The following is the text of a report received from our Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN CAPCHEM TECHNOLOGY CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Shenzhen Capchem Technology 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, statements of 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 and the six months ended 30 June 2026 (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 30 June 2026, 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 [●] (the "document") in connection with the [**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 30 June 2026, 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.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 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 contains information about the dividends 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 as 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

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	5	7,472,419	7,835,681	9,628,479	4,242,498	7,455,314
Cost of sales		(5,349,041)	(5,830,811)	(7,375,211)	(3,214,142)	(5,704,032)
Gross profit		2,123,378	2,004,870	2,253,268	1,028,356	1,751,282
Other income and gains	5	236,632	190,973	231,736	145,763	86,455
Selling and distribution expenses		(99,704)	(118,760)	(149,077)	(76,144)	(88,461)
Administrative expenses		(424,233)	(413,426)	(467,170)	(209,302)	(280,080)
Research and development expenses		(485,132)	(392,852)	(501,872)	(252,445)	(294,589)
Impairment losses on financial assets, net		(25,923)	(21,861)	(64,647)	(18,330)	(79,319)
Other expenses		(54,529)	(55,491)	(61,897)	(8,175)	(46,490)
Finance costs	7	(41,891)	(60,781)	(77,093)	(37,282)	(39,798)
Share of profits and losses of:						
Joint ventures		–	402	122,680	7,654	174,815
Associates		(60,823)	(39,691)	(26,892)	(12,132)	(12,130)
PROFIT BEFORE TAX	6	1,167,775	1,093,383	1,259,036	567,963	1,171,685
Income tax expense	10	(153,860)	(142,797)	(161,630)	(66,503)	(172,785)
PROFIT FOR THE YEAR/PERIOD		1,013,915	950,586	1,097,406	501,460	998,900
Attributable to:						
Owners of the parent		1,014,035	940,432	1,096,058	490,280	984,807
Non-controlling interests		(120)	10,154	1,348	11,180	14,093
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12					
Basic (RMB)		1.36	1.25	1.46	0.65	1.31
Diluted (RMB)		1.29	1.21	1.43	0.64	1.26

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
PROFIT FOR THE YEAR/PERIOD	1,013,915	950,586	1,097,406	501,460	998,900
OTHER COMPREHENSIVE INCOME					
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:					
Cash flow hedges	264	(264)	1,029	–	(1,111)
Exchange differences on translation of foreign operations	21,470	(7,276)	29,762	36,596	(32,158)
Net other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods	21,734	(7,540)	30,791	36,596	(33,269)
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:					
Investments in equity instruments designated at fair value through other comprehensive income:					
Changes in fair value	(108,000)	47,205	86,393	40,762	(46,936)
Income tax effect	16,101	(6,869)	9,021	(919)	(17,404)
Net other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods	(91,899)	40,336	95,414	39,843	(64,340)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR/PERIOD, NET OF TAX	(70,165)	32,796	126,205	76,439	(97,609)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	943,750	983,382	1,223,611	577,899	901,291
Attributable to:					
Owners of the parent	941,152	973,932	1,219,633	563,558	888,874
Non-controlling interests	2,598	9,450	3,978	14,341	12,417

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	4,701,326	5,281,127	5,664,740	6,080,284
Investment properties	*14*	83,732	80,701	77,670	70,716
Right-of-use assets	*15(a)*	683,897	716,050	667,074	692,334
Goodwill	*22*	419,379	419,379	417,052	417,052
Other intangible assets	*16*	120,930	144,830	175,898	178,545
Investment in joint ventures	*17*	–	35,798	491,933	677,076
Investments in associates	*18*	282,684	215,835	221,467	209,337
Equity investments designated at fair value through other comprehensive income	*19*	281,982	320,366	203,273	204,591
Prepayments, other receivables and other assets	*20*	361,739	183,888	254,523	250,926
Deferred tax assets	*33*	123,506	137,772	149,004	183,237
Time deposits	*27(c)*	1,050,963	1,840,162	1,018,534	951,118
Total non-current assets		8,110,138	9,375,908	9,341,168	9,915,216
CURRENT ASSETS					
Inventories	*23*	907,519	997,032	1,214,948	1,807,314
Trade receivables	*24*	2,113,645	2,456,896	3,718,186	5,245,056
Bills receivables	*25*	292,417	447,231	599,591	850,305
Bills receivables at fair value through other comprehensive income	*26*	1,063,100	600,042	1,407,399	1,918,395
Prepayments, other receivables and other assets	*20*	299,671	298,328	339,154	384,253
Financial assets at fair value through profit or loss	*21*	991,145	682,740	459,989	766,725
Derivative financial instruments		264	–	1,029	77
Time deposits	*27(c)*	903,663	20,815	1,561,593	830,764
Pledged deposits	*27(b)*	450	2,100	20,135	50,476
Cash and cash equivalents	*27(a)*	2,942,301	2,742,102	1,134,335	1,987,242
Total current assets		9,514,175	8,247,286	10,456,359	13,840,607
CURRENT LIABILITIES					
Trade and bills payables	*28*	3,549,298	2,921,513	4,702,518	7,653,113
Contract liabilities	*32*	16,411	19,827	64,406	53,420
Other payables and accruals	*29*	939,567	686,284	754,307	785,111

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at fair value through profit or loss		18	1,100	–	–
Derivative financial instruments		–	–	17	82
Interest-bearing bank loans	*30*	764,756	932,203	459,956	919,791
Convertible bonds	*31*	9,476	19,135	26,302	26,810
Lease liabilities	*15(b)*	9,021	9,426	7,319	8,532
Deferred income	*34*	10,836	24,322	24,717	31,752
Tax payable		60,464	40,992	68,389	62,335
Provision	*35*	20,664	–	–	–
Total current liabilities		5,380,511	4,654,802	6,107,931	9,540,946
NET CURRENT ASSETS		4,133,664	3,592,484	4,348,428	4,299,661
TOTAL ASSETS LESS CURRENT LIABILITIES		12,243,802	12,968,392	13,689,596	14,214,877
NON-CURRENT LIABILITIES					
Other payables and accruals	*29*	45,606	39,493	18,869	1,418
Interest-bearing bank loans	*30*	523,300	594,632	342,870	288,188
Convertible bonds	*31*	1,746,257	1,796,479	1,685,277	1,718,045
Lease liabilities	*15(b)*	15,156	10,939	10,706	10,053
Deferred income	*34*	209,648	225,873	322,563	316,418
Deferred tax liabilities	*33*	71,605	78,287	55,677	40,125
Total non-current liabilities		2,611,572	2,745,703	2,435,962	2,374,247
Net assets		9,632,230	10,222,689	11,253,634	11,840,630
EQUITY					
Equity attributable to owners of the parent					
Share capital	*36*	749,625	753,883	751,791	753,886
Treasury shares		(100,301)	(200,349)	(100,301)	–
Equity component of convertible bonds	*31*	274,783	274,773	251,792	251,779
Reserves	*38*	8,250,280	8,922,867	9,892,060	10,446,377
		9,174,387	9,751,174	10,795,342	11,452,042
Non-controlling interests		457,843	471,515	458,292	388,588
Total equity		9,632,230	10,222,689	11,253,634	11,840,630

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve*	Capital reserve*	Equity component of convertible bonds	Safety fund surplus reserve*	Exchange fluctuation reserve*	Surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	745,694	(85,804)	259,286	2,450,257	274,856	1,204	(1,103)	337,452	4,381,700	8,363,542	381,966	8,745,508
Profit for the year	–	–	–	–	–	–	–	–	1,014,035	1,014,035	(120)	1,013,915
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations	–	–	–	–	–	–	18,752	–	–	18,752	2,718	21,470
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	(91,899)	–	–	–	–	–	–	(91,899)	–	(91,899)
Cash flow hedges, net of tax	–	–	264	–	–	–	–	–	–	264	–	264
Total comprehensive income for the year	–	–	(91,635)	–	–	–	18,752	–	1,014,035	941,152	2,598	943,750
Exercise of share awards *(note 36)*	3,918	–	–	85,260	–	–	–	–	–	89,178	–	89,178
Convertible bonds converted into shares	13	–	–	517	(73)	–	–	–	–	457	–	457
Recognition of share-based payments	–	–	–	119,804	–	–	–	–	–	119,804	6,112	125,916
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	(9,116)	–	–	–	–	–	9,116	–	–	–
Appropriation to surplus reserve	–	–	–	–	–	–	–	37,360	(37,360)	–	–	–

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve*	Capital reserve*	Equity component of convertible bonds	Safety fund surplus reserve*	Exchange fluctuation reserve*	Surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000* (note 38)	*RMB'000* (note 31)	*RMB'000*	*RMB'000*	*RMB'000* (note 38)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Final 2022 dividend declared and approved	–	–	–	–	–	–	–	–	(371,734)	(371,734)	–	(371,734)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(12,778)	(12,778)
Acquisition of non-controlling interests of subsidiaries	–	–	–	(12,275)	–	–	–	–	–	(12,275)	(133,234)	(145,509)
Appropriation and utilisation of safety fund surplus reserve	–	–	–	–	–	2,968	–	–	(2,968)	–	–	–
Shares repurchased	–	(14,497)	–	–	–	–	–	–	–	(14,497)	–	(14,497)
Capital contribution from non-controlling interests	–	–	–	55,544	–	–	–	–	–	55,544	212,967	268,511
Others[#]	–	–	–	3,216	–	–	–	–	–	3,216	212	3,428
As at 31 December 2023	749,625	(100,301)	158,535	2,702,323	274,783	4,172	17,649	374,812	4,992,789	9,174,387	457,843	9,632,230

[#] Others mainly comprise the recognition of deferred tax related to share-based payments.

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

Year ended 31 December 2024

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve*	Capital reserve*	Equity component of convertible bonds	Safety fund surplus reserve*	Exchange fluctuation reserve*	Surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	749,625	(100,301)	158,535	2,702,323	274,783	4,172	17,649	374,812	4,992,789	9,174,387	457,843	9,632,230
Profit for the year	–	–	–	–	–	–	–	–	940,432	940,432	10,154	950,586
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(6,572)	–	–	(6,572)	(704)	(7,276)
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	40,336	–	–	–	–	–	–	40,336	–	40,336
Cash flow hedges, net of tax	–	–	(264)	–	–	–	–	–	–	(264)	–	(264)
Total comprehensive income for the year	–	–	40,072	–	–	–	(6,572)	–	940,432	973,932	9,450	983,382
Exercise of share awards	4,257	–	–	95,018	–	–	–	–	–	99,275	–	99,275
Convertible bonds converted into shares	1	–	–	49	(10)	–	–	–	–	40	–	40
Recognition of share-based payments	–	–	–	53,723	–	–	–	–	–	53,723	1,901	55,624
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	(1,548)	–	–	–	–	–	1,548	–	–	–
Appropriation to surplus reserve	–	–	–	–	–	–	–	2,129	(2,129)	–	–	–
Final 2023 dividend declared and approved	–	–	–	–	–	–	–	–	(450,805)	(450,805)	–	(450,805)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(19,168)	(19,168)
Appropriation and utilisation of safety fund surplus reserve	–	–	–	–	–	(1,621)	–	–	1,621	–	–	–
Shares repurchased	–	(100,048)	–	–	–	–	–	–	–	(100,048)	–	(100,048)
Capital contribution from non-controlling interests	–	–	–	174	–	–	–	–	–	174	21,406	21,580
Others[#]	–	–	–	496	–	–	–	–	–	496	83	579
As at 31 December 2024	753,883	(200,349)	197,059	2,851,783	274,773	2,551	11,077	376,941	5,483,456	9,751,174	471,515	10,222,689

[#] Others mainly comprise the recognition of deferred tax related to share-based payments.

