareholder
Jiangxi Dongliang Investment Holdings Co., Ltd. ("Jiangxi Dongliang")	Controlling shareholder
Zhaoqing Senlong Energy Technology Partnership LP ("Zhaoqing Senlong")	Controlling shareholder
Zhaoqing Shengda Energy Technology Partnership LP ("Zhaoqing Shengda")	Controlling shareholder
Jiangxi Ruifeng Environmental Protection Co., Ltd.	Controlled by the controlling shareholders
Jiangxi Taiyun Logistics Co., Ltd.	Controlled by the controlling shareholders
Wanzai Zhicheng Industrial Co., Ltd.	Controlled by the controlling shareholders
Yichun Guangyi Mining Co., Ltd.	Subsidiary of an entity controlled by a controlling shareholder, as well as a close family member of a controlling shareholder
Longji Power#	A joint venture of the Group

Name of related parties	Relationship with the Group
Jiangxi Liyuan New Materials Co., Ltd.	Entity with 10% of shares held by the Group
Jiangxi Wanzai Rural Commercial Bank Co., Ltd.	Entity with 9% of shares held by the Group
Jiangxi Yichun Yuxin Copper Industry Co., Ltd.	Managed by a controlling shareholder
Ruipai Technology	An associate of the Group

Note A The related party relationship was terminated in July 2024 after the Group disposed all of its equity interest in Longji Power.

(b) The Group had the following transactions with related parties during the Relevant Periods:

	Years ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from sales of goods and services			
Wanzai Zhicheng Industrial Co., Ltd.	–	7,670	12,176
Jiangxi Rui Feng environmental protection Co. Ltd.	–	2	–
Jiangxi Liyuan New Materials Co., Ltd.	–	–	–
Longji Power	–	2,974	–
Ruipai Technology	–	1,408	3,250
Total	–	12,054	15,426
Purchase of goods and services			
Jiangxi Yichun Yuxin Copper Industry Co. Ltd.	11,621	–	–
Jiangxi Taiyun Logistics Co., Ltd.	20,521	15,713	2,474
Wanzai Zhicheng Industrial Co., Ltd.	1,753	6,779	7,765
Jiangxi Rui Feng environmental protection Co. Ltd.	–	76	–
Yichun Guangyi Mining Co., Ltd.	443	–	–
Jiangxi Liyuan New Materials Co., Ltd.	259,071	4	–
Total	293,409	22,572	10,239
Rental expenses to a related party			
Wanzai Zhicheng Industrial Co., Ltd.	174	87	–

These transactions were carried out in accordance with the terms and conditions mutually-agreed by the parties involved.

(c) Outstanding balances with related parties:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables			
Wanzai Zhicheng Industrial Co., Ltd.	–	77	588
Jiangxi Liyuan New Materials Co., Ltd.	–	–	–
Ruipai Technology	–	764	861
Total	–	841	1,449

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments, deposits and other receivables			
Jiangxi Yichun Yuxin Copper Industry Co., Ltd.	21	–	–
Li Yan	1,237	–	–
Li Yao	123	–	–
Impairment	–	–	–
Total	1,381	–	–
Trade and bills payables			
Wanzai Zhicheng Industrial Co., Ltd.	1,753	4,208	7,613
Jiangxi Taiyun Logistics Co., Ltd.	6,408	7,392	7,300
Jiangxi Rui Feng Environmental Protection Co. Ltd.	–	76	76
Yichun Guangyi Mining Co., Ltd.	139	52	52
Ruipai Technology	–	–	1,682
Total	8,300	11,728	16,723
Contract liabilities			
Wanzai Zhicheng Industrial Co., Ltd.	–	–	717
Other payables and accruals			
Wanzai Zhicheng Industrial Co., Ltd.	–	–	93
Li Sen	2,970	–	–

At the end of each of the Relevant Periods, except for the amounts due to Mr. Li Sen, amounts due from Mr. Li Yan, Mr. Li Yao as disclosed above, all the remaining balances with related parties were trade in nature.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Short term employee benefits	3,503	3,781	3,736
Share-based payment expenses	2,766	2,631	2,935
Total	6,269	6,412	6,671

Further details of directors' emoluments are included in note 8 to the Historical Financial Information.