Year ended 31 December 2025

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve*	Capital reserve*	Equity component of convertible bonds	Safety fund surplus reserve*	Exchange fluctuation reserve*	Surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	753,883	(200,349)	197,059	2,851,783	274,773	2,551	11,077	376,941	5,483,456	9,751,174	471,515	10,222,689
Profit for the year	–	–	–	–	–	–	–	–	1,096,058	1,096,058	1,348	1,097,406
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations	–	–	–	–	–	–	27,132	–	–	27,132	2,630	29,762
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	95,414	–	–	–	–	–	–	95,414	–	95,414
Cash flow hedges, net of tax	–	–	1,029	–	–	–	–	–	–	1,029	–	1,029
Total comprehensive income for the year	–	–	96,443	–	–	–	27,132	–	1,096,058	1,219,633	3,978	1,223,611
Convertible bonds converted into shares	4,012	–	–	174,429	(22,981)	–	–	–	–	155,460	–	155,460
Recognition of share-based payments	–	–	–	63,624	–	–	–	–	–	63,624	2,963	66,587
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	(167,727)	–	–	–	–	–	167,727	–	–	–
Repurchase and cancellation of shares	(6,104)	100,048	–	(193,856)	–	–	–	–	–	(99,912)	–	(99,912)

	Attributable to owners of the parent											
	Share capital	**Treasury shares**	**Fair value reserve***	**Capital reserve***	**Equity component of convertible bonds**	**Safety fund surplus reserve***	**Exchange fluctuation reserve***	**Surplus reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Final 2024 dividends declared	–	–	–	–	–	–	–	–	(298,096)	(298,096)	–	(298,096)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(29,562)	(29,562)
Appropriation and utilisation of safety fund surplus reserve	–	–	–	–	–	(1,239)	–	–	1,239	–	–	–
Acquisition of non-controlling interests	–	–	–	(16,132)	–	–	–	–	–	(16,132)	(6,550)	(22,682)
Capital contribution from non-controlling interests	–	–	–	2,982	–	–	–	–	–	2,982	15,318	18,300
Recognition of deferred tax impact of share-based payments *(note 33)*	–	–	–	13,183	–	–	–	–	–	13,183	585	13,768
Others[#]	–	–	–	3,426	–	–	–	–	–	3,426	45	3,471
As at 31 December 2025	751,791	(100,301)	125,775	2,899,439	251,792	1,312	38,209	376,941	6,450,384	10,795,342	458,292	11,253,634

[#] Others mainly comprise share of changes in capital reserves of joint ventures and associates.

Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve	Capital reserve	Equity component of convertible bonds	Safety fund surplus reserve	Exchange fluctuation reserve	Surplus reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	753,883	(200,349)	197,059	2,851,783	274,773	2,551	11,077	376,941	5,483,456	9,751,174	471,515	10,222,689
Profit for the period	–	–	–	–	–	–	–	–	490,280	490,280	11,180	501,460
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	–	–	–	–	–	–	33,435	–	–	33,435	3,161	36,596
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	39,843	–	–	–	–	–	–	39,843	–	39,843
Total comprehensive income for the period	–	–	39,843	–	–	–	33,435	–	490,280	563,558	14,341	577,899
Convertible bonds converted into shares	–	–	–	2	–	–	–	–	–	2	–	2
Recognition of share-based payments	–	–	–	50,107	–	–	–	–	–	50,107	1,104	51,211
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	(39,557)	–	–	–	–	–	39,557	–	–	–
Repurchase and cancellation of shares	(6,104)	100,048	–	(193,856)	–	–	–	–	–	(99,912)	–	(99,912)
Final 2024 dividends declared	–	–	–	–	–	–	–	–	(298,096)	(298,096)	–	(298,096)

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve	Capital reserve	Equity component of convertible bonds	Safety fund surplus reserve	Exchange fluctuation reserve	Surplus reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (*note 36*)	*RMB'000*	*RMB'000*	*RMB'000* (*note 38*)	*RMB'000* (*note 31*)	*RMB'000*	*RMB'000*	*RMB'000* (*note 38*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(15,000)	(15,000)
Appropriation and utilisation of safety fund surplus reserve	–	–	–	–	–	6,440	–	–	(6,440)	–	–	–
Acquisition of non-controlling interests	–	–	–	(15,254)	–	–	–	–	–	(15,254)	(4,331)	(19,585)
Capital contribution from non-controlling interests	–	–	–	951	–	–	–	–	–	951	3,249	4,200
Others[#]	–	–	–	1,032	–	–	–	–	–	1,032	947	1,979
As at 30 June 2025	747,779	(100,301)	197,345	2,694,765	274,773	8,991	44,512	376,941	5,708,757	9,953,562	471,825	10,425,387

[#] Others mainly comprise share of changes in capital reserves of joint ventures and associates.

Six months ended 30 June 2026

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve*	Capital reserve*	Equity component of convertible bonds	Safety fund surplus reserve*	Exchange fluctuation reserve*	Surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 36)	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000 (note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	751,791	(100,301)	125,775	2,899,439	251,792	1,312	38,209	376,941	6,450,384	10,795,342	458,292	11,253,634
Profit for the period	–	–	–	–	–	–	–	–	984,807	984,807	14,093	998,900
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(30,482)	–	–	(30,482)	(1,676)	(32,158)
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	(64,340)	–	–	–	–	–	–	(64,340)	–	(64,340)
Cash flow hedges, net of tax	–	–	(1,111)	–	–	–	–	–	–	(1,111)	–	(1,111)
Total comprehensive income for the period	–	–	(65,451)	–	–	–	(30,482)	–	984,807	888,874	12,417	901,291
Exercise of share awards	2,093	100,301	–	(14,697)	–	–	–	–	–	87,697	–	87,697
Income tax impact related to exercise of share awards	–	–	–	20,636	–	–	–	–	–	20,636	–	20,636
Convertible bonds converted into shares	2	–	–	98	(13)	–	–	–	–	87	–	87
Recognition of share-based payments	–	–	–	67,804	–	–	–	–	–	67,804	2,898	70,702

	Attributable to owners of the parent											
	Share capital	Treasury shares	Fair value reserve*	Capital reserve*	Equity component of convertible bonds	Safety fund surplus reserve*	Exchange fluctuation reserve*	Surplus reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 36)			*(note 38)*	*(note 31)*			*(note 38)*				
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	21,273	–	–	–	–	–	(21,273)	–	–	–
Appropriation to surplus reserve	–	–	–	–	–	–	–	2	(2)	–	–	–
Final 2025 dividends declared	–	–	–	–	–	–	–	–	(374,626)	(374,626)	–	(374,626)
Acquisition of non-controlling interests	–	–	–	(57,393)	–	–	–	–	–	(57,393)	(92,107)	(149,500)
Appropriation and utilisation of safety fund surplus reserve	–	–	–	–	–	998	–	–	(998)	–	–	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	5,600	5,600
Recognition of deferred tax impact of share-based payments *(note 33)*	–	–	–	23,248	–	–	–	–	–	23,248	1,488	24,736
Others#	–	–	–	373	–	–	–	–	–	373	–	373
As at 30 June 2026	753,886	–	81,597	2,939,508	251,779	2,310	7,727	376,943	7,038,292	11,452,042	388,588	11,840,630

* These reserve accounts comprise the consolidated reserves of RMB8,250,280,000, RMB8,922,867,000, RMB9,892,060,000 and RMB10,446,377,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

\# Others mainly comprise share of changes in capital reserves of joint ventures and associates.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		1,167,775	1,093,383	1,259,036	567,963	1,171,685
Adjustments for:						
Depreciation of property, plant and equipment	13	281,522	425,401	508,320	236,828	281,330
Depreciation of investment properties	14	3,031	3,031	3,031	1,515	1,497
Depreciation of right-of-use assets	15(a)	26,110	27,730	26,385	14,374	12,888
Amortisation of other intangible assets	16	28,155	31,801	26,158	13,270	12,627
Share of profits and losses of associates		60,823	39,691	26,892	12,132	12,130
Share of profits and losses of joint ventures		–	(402)	(122,680)	(7,654)	(174,815)
Net impairment losses on financial assets		25,923	21,861	64,647	18,330	79,319
Impairment of goodwill	22	–	–	2,327	–	–
Net impairment losses on property, plant and equipment	13	988	7,797	14,216	65	–
Provision for impairment of inventories	6	15,242	36,444	40,226	22,485	16,090
Net foreign exchange differences	6	(22,179)	(4,911)	(22,818)	(35,195)	27,527
Finance costs	7	41,891	60,781	77,093	37,282	39,798
Bank interest income	5	(59,746)	(80,238)	(77,799)	(40,134)	(31,766)
Fair value changes of financial assets at fair value through profit and loss		(32,485)	27,255	(23,163)	(7,683)	(4,833)
Fair value changes of financial liabilities at fair value through profit and loss		1	205	2,947	316	(17)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Equity-settled share-based payment expense		125,916	55,624	66,587	51,211	70,702
Loss on disposal of items of property, plant and equipment	*6*	5,038	3,555	20,705	1,416	3,171
Gain on disposal of a subsidiary	*6*	–	(13,216)	–	–	–
		1,668,005	1,735,792	1,892,110	886,521	1,517,333
Increase in inventories		(17,623)	(125,957)	(258,294)	(68,584)	(662,241)
Decrease/(increase) in pledged deposits		250	(1,650)	(18,035)	1,110	(38,341)
Decrease/(increase) in bills receivables at fair value through other comprehensive income		1,469,604	463,058	(807,357)	(179,348)	(510,996)
Increase in trade and bills receivables		(413,528)	(593,821)	(1,483,823)	(427,851)	(1,856,423)
(Increase)/decrease in prepayments, deposits and other receivables		55,583	158,059	(48,898)	(43,107)	(13,596)
Increase/(decrease) in trade and bills payables		859,264	(631,294)	1,732,251	401,103	2,940,391
Increase in deferred income		103,878	29,711	97,085	60,275	890
Increase/(decrease) in other payables, deposits received and accruals		(106,440)	(87,158)	163,377	(10,497)	(45,418)
Increase/(decrease) in contract liabilities		(66,737)	3,416	44,579	24,171	(10,986)
Cash generated from operations		3,552,256	950,156	1,312,995	643,793	1,320,613
Bank interest received		45,811	31,266	18,702	11,964	3,641
Income tax paid		(150,156)	(163,008)	(163,003)	(86,509)	(197,519)
Net cash flows from operating activities		3,447,911	818,414	1,168,694	569,248	1,126,735

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property, plant and equipment		843	1,241	3,044	1,725	1,617
Proceeds from disposal of leasehold land		–	47,928	–	–	26,480
Purchase of items of property, plant and equipment		(1,659,206)	(1,160,927)	(962,867)	(441,424)	(666,829)
Purchase of items of intangible assets		(68,929)	(8,503)	(8,278)	(3,750)	(4,875)
Payment for leasehold land		(61,851)	(11,896)	(1,302)	(576)	(465)
Acquisition of joint ventures and associates		(40,000)	(46,597)	(362,700)	(286,174)	(9,925)
Placement of time deposits with original maturity over three months		(2,350,444)	(979,412)	(700,312)	(230,223)	(386,927)
Maturity of time deposits with original maturity over three months		413,417	1,120,015	20,000	10,000	1,144,096
Purchase of financial assets at fair value through profit or loss		(9,478,037)	(5,646,755)	(2,526,000)	(1,327,000)	(1,890,000)
Proceeds from disposal of financial assets at fair value through profit or loss		9,399,999	5,902,045	2,757,000	1,565,000	1,582,000
Time deposits interest received		48,747	39,710	14,006	8,124	81,261
Proceeds from disposal of financial assets at fair value through other comprehensive income		24,422	7,421	211,818	46,328	–
Payment of investment project bid security		(4,315)	(12,160)	(2,276)	–	(210)
Receipt of investment project bid security		2,850	11,748	15,178	12,102	279

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Investments in financial assets at fair value through other comprehensive income		(6,000)	–	–	–	(49,587)
Disposal of a subsidiary	*41*	–	16,491	–	–	–
Net cash flows used in investing activities		(3,778,504)	(719,651)	(1,542,689)	(645,868)	(173,085)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from interest-bearing bank loans		962,751	1,335,356	500,120	300,000	810,888
Repayment of interest-bearing bank loans		(763,976)	(1,027,008)	(1,217,050)	(964,800)	(413,250)
Interest paid		(37,546)	(44,844)	(43,189)	(14,116)	(10,769)
Capital contribution from non-controlling shareholders		268,511	21,580	18,300	4,200	5,600
Acquisition of non-controlling interests		(145,509)	–	(22,682)	–	(149,500)
Proceeds from issue of shares		89,178	–	–	–	87,697
Receipt in advance for issue of shares		99,275	–	–	–	–
Dividends paid		(384,512)	(469,973)	(327,658)	(313,096)	(374,626)
Repurchase of shares		(14,497)	(100,048)	(99,912)	(99,912)	–
Payment for leases	*15(b)*	(13,271)	(11,218)	(10,678)	(3,788)	(4,503)
Deposit paid for land lease		–	–	(28,864)	–	(17,334)
Payment of [**REDACTED**] expenses		–	–	(2,824)	–	(17,357)
Deposit payment for bank bills		(163)	(1,641)	(2,391)	(1,990)	(3,776)
Receipt of deposit for bank bills		1,655	1,000	1,003	1,000	1,000
Net cash flows from/(used in) financing activities		61,896	(296,796)	(1,235,825)	(1,092,502)	(85,930)

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(268,697)	(198,033)	(1,609,820)	(1,169,122)	867,720
Cash and cash equivalents at beginning of year/period		3,210,481	2,942,301	2,742,102	2,742,102	1,134,335
Effect of foreign exchange, net		517	(2,166)	2,053	9,510	(14,813)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		2,942,301	2,742,102	1,134,335	1,582,490	1,987,242
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		4,897,377	4,605,179	3,734,597	3,692,389	3,819,600
Less: Time deposits	*27(c)*	(1,954,626)	(1,860,977)	(2,580,127)	(2,108,909)	(1,781,882)
Less: Pledged deposits	*27(b)*	(450)	(2,100)	(20,135)	(990)	(50,476)
Cash and cash equivalents as stated in the consolidated statements of financial position and statements of cash flows		2,942,301	2,742,102	1,134,335	1,582,490	1,987,242

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	154,640	178,549	158,489	188,893
Investment properties	*14*	83,732	80,701	77,670	70,716
Right-of-use assets	*15(a)*	51,753	45,694	41,897	40,753
Other intangible assets	*16*	84,436	84,281	104,344	106,655
Investment in joint ventures	*17*	–	35,825	491,933	677,076
Investments in associates	*18*	282,338	215,835	221,467	209,337
Investments in subsidiaries	*1*	4,111,546	4,320,270	4,882,771	5,372,230
Equity investments designated at fair value through other comprehensive income	*19*	281,982	320,366	203,273	177,483
Prepayments, other receivables and other assets	*20*	928,690	1,358,484	1,381,371	1,324,812
Deferred tax assets	*33*	45,811	35,232	48,401	59,687
Time deposits	*27(c)*	1,020,173	1,595,183	659,119	571,362
Total non-current assets		7,045,101	8,270,420	8,270,735	8,799,004
CURRENT ASSETS					
Inventories	*23*	224,023	157,507	189,565	269,641
Trade receivables	*24*	1,315,575	1,482,471	2,332,805	3,320,388
Bills receivables	*25*	188,115	373,791	422,829	577,383
Bills receivables at fair value through other comprehensive income	*26*	807,120	365,010	1,023,996	1,455,276
Prepayments, other receivables and other assets	*20*	237,214	723,553	479,519	616,702
Financial assets at fair value through profit or loss	*21*	658,057	350,593	250,274	330,461
Derivative financial instruments		264	–	1,029	–
Time deposits	*27(c)*	903,663	20,452	1,437,380	616,320
Pledged deposits	*27(b)*	450	–	581	6,122
Cash and cash equivalents	*27(a)*	2,144,516	1,791,156	443,803	756,258
Total current assets		6,478,997	5,264,533	6,581,781	7,948,551
CURRENT LIABILITIES					
Trade and bills payables	*28*	2,912,645	2,367,756	3,794,924	5,234,002
Contract liabilities	*32*	2,765	12,444	51,994	44,607
Other payables and accruals	*29*	716,757	580,689	479,653	570,165

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at fair value through profit or loss		18	–	–	–
Derivative financial instruments		–	–	–	82
Interest-bearing bank loans	*30*	696,023	913,483	409,930	784,997
Convertible bonds	*31*	9,476	19,135	26,302	26,810
Lease liabilities	*15(b)*	4,648	3,584	3,771	3,492
Deferred income	*34*	5,822	6,767	8,845	11,331
Tax payable		27,687	116	24,750	234
Total current liabilities		4,375,841	3,903,974	4,800,169	6,675,720
NET CURRENT ASSETS		2,103,156	1,360,559	1,781,612	1,272,831
TOTAL ASSETS LESS CURRENT LIABILITIES		9,148,257	9,630,979	10,052,347	10,071,835
NON-CURRENT LIABILITIES					
Other payables and accruals	*29*	44,927	39,151	18,251	706
Interest-bearing bank loans	*30*	478,500	565,000	306,250	209,000
Convertible bonds	*31*	1,746,257	1,796,479	1,685,277	1,718,045
Lease liabilities	*15(b)*	6,334	3,895	1,944	1,861
Deferred income	*34*	44,219	44,484	44,567	37,943
Deferred tax liabilities	*33*	45,157	61,104	51,750	36,421
Total non-current liabilities		2,365,394	2,510,113	2,108,039	2,003,976
Net assets		6,782,863	7,120,866	7,944,308	8,067,859
EQUITY					
Equity attributable to owners of the parent					
Share capital	*36*	749,625	753,883	751,791	753,886
Treasury shares		(100,301)	(200,349)	(100,301)	–
Equity component of convertible bonds	*31*	274,783	274,773	251,792	251,779
Reserves	*38*	5,858,756	6,292,559	7,041,026	7,062,194
Total equity		6,782,863	7,120,866	7,944,308	8,067,859

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION AND INVESTMENTS IN SUBSIDIARIES

Shenzhen Capchem Technology Co., Ltd. (hereinafter referred to as the "Company"), formerly known as Shenzhen Capchem Electronic Material Technology Co., Ltd., is a limited company registered in Shenzhen, the People's Republic of China (hereinafter referred to as "PRC"), which was founded in 2002. The registered address and head office address of the Company are Room 1901, Capchem Plaza, No. 9 Changye Road, Liulian Community Pingshan District, Shenzhen, Guangdong Province, the PRC. The controlling shareholders of the Company are Qin Jiusan, Zhou Dawen, Zheng Zhongtian, Zhong Meihong, Zhang Guiwen and Deng Yonghong.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "Group") were principally engaged in research, manufacturing and sales of electronic chemicals and functional materials.

As at 30 June 2026, the particulars of the Company's principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Huizhou Capchem Chemical Co., Ltd. (惠州市宙邦化工有限公司) *(Note (a))*	PRC/Chinese mainland 30 July 2007	RMB600,000,000	100	–	Research and development, manufacture, sale and services of battery chemicals and electronic information chemicals
Nantong Capchem Chemicals Co., Ltd. (南通新宙邦電子材料有限公司) *(Note (a))*	PRC/Chinese mainland 26 July 2010	RMB120,000,000	100	–	Research and development, manufacture, sale and services of battery chemicals and electronic information chemicals
Novolyte Battery Material (Suzhou) Co., Ltd. (諾萊特電池材料(蘇州)有限公司) *(Note(a))*	PRC/Chinese mainland 22 September 2008	RMB100,000,000	100	–	Research and development, manufacture, sale and services of battery chemicals
Sanming Hexafluo Chemicals Co.,Ltd. (三明市海斯福化工有限責任公司) *(Note (a))*	PRC/Chinese mainland 21 August 2007	RMB103,300,000	97	–	Research and development, manufacture, sale and services of organic fluorochemicals, battery chemicals and electronic information chemicals
Jiangsu Hicomer New Material Co., Ltd. (江蘇瀚康新材料有限公司) *(Note (a))*	PRC/Chinese mainland 28 March 2014	RMB20,000,000	100	–	Research and development, manufacture, sale and services of battery chemicals
Jiangsu Hicomer Electronic Materials Co., Ltd. (江蘇瀚康電子材料有限公司) *(Note(a))*	PRC/Chinese mainland 21 May 2021	RMB360,000,000	–	90	Research and development, manufacture, sale and services of battery chemicals

Name	Place and date of incorporation/ registration	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Jingmen Capchem New Materials Co., Ltd. (荊門新宙邦新材料有限公司) *(Note (a))*	PRC/Chinese mainland 16 May 2018	RMB225,000,000	91	–	Research and development, manufacture, sale and services of battery chemicals
Hunan Fluopont New Materials Co., Ltd. (湖南福邦新材料有限公司) *(Note(a))*	PRC/Chinese mainland 27 August 2018	RMB176,991,150	51	–	Research and development, manufacture, sale and services of battery chemicals
Fujian Heptafluo New Materials Co., Ltd. (福建海德福新材料有限公司) *(Note(a))*	PRC/Chinese mainland 7 September 2018	RMB500,000,000	87	–	Research and development, manufacture, sale and services of organic fluorochemicals
Tianjin Capchem Electronic Materials Co., Ltd. (天津新宙邦電子材料有限公司)	PRC/Chinese mainland 8 June 2021	RMB400,000,000	100	–	Research and development, manufacture, sale and services of battery chemicals and electronic information chemicals
Chongqing Capchem New Materials Co., Ltd. (重慶新宙邦新材料有限公司)	PRC/Chinese mainland 25 January 2022	RMB200,000,000	100	–	Research and development, manufacture, sale and services of battery chemicals
Jiangsu Seals Electronic Materials Co., Ltd. (江蘇希爾斯電子材料有限公司)	PRC/Chinese mainland 28 April 2023	RMB70,105,300	51	–	Research and development, manufacture, sale and services of functional materials
Capchem Poland Sp.zo.o *(Note(b))*	Overseas/Poland 8 May 2018	PLN42,230,000	72	18	Research and development, manufacture, sale and services of battery chemicals
Capchem (Hong Kong) Co., Ltd. (新宙邦(香港)有限公司) *(Note(c))*	PRC/Hong Kong 28 January 2008	USD29,545,590	100	–	Trading and investment holding

Notes:

(a) The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025, prepared in accordance with the PRC Accounting Standards for Business Enterprises ("PRC GAAP"), were audited by Ernst & Young Hua Ming LLP, a certified public accounting firm in the PRC.

(b) The statutory financial statements of the entity for the years ended 31 December 2024 and 2025, prepared in accordance with the Polish Accounting Standards ("**PAS**"), were audited by Ernst & Young Audyt Polska, a certified public accounting firm in the Poland.

(c) The statutory financial statements of the entity for the years ended 31 December 2023, 2024 and 2025, prepared in accordance with HKFRS Accounting Standards, were audited by Deep Blue CPA Limited, a certified public accounting firm in Hong Kong.

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. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The Company

The carrying amounts of the Company's investments in subsidiaries are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment, at cost	4,135,737	4,320,270	4,882,771	5,372,230
Less: Impairment *(Note (i))*	(24,191)	–	–	–
Total	4,111,546	4,320,270	4,882,771	5,372,230

Note:

(i) Impairment for investments in subsidiaries was provided based on recoverable amount with reference to the fair value of the underlying net assets held by the subsidiaries.

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 (the "IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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

Basis of consolidation

The Historical Financial Information includes the financial statements 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 the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 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.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[1]

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

2 Effective for annual/reporting periods beginning on or after 1 January 2029

3 No mandatory effective date yet determined but available for adoption

IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in a note and includes new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation in the statement of profit or loss, statement of comprehensive income and statement of cash flows and additional disclosures of the Group's financial performance. Currently, the Group considers that these new and amended IFRS Accounting Standards are unlikely to have a significant impact on the Group's financial performance and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

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

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

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

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

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

Business combinations and goodwill

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

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

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

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

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

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

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

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

Fair value measurement

The Group measures certain of its bills receivables, wealth management products, derivative financial instruments and equity investments at fair value at the end of each of the Relevant Periods. 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 Historical Financial Information is 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 Historical Financial Information 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 of the Relevant Periods.

Impairment of non-financial assets

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

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

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

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statements of 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:

Category	Principal annual rate
Buildings	2.38%-10.00%
Machinery and moulds	9.50%-33.33%
Electronic equipment and others	9.50%-33.33%
Vehicles	9.50%-25.00%
Leasehold improvements	10.00%-33.33%
Freehold lands	0.00%

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

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

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

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of investment properties to its residual value over its estimated useful life. The principal annual rate used for this purpose is as follow:

Category	Principal annual rate
Buildings	3.17%

Any gains or losses on the retirement or disposal of an investment property are recognised in the statements of profit or loss in the year of the retirement or disposal.

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 asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software and others is stated at cost less any impairment losses and is amortised on the straight-line basis over their estimated useful lives of 5 to 10 years.

Patents and licenses

Patents and licenses are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 3 to 20 years.

Research and development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products commencing from the date when the products are put into commercial production.

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Leasehold land	30 to 60 years
Buildings	2 to 10 years
Machinery	2 to 4 years
Vehicles and others	2 to 5 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.

(b) Lease liabilities

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

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

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and machinery (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). It also applies the recognition exemption for leases of low-value assets to leases of machinery, vehicles and others that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets 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 terms term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 the statement of profit or loss when the asset is derecognised, modified or impaired.

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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 statements of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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

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

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

Impairment of financial assets

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

General approach

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

At the end of each of the Relevant Periods, 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 at the reporting date with the risk of a default occurring on the financial instrument 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.

The Group assesses on a forward looking basis the ECLs and the impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets 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 and contract assets 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

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, derivative financial instruments, interest-bearing bank loans and convertible bonds.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and bills payables, other payables and accruals and interest-bearing bank loans)

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

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

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statements of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Derecognition of financial liabilities

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

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, e.g. forward currency contracts to hedge its foreign currency risk. 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 the statement of profit or loss.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition comprises direct materials, direct labour and an appropriate proportion of overheads and are accounted for as follows:

Raw materials	Purchase cost on the weighted average basis
Finished goods and work in progress . . .	Cost of direct materials, labors and an appropriate proportion of manufacturing overheads based on the normal operating capacity

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

Provisions

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

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

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 of the Relevant Periods, 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 of the Relevant Periods 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, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods 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 of the Relevant Periods 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 of the Relevant Periods.