(e) Related party guarantees

1) Provision of guarantees by related parties for bank and other loans of the Group:

(i) As at 31 December 2023, certain bank loans of RMB1,171,868,000, certain other loans of RMB89,990,000 and certain lease liabilities under finance leases of RMB21,909,000 were guaranteed by the controlling shareholders and their respective associates.

(ii) As at 31 December 2024, certain bank loans of RMB1,346,126,000, certain other loans of RMB284,946,000 and certain lease liabilities under finance leases of RMB31,980,000 were guaranteed by the controlling shareholders and their respective associates.

(iii) As at 31 December 2025, certain bank loans of RMB753,139,000, certain other loans of RMB175,210,000 and certain lease liabilities under finance leases of RMB14,107,000 were guaranteed by the controlling shareholders and their respective associates.

Apart from the above-said guaranteed bank and other loans, there was no other guarantees by related parties during the Relevant Periods.

2) Redemption rights granted to* [REDACTED] *investors

Pursuant to the relevant equity investment agreements in relation to the Company's [**REDACTED**] investment from July 2021 to June 2025, the relevant [**REDACTED**] investors were granted with redemption rights by certain shareholders of the Company, under which they may request certain shareholders of the Company, including Mr. Li Sen, Mr. Li Yan, Mr. Li Yao, Mr. Li Xin, Mr. Li Wang ("Li Brothers"), Jiangxi Dongliang, Zhaoqing Senlong, Guangzhou Yingtao Industry Investment Co., Ltd. and/or Wanzai Changsheng Investment Co., Ltd. ("Certain Shareholders") to repurchase all or part of their shares upon the occurrence of specified events.

The redemption rights shall be automatically terminated on the same date as the Company's first submission of an application for the [**REDACTED**] ("First [**REDACTED**]"). The redemption rights which have been terminated on the date of first filing shall be reinstated, as agreed with and confirmed by respective [**REDACTED**] investors, upon the occurrence of certain circumstances as specified in relevant agreements.

The Company has not bear any contractual obligation to repurchase the shares of respective [**REDACTED**] investors and did not provided any form of guarantee in connection with any potential failure of the Certain Shareholders to fulfill their obligations relating to the redemption rights granted by the Certain Shareholders. Accordingly, no financial liability regarding redemption rights granted by controlling Shareholders was recorded by the Company during the Relevant Periods.

(f) Borrowings from related parties

Lenders*	Amounts	Inception date	Due date	Nature
	RMB'000			
Jiangxi Wanzai Rural Commercial Bank Co., Ltd.	28,000	9-Aug-2022	23-Aug-2023	Loan
Jiangxi Wanzai Rural Commercial Bank Co., Ltd.	10,000	26-Jan-2025	25-Jan-2026	Loan
Jiangxi Wanzai Rural Commercial Bank Co., Ltd.	10,000	27-Jan-2025	26-Jan-2026	Loan
Jiangxi Wanzai Rural Commercial Bank Co., Ltd.	8,000	17-Feb-2025	6-Feb-2026	Loan

* The Group entered into loan agreements with these related parties, the loans were interest-bearing at the agreed interest rates. All the principal and interest of the loans were fully repaid before the due date.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods were as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at FVOCI	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	6,000	–	–	6,000
Equity investments designated at FVOCI	–	38,744	–	38,744
Trade and bills receivables	–	27,728	393,460	421,188
Financial assets included in prepayments, other receivables and other assets	–	–	32,932	32,932
Derivative financial instruments	490	–	–	490
Pledged and restricted deposits	–	–	140,092	140,092
Cash and cash equivalents	–	–	99,698	99,698
Total	6,490	66,472	666,182	739,144

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	301,664
Financial liabilities included in other payables and accruals	50,324
Interest-bearing bank and other borrowings	1,583,569
Total	1,935,557

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at FVOCI	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	10,000	–	–	10,000
Equity investments designated at FVOCI	–	46,060	–	46,060
Trade and bills receivables	–	21,368	282,882	304,250
Financial assets included in prepayments, other receivables and other assets	–	–	27,361	27,361
Derivative financial instruments	318	–	–	318
Pledged and restricted deposits	–	–	291,614	291,614
Cash and cash equivalents	–	–	53,044	53,044
Total	10,318	67,428	654,901	732,647