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 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.

Sales of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

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.

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

Contract liabilities

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

Share-based payments

The Company operates several equity-settled share-based compensation plans (the "Plans"). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model, further details of which are given in note 37 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfiled. 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 the statements of profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of that period.

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

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

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

Other employee benefits

Pension scheme

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

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.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

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

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

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. At the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT 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.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and the deductible temporary differences 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. Further details are contained in note 33 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

The Group calculates expected credit losses through default risk exposure and expected credit loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit loss experience, etc. and adjusts historical data based on current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, external market environment, technological environment and changes in customer situations. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of the Relevant Periods. 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.

Impairment of inventory

Inventories are stated at the lower of cost and net realisable value at the end of each reporting period. The net realisable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group make the best estimate on the net realisable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill was RMB419,379,000, RMB419,379,000, RMB417,052,000 and RMB417,052,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the valuation of recent transaction or a market-based valuation technique as detailed in note 47 to the Historical Financial Information. The valuation require 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. The fair value of the unlisted equity investments was RMB79,501,000, RMB80,266,000, RMB91,938,000 and RMB87,282,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

4. OPERATING SEGMENT INFORMATION

During the Relevant Periods, the Group was principally engaged in the manufacturing and sales of battery materials, organic fluorochemicals and electronic information chemicals in the PRC and overseas. The management of the Company reviews the operating results of the business as three operating segments to make strategic decisions and resources allocation. Therefore, the Group regards that there are three segments which are used to make strategic decisions as follows:

(a) Battery chemicals segment is primarily engaged in the research and development, manufacturing and sale of lithium-ion battery electrolytes, carbonate solvents, electrolyte additives, lithium salts, supercapacitor electrolytes and primary lithium battery electrolytes.

(b) Organic fluorochemicals segment is primarily engaged in the manufacturing and sale of organic fluorochemical products, which comprises fluorinated intermediates, fluorinated specialty monomers, fluorinated surfactants, fluorinated solvents, environmentally friendly insulating gases, and high-performance fluoropolymers including PTFE, PFA and PFSA.

(c) Electronic information chemicals segment is primarily engaged in the manufacturing and sale of capacitor electrolyte systems, solvents, additives, high purity chemicals, etching and cleaning solutions, high purity ammonium hydroxide, packaging materials, and conductive pastes.

(d) The "others" segment consists of the sale of cover plates and other functional materials.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment gross margin.

	Battery chemicals	Organic fluorochemicals	Electronic information chemicals	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Segment revenue					
Sales to external customers	5,053,113	1,425,415	939,390	54,501	7,472,419
Segment results	793,166	985,683	329,974	14,555	2,123,378
Reconciliation:					
Other income and gains					236,632
Selling and distribution expenses					(99,704)
Administrative expenses					(424,233)
Research and development expenses					(485,132)
Impairment losses on financial assets, net					(25,923)
Other expenses					(54,529)
Finance costs					(41,891)
Share of profits and losses of associates					(60,823)
Profit before tax					1,167,775

	Battery chemicals	Organic fluorochemicals	Electronic information chemicals	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Segment revenue					
Sales to external customers	5,115,623	1,528,765	1,134,169	57,124	7,835,681
Segment results	594,690	903,923	480,751	25,506	2,004,870
Reconciliation:					
Other income and gains					190,973
Selling and distribution expenses					(118,760)
Administrative expenses					(413,426)
Research and development expenses					(392,852)
Impairment losses on financial assets, net					(21,861)
Other expenses					(55,491)
Finance costs					(60,781)
Share of profits and losses of:					
Joint venture					402
Associates					(39,691)
Profit before tax					1,093,383

	Battery chemicals	Organic fluorochemicals	Electronic information chemicals	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025					
Segment revenue					
Sales to external customers	6,679,414	1,426,358	1,464,610	58,097	9,628,479
Segment results	687,231	853,434	695,821	16,782	2,253,268
Reconciliation:					
Other income and gains					231,736
Selling and distribution expenses					(149,077)
Administrative expenses					(467,170)
Research and development expenses					(501,872)
Impairment losses on financial assets, net					(64,647)
Other expenses					(61,897)
Finance costs					(77,093)
Share of profits and losses of:					
Joint ventures					122,680
Associates					(26,892)
Profit before tax					1,259,036

	Battery chemicals	Organic fluorochemicals	Electronic information chemicals	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Period ended 30 June 2025 (unaudited)					
Segment revenue					
Sales to external customers	2,815,372	721,855	679,177	26,094	4,242,498
Segment results	258,886	440,385	321,020	8,065	1,028,356
Reconciliation:					
Other income and gains					145,763
Selling and distribution expenses					(76,144)
Administrative expenses					(209,302)
Research and development expenses					(252,445)
Impairment losses on financial assets, net					(18,330)
Other expenses					(8,175)
Finance costs					(37,282)
Share of profits and losses of:					
Joint ventures					7,654
Associates					(12,132)
Profit before tax					567,963

	Battery chemicals	Organic fluorochemicals	Electronic information chemicals	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Period ended 30 June 2026					
Segment revenue					
Sales to external customers	5,748,190	708,296	956,280	42,548	7,455,314
Segment results	864,980	387,067	488,995	10,240	1,751,282
Reconciliation:					
Other income and gains					86,455
Selling and distribution expenses					(88,461)
Administrative expenses					(280,080)
Research and development expenses					(294,589)
Impairment losses on financial assets, net					(79,319)
Other expenses					(46,490)
Finance costs					(39,798)
Share of profits and losses of:					
Joint ventures					174,815
Associates					(12,130)
Profit before tax					1,171,685

The following table shows the Group's total consolidated revenue by location of customers:

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
PRC	5,585,081	5,891,039	8,013,368	3,357,169	6,619,821
Overseas	1,887,338	1,944,642	1,615,111	885,329	835,493
Total revenue	7,472,419	7,835,681	9,628,479	4,242,498	7,455,314

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

(b) Non-current assets

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PRC	6,319,110	6,761,354	7,535,385	8,093,183
Overseas	334,577	316,254	434,972	483,087
Total non-current assets	6,653,687	7,077,608	7,970,357	8,576,270

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

Information about major customers

Customers which accounted for 10% or more of the Group's total revenue for each of the Relevant Periods is set out below.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer A	949,726	871,744	1,333,873	547,602	1,164,284
Customer B	1,151,266	916,146	N/A*	N/A*	N/A*

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

The above amounts include sales to a group of entities which are known to be under common control with these customers.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers	7,472,419	7,835,681	9,628,479	4,242,498	7,455,314

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Types of goods or services					
Battery chemicals	5,053,113	5,115,623	6,679,414	2,815,372	5,748,190
Organic fluorochemicals	1,425,415	1,528,765	1,426,358	721,855	708,296
Electronic information chemicals	939,390	1,134,169	1,464,610	679,177	956,280
Others	54,501	57,124	58,097	26,094	42,548
Total	7,472,419	7,835,681	9,628,479	4,242,498	7,455,314
Timing of revenue recognition					
Transferred at a point in time	7,472,419	7,835,681	9,628,479	4,242,498	7,455,314

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sales of goods	83,090	16,351	19,783	18,919	43,536

(b) Performance obligations

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

Battery chemicals, organic fluorochemicals and electronic information chemicals

The Group mainly manufactures and sells a range of battery materials, organic fluorochemicals and electronic information chemicals. Revenue is recognised when control of the goods is transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 120 days from delivery, except for new customers, where payment in advance is normally required.

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income					
Bank interest income	59,746	80,238	77,799	40,134	31,766
Other interest income from financial assets at fair value from profit or loss	14,406	–	–	–	–
Government grants	57,755	35,248	46,147	24,091	17,699
Investment income	793	10,336	1,453	1,096	512
Gross rental income from operating leases	11,532	11,106	10,689	5,770	7,240
Others	32,909	49,134	52,514	31,888	22,831
Sub-total other income	177,141	186,062	188,602	102,979	80,048
Gains					
Gains on disposal of items of property, plant and equipment	427	–	–	13	1,557
Fair value gains on financial instruments at fair value through profit or loss	36,885	–	20,316	7,576	4,850

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Foreign exchange gains, net	22,179	4,911	22,818	35,195	–
Sub-total gains	59,491	4,911	43,134	42,784	6,407
Total other income and gains	236,632	190,973	231,736	145,763	86,455

6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of inventories sold*		5,349,041	5,830,811	7,375,211	3,214,142	5,704,032
Depreciation of property, plant and equipment	*13*	281,522	425,401	508,320	236,828	281,330
Depreciation of investment properties	*14*	3,031	3,031	3,031	1,515	1,497
Depreciation of right-of-use assets	*15(a)*	26,110	27,730	26,385	14,374	12,888
Amortisation of other intangible assets**	*16*	28,155	31,801	26,158	13,270	12,627
Research and development costs*:						
Deferred expenditure amortised		11,945	14,709	13,720	7,523	5,521
Current year expenditure		473,187	378,143	488,152	244,922	289,068
Impairment of goodwill	*22*	–	–	2,327	–	–
Lease payments not included in the measurement of lease liabilities	*15(c)*	11,222	6,918	7,936	4,633	7,110
Auditor's remuneration		3,854	3,948	4,046	400	826
Employee benefit expense (excluding directors' remuneration):						
Wages and salaries		470,927	498,030	582,988	279,230	354,471
Pension scheme contributions		73,223	89,005	105,955	52,961	59,193
Share-based payment expense		119,544	47,747	59,923	48,521	66,101
Total		663,694	634,782	748,866	380,712	479,765
Fair value change of financial instruments at fair value through profit or loss		(32,484)	27,460	(20,216)	(7,367)	(4,850)
Impairment of financial assets, net:						
Impairment of trade receivables, net	*24*	25,520	20,651	63,633	17,656	78,613
Impairment of financial assets included in prepayments, other receivables and other assets, net		403	1,210	172	674	488
Impairment of bills receivables, net		–	–	841	–	218
Bank interest income	*5*	(59,746)	(80,238)	(77,799)	(40,134)	(31,766)
Foreign exchange losses/(gains), net		(22,179)	(4,911)	(22,818)	(35,195)	27,528
Impairment of inventories**		15,242	36,444	40,226	22,485	16,090
Impairment of items of property, plant and equipment	*13*	988	7,797	14,216	65	–
Loss on disposal of items of property, plant and equipment		5,038	3,555	20,705	1,416	3,171
Forfeited deposit for land acquisition		20,733	–	4,836	–	–
Gain on disposal of a subsidiary***	*40*	–	(13,216)	–	–	–

* Cost of inventories sold and research and development costs include expenses relating to staff cost, depreciation and amortisation, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** The amortisation of patents and licence and impairment of inventories for the year are included in "Cost of sales" in the consolidated statements of profit or loss.

*** Gain on disposal of a subsidiary is included in "Other income and gains" in the consolidated statements of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on bank loans and convertible bonds	79,674	96,607	92,592	49,186	43,916
Interest on lease liabilities	1,344	1,100	1,265	512	390
Total interest expense	81,018	97,707	93,857	49,698	44,306
Less: Interest capitalised	(39,127)	(36,926)	(16,764)	(12,416)	(4,508)
Total	41,891	60,781	77,093	37,282	39,798

8. DIRECTORS' REMUNERATION

Directors' remuneration for the Relevant Periods and the six months ended 30 June 2025, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fees	671	783	920	398	463
Other emoluments:					
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	12,578	13,544	12,862	3,272	3,604
Share-based payment expenses	3,209	2,451	3,355	1,325	1,078
Sub-total	15,787	15,995	16,217	4,597	4,682
Total	16,458	16,778	17,137	4,995	5,145

During the Relevant Periods and the six months ended 30 June 2025, certain directors were granted restricted shares, in respect of their services to the Group, under the share-based payment plan, further details of which are set out in note 37 to the Historical Financial Information. The fair value of the share-based payment, which is recognised in the statements of profit or loss over the vesting period, was determined at the date of grant and the amount included in each of the Relevant Periods and the six months ended 30 June 2025 is included in the above directors' remuneration disclosures.

a. Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Mr. Wang Yong *(i)*	180	240	240	120	–
Mr. Dai Fengxiang *(ii)*	33	–	–	–	–
Mr. Zhang Xiaoling *(iii)*	175	200	200	100	–
Mr. Meng Hong *(iv)*	168	190	190	95	–
Mr. Liu Changqing *(v)*	–	–	–	–	115
Mr. Chen Guohua *(vi)*	–	–	–	–	95
Ms. Li Shengnan *(vii)*	–	–	–	–	105
Total	556	630	630	315	315

Notes:

(i) Mr. Wang Yong was appointed and resigned as an independent non-executive director of the Company on 18 April 2023 and 30 December 2025, respectively.

(ii) Mr. Dai Fengxiang resigned as an independent non-executive director of the Company upon expiry of his term of office on 18 April 2023.

(iii) Mr. Zhang Xiaoling was appointed and resigned as an independent non-executive director of the Company on 18 April 2023 and 30 December 2025, respectively.

(iv) Mr. Meng Hong was appointed and resigned as an independent non-executive director of the Company on 18 April 2023 and 30 December 2025, respectively.

(v) Mr. Liu Changqing was appointed as an independent non-executive director of the Company on 30 December 2025.

(vi) Mr. Chen Guohua was appointed as an independent non-executive director of the Company on 30 December 2025.

(vii) Ms. Li Shengnan was appointed as an independent non-executive director of the Company on 30 December 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025.

b. Executive and non-executive directors

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023				
Mr. Qin Jiusan	–	2,280	–	2,280
Mr. Zhou Dawen	23	1,643	–	1,666
Mr. Zheng Zhongtian	23	2,011	–	2,034
Ms. Zhong Meihong *(note i)*	23	1,417	–	1,440
Mr. Zhou Aiping	23	2,195	1,561	3,779
Mr. Xie Weidong	23	3,032	1,648	4,703
Total	115	12,578	3,209	15,902

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Mr. Qin Jiusan	–	2,272	–	2,272
Mr. Zhou Dawen	33	2,263	–	2,296
Mr. Zheng Zhongtian	30	2,410	–	2,440
Ms. Zhong Meihong *(note i)*	30	280	–	310
Mr. Zhou Aiping	30	2,452	258	2,740
Mr. Xie Weidong	30	3,867	2,193	6,090
Total	153	13,544	2,451	16,148

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025				
Mr. Qin Jiusan	–	2,773	–	2,773
Mr. Zhou Dawen	30	2,454	–	2,484
Mr. Zheng Zhongtian	30	2,517	–	2,547
Ms. Zhong Meihong *(note i)*	170	100	–	270
Mr. Zhou Aiping	30	1,948	1,091	3,069
Mr. Xie Weidong *(note ii)*	30	3,070	2,264	5,364
Mr. Wu Chengying *(note iii)*	–	–	–	–
Total	290	12,862	3,355	16,507

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)				
Mr. Qin Jiusan	–	624	–	624
Mr. Zhou Dawen	15	753	–	768
Mr. Zheng Zhongtian	15	689	–	704
Ms. Zhong Meihong *(note i)*	15	–	–	15
Mr. Zhou Aiping	15	679	341	1,035
Mr. Xie Weidong *(note ii)*	23	527	984	1,534
Mr. Wu Chengying *(note iii)*	–	–	–	–
Total	83	3,272	1,325	4,680

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026				
Mr. Qin Jiusan	–	972	–	972
Mr. Zhou Dawen	15	760	–	775
Mr. Zheng Zhongtian	15	733	–	748
Ms. Zhong Meihong *(note i)*	88	–	–	88
Mr. Zhou Aiping	15	730	710	1,455
Mr. Xie Weidong *(note ii)*	–	–	–	–
Mr. Wu Chengying *(note iii)*	15	409	368	792
Total	148	3,604	1,078	4,830

Notes:

(i) Ms. Zhong Meihong was redesignated as non-executive director with effect from 30 December 2025.

(ii) Mr. Xie Weidong was appointed and resigned as executive director of the Company on 18 April 2023 and 30 December 2025, respectively. He is still holding position in the Group and responsible for the business segment of organic fluorochemicals.

(iii) Mr. Wu Chengying was appointed as executive director of the Company on 30 December 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose remunerations were the highest in the Group for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 include 2, 2, 3, 2 and 1 directors, respectively, details of whose remuneration are set out in note 8(b) above. Details of the remunerations of the remaining 3, 3, 2, 3 and 4 individuals who are not directors of the Company during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	6,508	7,802	4,858	1,775	5,603
Share-based payment expenses	4,786	3,186	2,917	786	1,881
Total	11,294	10,988	7,775	2,561	7,484

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

	Number of employees				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
Nil to HK$1,000,000	–	–	–	2	–
HK$1,000,000 to HK$1,500,000	–	–	–	1	–
HK$1,500,000 to HK$2,000,000	–	–	–	–	1
HK$2,000,000 to HK$2,500,000	–	–	–	–	3
HK$2,500,000 to HK$3,000,000	–	–	–	–	–
HK$3,000,000 to HK$3,500,000	1	1	–	–	–
HK$3,500,000 to HK$4,000,000	–	1	–	–	–
HK$4,000,000 to HK$4,500,000	1	–	2	–	–
HK$4,500,000 to HK$5,000,000	1	–	–	–	–
HK$5,000,000 to HK$5,500,000	–	1	–	–	–
Total	3	3	2	3	4

During the Relevant Periods and the six months ended 30 June 2025, restricted shares were granted to non-director highest paid employees in respect of their services to the Group, under the share-based payment plan of the Company, further details of which are included in the disclosures in note 37 to the Historical Financial Information. The fair value of the share-based payment, which has been recognised in the statements of profit or loss over the vesting period, was determined at the date of grant and the amount included in the consolidated financial statements for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026 is included in the above non-director executive highest paid employees' remuneration disclosures.

10. INCOME TAX

PRC corporate income tax

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

During the Relevant Periods, the Company and certain of its subsidiaries were recognised as "High and New Technology Enterprise" ("HNTE"), and enjoyed a preferential income tax rate of 15%. The status of HNTE is subject to re-evaluation every three years. The renewal of the status was completed during the Relevant Periods.

Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions have been calculated on the estimated taxable profit for the Relevant Periods at the respective rates prevailing in the relevant jurisdictions, which are ranging from 9% to 24%.

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current – Chinese mainland					
Charge for the year/period	175,073	151,381	162,597	72,510	180,186
Under provision in prior years	6,626	5,845	3,995	1,029	13,853
Current – Overseas					
Charge for the year/period	–	–	2,271	–	–
Deferred *(note 33)*	(27,839)	(14,429)	(7,233)	(7,036)	(21,254)
Total	153,860	142,797	161,630	66,503	172,785

A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rates in Chinese mainland in which the Company is domiciled to the income tax expense at the effective tax rates are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit before tax	1,167,775	1,093,383	1,259,036	567,963	1,171,685
Tax at Chinese mainland statutory tax rate at 25%	291,944	273,346	314,759	141,991	292,921
Effect of preferential tax rates	(125,140)	(115,587)	(126,046)	(55,134)	(93,980)
Adjustments in respect of current tax of previous periods	6,626	5,845	3,995	1,029	13,853
Profits and losses attributable to joint ventures and associates	9,123	5,893	(14,368)	672	(24,403)
Income not subject to tax	(100)	(785)	(3,439)	(3,236)	8,715
Expenses not deductible for tax	2,244	13,923	10,622	6,303	3,564
Effect on opening deferred tax of changes in rates	7,202	(2,189)	(182)	–	200
Utilisation of tax losses not recognised in previous years	(168)	(1,552)	(65)	(1,865)	(3,594)
Unrecognised temporary differences and tax losses	35,271	21,746	40,985	6,515	14,715
Effect of super deduction for research and development costs	(73,142)	(57,843)	(64,631)	(29,772)	(39,206)
Tax charge at the Group's effective rate	153,860	142,797	161,630	66,503	172,785

The share of tax credit attributable to joint ventures amounting to nil, RMB402,000, RMB122,680,000, RMB7,654,000 and RMB174,815,000 in respect of the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2025 and 2026, respectively, are included in "Share of profits and losses of joint ventures" in the consolidated statements of profit or loss. The share of tax attributable to associates amounting to RMB60,823,000, RMB39,691,000, RMB26,892,000, RMB12,132,000 and RMB12,130,000 in respect of the years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2025 and 2026, respectively, are included in "Share of profits and losses of associates" in the consolidated statements of profit or loss.

11. DIVIDEND

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Proposed final	450,805	298,096	374,626	–	–

The final dividend of RMB0.60 (inclusive of tax), RMB0.40 (inclusive of tax) and RMB0.50 (inclusive of tax) for each ordinary share to all shareholders whose names were registered in the register of members and were entitled to participate in the distribution on the record date in respect of the years ended 31 December 2023, 2024 and 2025, respectively, were approved by the Annual General Meeting of the Company during the following year.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2025.

The calculation of the diluted earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year/period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

For the years ended 31 December 2023 and 2024, the restricted shares had no dilutive effect on the basic earnings per share amounts presented as the exercise prices of the restricted shares of the Company outstanding during the years are higher than the average market prices of the Company's ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Earnings					
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	1,014,035	940,432	1,096,058	490,280	984,807
Interest on convertible bonds	10,730	21,947	44,240	19,792	23,740
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	1,024,765	962,379	1,140,298	510,072	1,008,547

	Number of shares				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	*'000*	*'000*	*'000* *(unaudited)*	*'000*
Shares					
Weighted average number of ordinary shares used in the basic earnings per share calculation*	744,554	750,183	749,831	752,120	752,292
Effect of dilution					
Weighted average number of ordinary shares:					
Restricted shares	–	–	2,343	231	4,558
Convertible bonds	49,433	47,593	43,963	47,976	44,569
Total	793,987	797,776	796,137	800,327	801,419

* The weighted average number of shares was after taking into account the effect of treasury shares held.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold lands	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
As at 1 January 2023:								
Cost	11,200	929,393	1,396,960	198,852	32,462	1,343,486	149,139	4,061,492
Accumulated depreciation and impairment	–	(203,322)	(559,215)	(83,131)	(17,398)	–	(72,087)	(935,153)
Net carrying amount	11,200	726,071	837,745	115,721	15,064	1,343,486	77,052	3,126,339
As at 1 January 2023, net of accumulated depreciation and impairment	11,200	726,071	837,745	115,721	15,064	1,343,486	77,052	3,126,339
Additions	–	4,088	59,679	15,388	6,022	1,759,831	16,873	1,861,881
Disposals	–	(150)	(6,848)	(262)	(73)	–	–	(7,333)
Transfers	–	741,710	1,090,198	9,127	1,614	(1,861,823)	19,084	(90)
Depreciation charged	–	(56,573)	(156,291)	(32,860)	(6,130)	–	(29,668)	(281,522)
Impairment charged	–	–	–	–	–	(988)	–	(988)
Exchange realignment	1,573	1,615	(171)	22	–	–	–	3,039
As at 31 December 2023, net of accumulated depreciation and impairment	12,773	1,416,761	1,824,312	107,136	16,497	1,240,506	83,341	4,701,326
As at 31 December 2023:								
Cost	12,773	1,676,790	2,528,195	221,160	38,855	1,241,494	185,097	5,904,364
Accumulated depreciation and impairment	–	(260,029)	(703,883)	(114,024)	(22,358)	(988)	(101,756)	(1,203,038)
Net carrying amount	12,773	1,416,761	1,824,312	107,136	16,497	1,240,506	83,341	4,701,326

	Freehold lands	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024								
As at 1 January 2024:								
Cost	12,773	1,676,790	2,528,195	221,160	38,855	1,241,494	185,097	5,904,364
Accumulated depreciation and impairment	–	(260,029)	(703,883)	(114,024)	(22,358)	(988)	(101,756)	(1,203,038)
Net carrying amount	12,773	1,416,761	1,824,312	107,136	16,497	1,240,506	83,341	4,701,326
As at 1 January 2024, net of accumulated depreciation and impairment	12,773	1,416,761	1,824,312	107,136	16,497	1,240,506	83,341	4,701,326
Additions	10,034	–	34,926	23,559	4,979	947,529	7,707	1,028,734
Acquisition of a subsidiary *(Note 15(a))*	–	–	327	54	–	–	–	381
Disposals	–	(417)	(4,383)	(680)	(208)	–	–	(5,688)
Transfers	–	389,539	571,991	8,648	242	(997,008)	25,661	(927)
Depreciation charged	–	(80,778)	(270,956)	(36,566)	(6,055)	–	(31,046)	(425,401)
Impairment charged	–	–	(7,644)	–	–	(153)	–	(7,797)
Disposal of a subsidiary	–	(2,224)	(62)	(20)	–	–	–	(2,306)
Exchange realignment	(360)	(2,728)	(4,027)	(63)	(17)	–	–	(7,195)
As at 31 December 2024, net of accumulated depreciation and impairment	22,447	1,720,153	2,144,484	102,068	15,438	1,190,874	85,663	5,281,127
As at 31 December 2024:								
Cost	22,447	2,057,690	3,111,379	250,105	43,260	1,192,015	218,465	6,895,361
Accumulated depreciation and impairment	–	(337,537)	(966,895)	(148,037)	(27,822)	(1,141)	(132,802)	(1,614,234)
Net carrying amount	22,447	1,720,153	2,144,484	102,068	15,438	1,190,874	85,663	5,281,127