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	332,039
Financial liabilities included in other payables and accruals	60,958
Interest-bearing bank and other borrowings	2,213,205
Total	2,606,202

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at FVOCI	–	77,358	–	77,358
Trade and bills receivables	–	–	411,985	411,985
Financial assets included in prepayments, other receivables and other assets	–	–	14,249	14,249
Pledged deposits	–	–	171,161	171,161
Cash and cash equivalents	–	–	33,163	33,163
Total	–	77,358	630,558	707,916

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	673,536
Financial liabilities included in other payables and accruals	38,195
Interest-bearing bank and other borrowings	1,502,051
Total	2,213,782

Transfers of financial assets

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the "Endorsed Bills") with carrying amounts of RMB34,294,000, RMB31,477,000 and RMB23,435,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

At 31 December 2023, 2024 and 2025, the carrying amounts of the bank acceptance bills which the Group had discounted to the banks while having recourse obligations when the bills became due were RMB241,534,000, RMB142,553,000 and RMB61,199,000, respectively. For bills receivable discounted to banks with full recourse, as the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of bills receivable and has recognised the bank and other borrowings for the discounted amounts received.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers or already discounted to banks with carrying amounts in aggregate of RMB1,862,795,000, RMB1,659,073,000 and RMB1,056,457,000, respectively. The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023, 2024 and 2025, the Group has recognised losses on the date of transfer of the Derecognised Bills amounting to RMB11,397,000, RMB6,681,000 and RMB6,820,000 respectively. The endorsement has been made evenly throughout the Relevant Periods.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

The Group invests in financial assets at fair value through profit or loss, which represent wealth management products issued by banks in Chinese mainland. The Group has estimated the fair values of these structured deposits based on the net values announced by the banks at the end of each of the Relevant Periods.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("P/B") multiple and price to sales ("P/S") multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each of the Relevant Periods.

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

The Group

As at 31 December 2023

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Financial assets at FVTPL	6,000	6,000
Equity investments designated at FVOCI	38,744	38,744
Derivative financial instruments	490	490
Pledged time deposits with original maturity of more than one year	5,281	5,281
Financial liabilities		
Interest-bearing bank and other borrowings	1,583,569	1,450,895

As at 31 December 2024

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Financial assets at FVTPL	10,000	10,000
Equity investments designated at FVOCI	46,060	46,060
Derivative financial instruments	318	318
Pledged time deposits with original maturity of more than one year	5,527	5,527
Financial liabilities		
Interest-bearing bank and other borrowings	2,213,205	2,198,487

As at 31 December 2025

	Carrying amounts	Fair values
	RMB'000	*RMB'000*
Financial assets		
Equity investments designated at FVOCI	77,358	77,358
Financial liabilities		
Interest-bearing bank and other borrowings	1,502,051	1,497,671

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025:

The Group and the Company

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value of the input
Financial assets Equity investments designated at FVOCI				
Unlisted equity investments	Market approach	Discounts for lack of marketability ("DLOM")	31 December 2023: 19%-34%	1% increase or decrease in discount would result in increase or decrease in fair value by RMB361,000
			31 December 2024: 18%-38%	1% increase or decrease in discount would result in increase or decrease in fair value by RMB409,000
			31 December 2025: 15%-37%	1% increase or decrease in discount would result in increase or decrease in fair value by RMB780,000

Fair value hierarchy

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

Assets measured at fair value

The Group

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss.	6,000	–	–	6,000
Equity investments designated at FVOCI	–	–	38,744	38,744
Bills receivable, measured at fair value through other comprehensive income.	–	27,728	–	27,728
Derivative financial instruments . . .	–	490	–	490
Total	6,000	28,218	38,744	72,962

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	10,000	–	–	10,000
Equity investments designated at FVOCI	–	–	46,060	46,060
Bills receivable, measured at fair value through other comprehensive income	–	21,368	–	21,368
Derivative financial instruments	–	318	–	318
Total	10,000	21,686	46,060	77,746

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at FVOCI	–	–	77,358	77,358

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives and financial assets at FVTPL, comprise interest-bearing bank and other borrowings, pledged and restricted deposits, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, trade and bills payables, financial assets included in prepayment, deposits and other receivables, and financial liabilities included in other payables and accruals, which arise directly from its operations.