	Freehold lands	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025								
As at 1 January 2025:								
Cost	22,447	2,057,690	3,111,379	250,105	43,260	1,192,015	218,465	6,895,361
Accumulated depreciation and impairment	–	(337,537)	(966,895)	(148,037)	(27,822)	(1,141)	(132,802)	(1,614,234)
Net carrying amount	22,447	1,720,153	2,144,484	102,068	15,438	1,190,874	85,663	5,281,127
As at 1 January 2025, net of accumulated depreciation and impairment	22,447	1,720,153	2,144,484	102,068	15,438	1,190,874	85,663	5,281,127
Additions	–	4,072	60,973	37,958	6,175	779,749	7,207	896,134
Reclassified	–	–	(27,048)	24,886	2,162	–	–	–
Disposal	–	(1,127)	(16,471)	(473)	(337)	(1,152)	–	(19,560)
Depreciation charged	–	(99,978)	(313,314)	(44,668)	(6,582)	–	(43,778)	(508,320)
Impairment charged	–	(624)	(6,774)	(168)	(5)	(6,645)	–	(14,216)
Transfers	–	154,557	762,325	9,357	2,179	(972,622)	43,375	(829)
Exchange realignment	1,117	14,181	14,635	360	111	–	–	30,404
As at 31 December 2025, net of accumulated depreciation and impairment	23,564	1,791,234	2,618,810	129,320	19,141	990,204	92,467	5,664,740

	Freehold lands	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025:								
Cost	23,564	2,229,813	3,838,756	319,848	50,723	996,849	269,047	7,728,600
Accumulated depreciation and impairment	–	(438,579)	(1,219,946)	(190,528)	(31,582)	(6,645)	(176,580)	(2,063,860)
Net carrying amount	23,564	1,791,234	2,618,810	129,320	19,141	990,204	92,467	5,664,740

	Freehold lands	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2026								
As at 1 January 2026:								
Cost	23,564	2,229,813	3,838,756	319,848	50,723	996,849	269,047	7,728,600
Accumulated depreciation and impairment	–	(438,579)	(1,219,946)	(190,528)	(31,582)	(6,645)	(176,580)	(2,063,860)
Net carrying amount	23,564	1,791,234	2,618,810	129,320	19,141	990,204	92,467	5,664,740
As at 1 January 2026, net of accumulated depreciation and impairment	23,564	1,791,234	2,618,810	129,320	19,141	990,204	92,467	5,664,740
Additions	–	10,701	36,348	51,198	4,127	611,613	3,722	717,709
Transfer from investment properties	–	5,457	–	–	–	–	–	5,457
Disposal	–	(44)	(4,725)	(186)	(91)	–	–	(5,046)
Depreciation charged	–	(53,445)	(180,040)	(26,019)	(3,473)	–	(18,353)	(281,330)
Transfers	–	142,576	169,779	33,612	239	(349,956)	3,750	–
Exchange realignment	(1,274)	(9,977)	(9,574)	(340)	(81)	–	–	(21,246)
As at 30 June 2026, net of accumulated depreciation and impairment	22,290	1,886,502	2,630,598	187,585	19,862	1,251,861	81,586	6,080,284
As at 30 June 2026:								
Cost	22,290	2,378,298	4,008,982	402,848	53,284	1,258,506	276,519	8,400,727
Accumulated depreciation and impairment	–	(491,796)	(1,378,384)	(215,263)	(33,422)	(6,645)	(194,933)	(2,320,443)
Net carrying amount	22,290	1,886,502	2,630,598	187,585	19,862	1,251,861	81,586	6,080,284

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Group's buildings with an aggregate net carrying amount of approximately RMB186,763,000, RMB78,779,000, RMB18,873,000 and RMB9,865,000, respectively, did not have property ownership certificates registered under the names of the Company and its respective subsidiaries. The Group was in the process of applying for the property ownership certificates for the respective buildings.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Group's buildings, machinery and moulds with an aggregate net carrying amount of approximately nil, RMB395,673,000, RMB445,271,000 and RMB538,019,000 were mortgaged to secure certain interest-bearing bank loans of the Group.

The Company

	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
As at 1 January 2023:							
Cost	63,427	115,439	23,567	9,939	1,926	29,491	243,789
Accumulated depreciation and impairment	(11,567)	(38,222)	(16,099)	(7,099)	–	(14,748)	(87,735)
Net carrying amount	51,860	77,217	7,468	2,840	1,926	14,743	156,054
As at 1 January 2023, net of accumulated depreciation and impairment	51,860	77,217	7,468	2,840	1,926	14,743	156,054
Additions	–	15,239	2,207	1,099	5,785	1,012	25,342
Disposal	–	(315)	(55)	(46)	–	–	(416)
Transfers	–	6	–	–	(6)	–	–
Depreciation charged	(2,737)	(15,436)	(1,842)	(851)	–	(5,474)	(26,340)
As at 31 December 2023, net of accumulated depreciation and impairment	49,123	76,711	7,778	3,042	7,705	10,281	154,640
As at 31 December 2023:							
Cost	63,427	129,016	25,062	10,116	7,705	30,503	265,829
Accumulated depreciation and impairment	(14,304)	(52,305)	(17,284)	(7,074)	–	(20,222)	(111,189)
Net carrying amount	49,123	76,711	7,778	3,042	7,705	10,281	154,640

	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
As at 1 January 2024:							
Cost	63,427	129,016	25,062	10,116	7,705	30,503	265,829
Accumulated depreciation	(14,304)	(52,305)	(17,284)	(7,074)	–	(20,222)	(111,189)
Net carrying amount	49,123	76,711	7,778	3,042	7,705	10,281	154,640
As at 1 January 2024, net of accumulated depreciation and impairment	49,123	76,711	7,778	3,042	7,705	10,281	154,640
Additions	–	25,100	39,690	904	10,739	245	76,678
Disposals	–	(11,252)	(127)	(299)	–	–	(11,678)
Transfers	2,124	5,381	4,645	–	(18,444)	5,545	(749)
Depreciation charged	(2,802)	(17,238)	(7,559)	(886)	–	(4,213)	(32,698)
Impairment charged	–	(7,644)	–	–	–	–	(7,644)
As at 31 December 2024, net of accumulated depreciation and impairment	48,445	71,058	44,427	2,761	–	11,858	178,549
As at 31 December 2024:							
Cost	65,551	144,126	68,636	10,319	–	36,293	324,925
Accumulated depreciation and impairment	(17,106)	(73,068)	(24,209)	(7,558)	–	(24,435)	(146,376)
Net carrying amount	48,445	71,058	44,427	2,761	–	11,858	178,549

	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
As at 1 January 2025:							
Cost	65,551	144,126	68,636	10,319	–	36,293	324,925
Accumulated depreciation and impairment	(17,106)	(73,068)	(24,209)	(7,558)	–	(24,435)	(146,376)
Net carrying amount	48,445	71,058	44,427	2,761	–	11,858	178,549
As at 1 January 2025, net of accumulated depreciation and impairment	48,445	71,058	44,427	2,761	–	11,858	178,549
Additions	–	6,012	20,688	1,255	886	429	29,270
Reclassified	–	(16,718)	16,718	–	–	–	–
Disposal	(2,921)	(7,096)	(265)	(297)	–	–	(10,579)
Transfers	–	–	–	–	(836)	836	–
Depreciation charged	–	(14,492)	(19,279)	(837)	–	(4,143)	(38,751)
As at 31 December 2025, net of accumulated depreciation and impairment	45,524	38,764	62,289	2,882	50	8,980	158,489
As at 31 December 2025:							
Cost	65,551	102,279	110,420	11,258	50	37,558	327,116
Accumulated depreciation and impairment	(20,027)	(63,515)	(48,131)	(8,376)	–	(28,578)	(168,627)
Net carrying amount	45,524	38,764	62,289	2,882	50	8,980	158,489

	Buildings	Machinery and moulds	Electronic equipments and others	Vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2026							
As at 1 January 2026:							
Cost	65,551	102,279	110,420	11,258	50	37,558	327,116
Accumulated depreciation and impairment	(20,027)	(63,515)	(48,131)	(8,376)	–	(28,578)	(168,627)
Net carrying amount	45,524	38,764	62,289	2,882	50	8,980	158,489
As at 1 January 2026, net of accumulated depreciation and impairment	45,524	38,764	62,289	2,882	50	8,980	158,489
Additions	–	7,365	39,226	343	–	–	46,934
Transfer from investment properties	5,457	–	–	–	–	–	5,457
Disposal	–	(463)	(135)	(76)	–	–	(674)
Depreciation charged	(1,478)	(5,592)	(11,851)	(416)	–	(1,976)	(21,313)
As at 30 June 2026, net of accumulated depreciation and impairment	49,503	40,074	89,529	2,733	50	7,004	188,893
As at 30 June 2026:							
Cost	72,603	108,623	149,306	10,072	50	37,558	378,212
Accumulated depreciation and impairment	(23,100)	(68,549)	(59,777)	(7,339)	–	(30,554)	(189,319)
Net carrying amount	49,503	40,074	89,529	2,733	50	7,004	188,893

14. INVESTMENT PROPERTIES

The Group and the Company

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period				
Cost	98,720	98,720	98,720	98,720
Accumulated depreciation	(11,957)	(14,988)	(18,019)	(21,050)
Net carrying amount	86,763	83,732	80,701	77,670
At the beginning of the year/period, net of accumulated depreciation	86,763	83,732	80,701	77,670
Depreciation provided during the year/period	(3,031)	(3,031)	(3,031)	(1,497)
Transfer to property, plant and equipment	–	–	–	(5,457)
At the end of the year/period, net of accumulated depreciation	83,732	80,701	77,670	70,716
At the end of the year/period				
Cost	98,720	98,720	98,720	91,669
Accumulated depreciation	(14,988)	(18,019)	(21,050)	(20,953)
Net carrying amount	83,732	80,701	77,670	70,716

The Group's investment properties consist of one commercial property in Chinese mainland. The commercial property is leased to third party under an operating lease, further summary details of which are included in note 15 to the Historical Financial Information. At 30 June 2026, the fair value of the investment properties was approximately RMB150,000,000, based on their existing use with reference to a valuation performed by management, as at that date. The fair value measurement is categorised within Level 3 of the fair value hierarchy.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings and machinery, vehicles and others used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods between 30 and 60 years in the Chinese mainland, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 2 and 10 years, machinery and equipment between 2 and 4 years, while vehicles and others generally have a lease term between 2 and 5 years.

(a) Right-of-use assets

The Group

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

	Leasehold land	Buildings	Machinery	Vehicles and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	620,531	20,598	7,898	1,516	650,543
Additions	61,851	3,814	354	964	66,983
Depreciation charged	(14,753)	(6,920)	(3,537)	(900)	(26,110)
Disposal	(7,474)	(45)	–	–	(7,519)

	Leasehold land	Buildings	Machinery	Vehicles and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023 and 1 January 2024	660,155	17,447	4,715	1,580	683,897
Additions	90,143	3,356	3,095	301	96,895
Acquisition of a subsidiary *(note i)*	32,524	–	–	–	32,524
Depreciation charged	(16,694)	(6,677)	(3,365)	(994)	(27,730)
Disposal	(69,156)	(380)	–	–	(69,536)
As at 31 December 2024 and 1 January 2025	696,972	13,746	4,445	887	716,050
Additions	1,302	4,877	5,030	976	12,185
Depreciation charged	(16,748)	(5,711)	(2,937)	(989)	(26,385)
Disposal	(31,316)	(3,460)	–	–	(34,776)
As at 31 December 2025 and 1 January 2026	650,210	9,452	6,538	874	667,074
Additions	64,874	2,304	2,156	305	69,639
Depreciation charged	(8,330)	(2,850)	(1,233)	(475)	(12,888)
Disposal	(30,264)	–	–	–	(30,264)
Exchange realignment	(1,217)	(10)	–	–	(1,227)
As at 30 June 2026	675,273	8,896	7,461	704	692,334

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Group's leasehold land with an aggregate net carrying amount of approximately nil, RMB58,838,000, RMB57,618,000 and RMB27,730,000, respectively, did not have land use right certificates registered under the names of the respective subsidiaries of the Group. The Group was in the process of obtaining the respective land use right certificates as at 30 June 2026.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, certain of the Group's leasehold land with aggregate net carrying amounts of approximately nil, RMB35,262,000, RMB34,472,000 and RMB34,076,000 were mortgaged to secure certain interest-bearing bank loans of the Group.

During six months ended 30 June 2026, certain of the Group's leasehold land with aggregate net carrying values of approximately RMB12,480,000 were judicially seized pursuant to a litigation related to additional claim from a constructor of a construction project of the Group during the year ended 31 December 2025.

Note: During the year ended 31 December 2024, pursuant to the capital reduction agreement between the Group and the other investee of Fujian Yongrui New Material Co., Ltd, the then associate of the Group, the other investee agreed to forfeit its interest in the then associate and not contribute any capital. Accordingly, this constituted a deemed acquisition of a subsidiary which was considered as an asset acquisition because the entity was inactive.

The Company

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

	Leasehold land	Buildings	Machinery	Vehicles and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	42,968	11,279	339	177	54,763
Additions	–	3,814	–	–	3,814
Depreciation charged	(1,989)	(4,554)	(239)	(42)	(6,824)

	Leasehold land	Buildings	Machinery	Vehicles and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023 and 1 January 2024	40,979	10,539	100	135	51,753
Additions	–	1,230	–	–	1,230
Depreciation charged	(1,989)	(4,778)	(100)	(42)	(6,909)
Disposal	–	(380)	–	–	(380)
As at 31 December 2024 and 1 January 2025	38,990	6,611	–	93	45,694
Additions	–	2,964	–	–	2,964
Depreciation charged	(1,989)	(3,797)	–	(42)	(5,828)
Disposal	–	(933)	–	–	(933)
As at 31 December 2025 and 1 January 2026	37,001	4,845	–	51	41,897
Additions	–	1,718	–	–	1,718
Depreciation charged	(995)	(1,846)	–	(21)	(2,862)
As at 30 June 2026	36,006	4,717	–	30	40,753

(b) Lease liabilities

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

The Group

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	30,972	24,177	20,365	18,025
New leases	5,132	6,752	10,883	4,736
Accretion of interest recognised during the year/period	1,344	1,100	1,265	390
Payments	(13,271)	(11,218)	(10,678)	(4,503)
Early cancellation of leases	–	(446)	(3,810)	(53)
Exchange realignment	–	–	–	(10)
Carrying amount at the end of the year/period	24,177	20,365	18,025	18,585
Analysed into:				
Current portion	9,021	9,426	7,319	8,532
Non-current portion	15,156	10,939	10,706	10,053

Included in the above balances are the following balances with related party:

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	773	535	–	–

The Company

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	12,094	10,982	7,479	5,715
New leases	3,814	1,230	2,964	1,718
Accretion of interest recognised during the year/period	665	422	305	117
Payments	(5,591)	(4,803)	(4,152)	(2,144)
Early cancellation of leases	–	(352)	(881)	(53)
Carrying amount at the end of the year/period	10,982	7,479	5,715	5,353
Analysed into:				
Current portion	4,648	3,584	3,771	3,492
Non-current portion	6,334	3,895	1,944	1,861

Included in the above balances are the following balances with related party:

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	773	535	–	–

The maturity analysis of lease liabilities is disclosed in note 48 to the Historical Financial Information.

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

The Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on lease liabilities	1,344	1,100	1,265	512	390
Depreciation of right-of-use assets	26,110	27,730	26,385	14,374	12,888
Expense relating to short-term leases and leases of low-value assets	11,222	6,918	7,936	4,633	7,110
Total amount recognised in profit or loss	38,676	35,748	35,586	19,519	20,388

(d) The total cash outflow for leases are disclosed in note 41(c) to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

The Group

	Patents and licences	Software	Capitalised development expenditures	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023:				
Cost	183,629	17,764	4,084	205,477
Accumulated amortisation and impairment	(118,915)	(9,885)	–	(128,800)
Net carrying amount	64,714	7,879	4,084	76,677
As at 1 January 2023, net of accumulated amortisation and impairment	64,714	7,879	4,084	76,677
Additions	53,367	15,562	3,378	72,307
Additions – internal development	2,790	–	(2,790)	–
Transfer from construction in progress	–	90	–	90
Disposals	(5,873)	(1)	–	(5,874)
Amortisation charged	(24,825)	(3,330)	–	(28,155)
Reversal of impairment during the year	5,885	–	–	5,885
As at 31 December 2023, net of accumulated amortisation and impairment	96,058	20,200	4,672	120,930
As at 31 December 2023 and 1 January 2024:				
Cost	233,439	33,384	4,672	271,495
Accumulated amortisation and impairment	(137,381)	(13,184)	–	(150,565)
Net carrying amount	96,058	20,200	4,672	120,930
As at 1 January 2024, net of accumulated amortisation and impairment	96,058	20,200	4,672	120,930
Additions	2,269	6,234	46,280	54,783
Additions – internal development	32,041	–	(32,041)	–
Transfer from construction in progress	–	927	–	927
Disposals	(9)	–	–	(9)
Amortisation charged	(26,258)	(5,543)	–	(31,801)
As at 31 December 2024, net of accumulated amortisation and impairment	104,101	21,818	18,911	144,830
As at 31 December 2024 and 1 January 2025:				
Cost	267,739	40,546	18,911	327,196
Accumulated amortisation and impairment	(163,638)	(18,728)	–	(182,366)
Net carrying amount	104,101	21,818	18,911	144,830

	Patents and licences	Software	Capitalised development expenditures	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025, net of accumulated amortisation and impairment	104,101	21,818	18,911	144,830
Additions	1,230	7,047	48,733	57,010
Additions – internal development	21,912	–	(21,912)	–
Amortisation charged	(19,281)	(6,877)	–	(26,158)
Disposal	–	(614)	–	(614)
Transfer from construction in progress	144	685	–	829
Exchange realignment	–	1	–	1
As at 31 December 2025, net of accumulated amortisation and impairment	108,106	22,060	45,732	175,898
As at 31 December 2025 and 1 January 2026:				
Cost	290,725	47,167	45,732	383,624
Accumulated amortisation and impairment	(182,619)	(25,107)	–	(207,726)
Net carrying amount	108,106	22,060	45,732	175,898
As at 1 January 2026, net of accumulated amortisation and impairment	108,106	22,060	45,732	175,898
Additions	54	4,821	10,204	15,079
Additions – internal development	8,454	–	(8,454)	–
Amortisation charged	(8,444)	(4,183)	–	(12,627)
Transfer from construction in progress	–	200	–	200
Exchange realignment	–	(5)	–	(5)
As at 30 June 2026, net of accumulated amortisation and impairment	108,170	22,893	47,482	178,545
As at 30 June 2026:				
Cost	299,233	52,178	47,482	398,893
Accumulated amortisation and impairment	(191,063)	(29,285)	–	(220,348)
Net carrying amount	108,170	22,893	47,482	178,545

The Company

	Patents and licences	Software	Capitalised development expenditures	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023:				
Cost	57,002	9,161	2,090	68,253
Accumulated amortisation and impairment	(29,167)	(5,571)	–	(34,738)
Net carrying amount	27,835	3,590	2,090	33,515
As at 1 January 2023, net of accumulated amortisation and impairment	27,835	3,590	2,090	33,515
Additions	48,496	13,897	3,378	65,771
Additions – internal development	2,790	–	(2,790)	–
Amortisation charged	(9,976)	(2,740)	–	(12,716)
Impairment charged	5,885	–	–	5,885
Disposal	(8,018)	(1)	–	(8,019)
As at 31 December 2023, net of accumulated amortisation and impairment	67,012	14,746	2,678	84,436
As at 31 December 2023 and 1 January 2024:				
Cost	99,822	23,056	2,678	125,556
Accumulated amortisation and impairment	(32,810)	(8,310)	–	(41,120)
Net carrying amount	67,012	14,746	2,678	84,436
As at 1 January 2024, net of accumulated amortisation and impairment	67,012	14,746	2,678	84,436
Additions	–	5,071	12,683	17,754
Additions – internal development	4,643	–	(4,643)	–
Transfer from construction in progress	–	749	–	749
Amortisation charged	(14,054)	(4,604)	–	(18,658)
As at 31 December 2024, net of accumulated amortisation and impairment	57,601	15,962	10,718	84,281
As at 31 December 2024 and 1 January 2025:				
Cost	104,466	28,876	10,718	144,060
Accumulated amortisation and impairment	(46,865)	(12,914)	–	(59,779)
Net carrying amount	57,601	15,962	10,718	84,281

	Patents and licences	Software	Capitalised development expenditures	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025, net of accumulated amortisation and impairment	57,601	15,962	10,718	84,281
Additions	22	6,364	32,186	38,572
Additions – internal development	852	–	(852)	–
Disposal	–	(225)	–	(225)
Amortisation charged	(12,473)	(5,811)	–	(18,284)
As at 31 December 2025, net of accumulated amortisation and impairment	46,002	16,290	42,052	104,344
As at 31 December 2025 and 1 January 2026:				
Cost	105,340	34,757	42,052	182,149
Accumulated amortisation and impairment	(59,338)	(18,467)	–	(77,805)
Net carrying amount	46,002	16,290	42,052	104,344
As at 1 January 2026, net of accumulated amortisation and impairment	46,002	16,290	42,052	104,344
Additions	1	3,840	6,079	9,920
Additions – internal development	6,567	–	(6,567)	–
Amortisation charged	(4,278)	(3,331)	–	(7,609)
As at 30 June 2026, net of accumulated amortisation and impairment	48,292	16,799	41,564	106,655
As at 30 June 2026:				
Cost	111,908	38,597	41,564	192,069
Accumulated amortisation and impairment	(63,616)	(21,798)	–	(85,414)
Net carrying amount	48,292	16,799	41,564	106,655

17. INVESTMENT IN JOINT VENTURES

The Group

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	–	35,798	491,933	677,076

The Company

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	–	35,825	491,933	677,076

The Group's trade receivable and payable balances with the joint ventures are disclosed in notes 24, 28 and 29 to the Historical Financial Information, respectively.

Particulars of the Group's and the Company's major joint venture is as follow:

Name	Registered paid-in capital	Place of registration and business	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Shilei Fluorine Materials	RMB200,000,000	PRC/Chinese mainland	42.83	42.83	42.83	Manufacture of industrial products

The above investment is directly held by the Company.

The following table illustrates the summarised financial information in respect of Shilei Fluorine Materials, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	–	7,160	3,380	63,057
Current assets	–	876,803	1,464,187	1,971,852
Non-current assets	–	498,413	478,524	515,444
Total assets	–	1,375,216	1,942,711	2,487,296
Current liabilities	–	712,966	804,061	910,252
Non-current liabilities	–	153,350	25,573	54,794
Total liabilities	–	866,316	829,634	965,046
Net assets	–	508,900	1,113,077	1,522,250
Non-controlling interests	–	1,721	1,731	1,731
Owners of the parent	–	507,179	1,111,346	1,520,519
Reconciliation to the Group's interest in the joint venture:				
Proportion of the Group's ownership	–	6.97%	42.83%	42.83%
Group's share of net assets of the joint venture	–	35,798	475,935	651,164

	Year ended 31 December			Six months period ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	128,730	1,867,979	1,713,102
Finance costs	–	(1,450)	(6,980)	6,246
Profit before tax	–	802	325,008	481,684
Income tax credit/(expense)	–	1,171	(32,779)	(73,453)
Profit and total comprehensive income for the year/period	–	1,973	292,229	408,231

The investment in Shilei Fluorine Materials has been completed through three capital contributions. According to the capital contribution agreement, from the first completion date, shareholders could exercise their voting rights in accordance with the proportion of agreed capital contribution and entitle their profit sharing in accordance with the proportion of paid-in capital contribution. As at 30 June 2026, the Company entitled 42.8251% voting rights and profit sharing.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the joint venture' loss for the year/period	–	–	(2)	(10)
Share of the joint venture' total comprehensive loss for the year/period	–	–	(2)	(10)
Aggregate carrying amount of the Group's investments in the joint venture	–	–	15,998	25,912

18. INVESTMENTS IN ASSOCIATES

The Group

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	233,339	166,490	172,122	159,992
Goodwill on acquisition	49,345	49,345	49,345	49,345
Total	282,684	215,835	221,467	209,337

The Company

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	232,993	166,490	172,122	159,992
Goodwill on acquisition	49,345	49,345	49,345	49,345
Total	282,338	215,835	221,467	209,337

The Group's trade receivable and payable balances with the associates are disclosed in notes 24, 28 and 29 to the Historical Financial Information, respectively.