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

Credit risk

An impairment analysis was performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

The Group

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	134,402	134,402
Bills receivables, carried at amortised cost*	279,954	–	–	–	279,954
Bills receivable, measured at fair value through other comprehensive income*	27,728	–	–	–	27,728
Financial assets included in prepayments, other receivables and other assets					
– Normal**	33,464	–	–	–	33,464
– Doubtful**	–	–	3,500	–	3,500
Pledged and restricted deposits					
– Not yet past due	140,092	–	–	–	140,092
Cash and cash equivalents					
– Not yet past due	99,698	–	–	–	99,698
Total	580,936	–	3,500	134,402	718,838

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	116,229	116,229
Bills receivables, carried at amortised cost*	183,281	–	–	–	183,281
Bills receivable, measured at fair value through other comprehensive income*	21,368	–	–	–	21,368
Financial assets included in prepayments, other receivables and other assets					
– Normal**	21,905	–	–	–	21,905
– Doubtful**	–	–	15,879	–	15,879
Pledged and restricted deposits					
– Not yet past due	291,614	–	–	–	291,614
Cash and cash equivalents					
– Not yet past due	53,044	–	–	–	53,044
Total	571,212	–	15,879	116,229	703,320

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	351,946	351,946
Bills receivables, carried at amortised cost*	85,100	–	–	–	85,100
Bills receivable, measured at fair value through other comprehensive income*	–	–	–	–	–
Financial assets included in prepayments, other receivables and other assets					
– Normal**	15,740	–	–	–	15,740
– Doubtful**	–	–	1,244	–	1,244
Pledged and restricted deposits					
– Not yet past due	171,161	–	–	–	171,161
Cash and cash equivalents					
– Not yet past due	33,163	–	–	–	33,163
Total	305,164	–	1,244	351,946	658,354

Notes:

* Except for those assessed on an individual basis, the Company and the Group apply the simplified approach for impairment, using a provision matrix to measure ECLs for trade receivables. For further information on impairment analysis for trade receivables and bills receivables is disclosed in note 21.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings.

The Group

	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
		RMB'000
Year ended 31 December 2023		
Interest-bearing bank and other borrowings	50	(2,145)
	(50)	2,145
Year ended 31 December 2024		
Interest-bearing bank and other borrowings	50	(3,804)
	(50)	3,804
Year ended 31 December 2025		
Interest-bearing bank and other borrowings	50	(973)
	(50)	973

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities and lease liabilities as at end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

The Group

As at 31 December 2023

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	1,201,376	369,091	67,497	1,637,964
Lease liabilities	13,865	25,328	19,363	58,556
Trade and bills payables	301,664	–	–	301,664
Financial liabilities included in other payables and accruals	50,324	–	–	50,324
Total	1,567,229	394,419	86,860	2,048,508

As at 31 December 2024

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	1,892,452	367,911	3,479	2,263,842
Lease liabilities	24,702	22,386	16,124	63,212
Trade and bills payables	332,039	–	–	332,039
Financial liabilities included in other payables and accruals	60,958	–	–	60,958
Total	2,310,151	390,297	19,603	2,720,051

As at 31 December 2025

	Less than 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	1,270,609	239,290	–	1,509,899
Lease liabilities	23,512	7,005	13,139	43,656
Trade and bills payables	673,536	–	–	673,536
Financial liabilities included in other payables and accruals	38,195	–	–	38,195
Total	2,005,852	246,295	13,139	2,265,286

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total liabilities	2,044,589	2,804,238	2,455,098
Total assets	3,316,555	3,749,487	3,425,185
Debt-to-asset ratio	62%	75%	72%

41. EVENTS AFTER THE RELEVANT PERIODS

There was no significant event after the end of the Relevant Periods that require additional disclosure or adjustments.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.