Particulars of the Group's material associate is as follows:

Name	Registered paid-in capital	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Fujian Yongjing Technology Co., Ltd. ("Fujian Yongjing") *	RMB146,200,000	PRC/Chinese mainland	24.03	Manufacture of industrial products

* Fujian Yongjing was not an individually material associate at 31 December 2025 and 30 June 2026.

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

	31 December	
	2023	2024
	RMB'000	*RMB'000*
Current assets	478,754	337,673
Non-current assets	1,263,906	1,248,045
Total assets	1,742,660	1,585,718
Current liabilities	914,988	924,986
Non-current liabilities	23,042	28,146
Total liabilities	938,030	953,132
Net assets	804,630	632,586
Non-controlling interests	41,899	13,941
Owners of the parent	762,731	618,645
Reconciliation to the Group's interest in the associates:		
Proportion of the Group's ownership	24.03%	24.03%
Group's share of net assets of the associate	183,378	148,661
Goodwill on acquisition	49,345	49,345
Carrying amount of the investment	232,723	198,006
Revenue	1,016,332	833,198
Loss for the year	(157,955)	(144,337)
Total comprehensive loss for the year	(157,955)	(144,337)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' loss for the year/period	(4,268)	(3,541)	(26,892)	(12,130)
Share of the associates' total comprehensive loss for the year/period	(4,268)	(3,541)	(26,892)	(12,130)
Aggregate carrying amount of the Group's investments in the associates	49,961	17,829	221,467	209,337

19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
Listed equity investments, at fair value	202,481	240,100	111,335	117,309
Unlisted equity investments, at fair value	79,501	80,266	91,938	87,282
Total	281,982	320,366	203,273	204,591

The Company

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
Listed equity investments, at fair value	202,481	240,100	111,335	90,201
Unlisted equity investments, at fair value	79,501	80,266	91,938	87,282
Total	281,982	320,366	203,273	177,483

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.

In 2025, the Group sold part of its equity interests in listed equity investments as these investment no longer coincided with the Group's investment strategy. The fair value on the date of disposal was RMB211,946,000 and the accumulated gain recognised in other comprehensive income of RMB167,727,000 was transferred to retained profits.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	Note	31 December			30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion					
Prepayments for acquisition of property, plants and equipment and right-of-use assets		313,523	148,738	205,921	174,884
Deferred expenses		18,216	32,634	42,853	71,264
Deposit to supplier		30,000	–	–	–
Other long-term receivables		–	2,516	5,749	4,778
Total non-current portion		361,739	183,888	254,523	250,926
Current portion					
Prepayments		61,830	58,959	80,700	100,273
Loans to employees		5,013	5,756	13,192	13,792
Deductible value-added tax		206,823	174,697	174,827	199,570
Prepaid income tax		1,526	10,358	4,657	1,483
Deferred expenses		6,617	6,870	13,303	16,033
Deposits and other receivables	*(a)*	18,947	43,813	54,765	55,872
Impairment allowance		(1,085)	(2,125)	(2,290)	(2,770)
Total current portion		299,671	298,328	339,154	384,253

The Company

	Note	31 December 2023	31 December 2024	31 December 2025	30 June 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion					
Prepayments for acquisition of property, plants and equipment		13,323	2,645	9,580	27,863
Deferred expenses		1,280	7,054	6,039	7,834
Long-term loans to subsidiaries		884,087	1,348,785	1,365,752	1,289,115
Deposit to supplier		30,000	–	–	–
Total non-current portion		928,690	1,358,484	1,381,371	1,324,812
Current portion					
Prepayments		13,751	6,244	17,646	35,758
Loans to subsidiaries		185,936	656,362	421,537	553,037
Loans to employees		5,013	5,756	9,442	9,442
Due from subsidiaries		26,557	19,848	22,454	7,915
Value-added-tax recoverable		1,804	113	–	86
Prepaid income tax		–	7,498	106	321
Deferred expenses		352	899	830	840
Deposits and other receivables	*(a)*	4,256	28,344	7,746	9,670
Impairment allowance		(455)	(1,511)	(242)	(367)
Total current portion		237,214	723,553	479,519	616,702

Deposits and other receivables mainly represent rental deposits, security deposits and deposits with suppliers, which are generally short-term in nature and subject to credit risk from counterparties. The Group applies the expected credit loss ("ECL") model under IFRS 9 to financial assets measured at amortised cost. The provision for ECLs is calculated as a percentage of the carrying amount of receivables, based on a forward-looking assessment of credit risk.

In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied where there were no comparable companies as at 31 December 2023, 2024, 2025 and 30 June 2026 was 4.72%, 4.42%, 3.44% and 4.06%, respectively.

Note:

(a) The carrying amount with related parties included in the above balances are as follows:

The Group

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	–	–	–	260
Joint ventures and their subsidiaries	–	10,000	50	50
Total	–	10,000	50	310

The Company

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	–	–	–	259
Joint ventures and their subsidiaries	–	10,000	50	50
Total	–	10,000	50	309

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity investments, at fair value	108,949	56,908	65,397	63,886
Other unlisted investments, at fair value	882,196	625,832	394,592	702,839
Total	991,145	682,740	459,989	766,725

The listed equity investments of the Group were classified as financial assets at fair value through profit or loss as they were held for trading.

The other unlisted investments of the Group and the Company were mainly structured deposits issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other unlisted investments, at fair value	658,057	350,593	250,274	330,461

22. GOODWILL

	RMB'000
As at 1 January 2023, 31 December 2023 and 31 December 2024:	
Cost	419,379
Accumulated impairment	–
Net carrying amount	419,379
As at 1 January 2025:	
Cost	419,379
Accumulated impairment	–
Net carrying amount	419,379

	RMB'000
As at 1 January 2025, net of accumulated impairment	419,379
Impairment during the year	(2,327)
As at 31 December 2025, net of accumulated impairment	417,052
As at 31 December 2025:	
Cost	419,379
Accumulated impairment	(2,327)
Net carrying amount	417,052
As at 1 January 2026, net of accumulated impairment	417,052
Impairment during the period	–
As at 30 June 2026, net of accumulated impairment	417,052
As at 30 June 2026:	
Cost	419,379
Accumulated impairment	(2,327)
Net carrying amount	417,052

Impairment testing of goodwill

The amounts of goodwill allocated to the CGUs are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sanming Hexafluo Organic Fluorochemicals cash-generating unit	376,797	376,797	376,797
Jiangsu Hicomer Battery Materials cash-generating unit	21,345	21,345	21,345
Nantong Top Electronic Capacitor Materials cash-generating unit	9,375	9,375	9,375
Hexafluo (Shenzhen) Organic Fluorochemicals cash-generating unit	8,616	8,616	8,616
Novolyte Battery Materials (Suzhou) cash-generating unit	2,327	2,327	–
Nantong Capchem Capacitor Materials cash-generating unit	919	919	919
Total	419,379	419,379	417,052

Goodwill is tested by management of the Company for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of the CGUs has been determined based on a value in use ("VIU") calculation. That calculation uses cash flow projections based on financial budgets covering a five-year period approved by senior management.

For Sanming Hexafluo Organic Fluorochemicals cash-generating unit:

The pre-tax discount rates applied to the cash flow projections are 15.3% as at 31 December 2023, 13.6% as at 31 December 2024, 14.7% as at 31 December 2025. The terminal growth rate used to extrapolate the cash flows beyond the period is 2% as at 31 December 2023, 2024 and 2025, respectively. Such estimation is based on management's expectations for the market development.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2023, 2024 and 2025.

Revenue — The basis used to determine the budgeted revenue is based on the management's expectation of market development.

Terminal growth rate — The forecasted terminal growth rate is based on management's expectations and does not exceed the long-term average growth rate for the industry relevant to the CGUs.

The pre-tax discount rate used is before tax and reflects specific risks relating to the CGUs.

23. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	424,512	440,893	598,146	1,051,644
Raw materials in transit	2,893	2,544	14,634	6,429
Work in progress	21,750	21,733	5,629	7,552
Finished goods	468,464	547,133	609,861	754,445
Less: Provision for inventory allowances	(10,100)	(15,271)	(13,322)	(12,756)
Total	907,519	997,032	1,214,948	1,807,314

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	52,071	45,896	80,593	100,695
Raw materials in transit	–	2,544	13,247	3,080
Finished goods	173,891	110,504	96,921	166,983
Less: Provision for inventory allowances	(1,939)	(1,437)	(1,196)	(1,117)
Total	224,023	157,507	189,565	269,641

24. TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	–	78	1,691	2,988
Joint ventures and their subsidiaries	–	32,267	33,508	–
Third parties	2,224,962	2,556,443	3,877,249	5,511,577
Gross trade receivables	2,224,962	2,588,788	3,912,448	5,514,565
Impairment	(111,317)	(131,892)	(194,262)	(269,509)
Net carrying amount	2,113,645	2,456,896	3,718,186	5,245,056

The Group's trading terms with its customers are mainly on credit. The credit period is generally from 30 to 120 days for major customers. Each customer has a maximum credit limit. 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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral over its trade receivable balances. Trade receivables are non-interest bearing.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Joint ventures and their subsidiaries	–	–	858	–
Subsidiaries	13,432	50,506	62,064	53,162
Third parties	1,370,751	1,510,019	2,388,455	3,434,626
Trade receivables	1,384,183	1,560,525	2,451,377	3,487,788
Impairment	(68,608)	(78,054)	(118,572)	(167,400)
Net carrying amount	1,315,575	1,482,471	2,332,805	3,320,388

An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the time of revenue recognition and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	2,113,536	2,456,896	3,714,699	5,244,741
1 to 2 years	109	–	3,487	315
Total	2,113,645	2,456,896	3,718,186	5,245,056

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,315,466	1,482,453	2,287,256	3,285,179
1 to 2 years	109	18	45,549	16,284
2 to 3 years	–	–	–	18,925
Total	1,315,575	1,482,471	2,332,805	3,320,388

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

The Group

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	85,949	111,317	131,892	194,262
Impairment losses, net *(note 6)*	25,520	20,651	63,633	78,613
Amount written-off as uncollectible	(160)	(92)	(1,628)	(3,648)
Exchange realignment	8	16	365	282
At end of year/period	111,317	131,892	194,262	269,509

The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of the shared credit risk and the ageing of the trade receivables to measure the ECLs. The ECLs of trade receivables are assessed on an individual or portfolio basis. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information. The ageing profile is determined based on the revenue recognition date.

The information about the credit risk exposure on the Group's trade receivables are set out below:

The Group

As at 31 December 2023

	ECL rate	Gross carrying amount	ECL	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a portfolio basis				
Aged within 1 year	5%	2,224,409	111,219	2,113,190
Aged 1 to 2 years	10%	121	12	109
Subtotal		2,224,530	111,231	2,113,299
Provision on an individual basis				
Aged within 1 year	20%	432	86	346
Total		2,224,962	111,317	2,113,645

As at 31 December 2024

	ECL rate	Gross carrying amount	ECL	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a portfolio basis				
Aged within 1 year	5%	2,583,552	128,795	2,454,757
Provision on an individual basis				
Aged within 1 year	50%	4,278	2,139	2,139
Aged 1 to 2 years	100%	958	958	–
Subtotal		5,236	3,097	2,139
Total		2,588,788	131,892	2,456,896

As at 31 December 2025

	ECL rate	Gross carrying amount	ECL	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a portfolio basis				
Aged within 1 year	5%	3,903,599	190,095	3,713,504
Provision on an individual basis				
Aged within 1 year	20%	1,499	304	1,195
Aged 1 to 2 years	53%	7,350	3,863	3,487
Subtotal		8,849	4,167	4,682
Total		3,912,448	194,262	3,718,186

As at 30 June 2026

	ECL rate	Gross carrying amount	ECL	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a portfolio basis				
Aged within 1 year	5%	5,514,215	269,474	5,244,741
Aged 1 to 2 years	10%	350	35	315
Subtotal		5,514,565	269,509	5,245,056
Provision on an individual basis				
Aged within 1 year		–	–	–
Aged 1 to 2 years		–	–	–
Subtotal		–	–	–
Total		5,514,565	269,509	5,245,056

25. BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills				
– Measured at amortised cost	292,417	447,231	583,606	830,176
Commercial acceptance bills				
– Measured at amortised cost	–	–	16,826	21,188
	292,417	447,231	600,432	851,364
Impairment	–	–	(841)	(1,059)
Net carrying amount	292,417	447,231	599,591	850,305

As at 31 December 2023, 31 December 2025 and 30 June 2026, bank acceptance bills amounting to RMB924,000, RMB1,000,000 and RMB1,050,000, respectively, were pledged as collateral for the issuance of new bank acceptance bills. No bank acceptance bills were pledged as at 31 December 2024.

The Group measures its bills receivables at amortised cost using the ECL model. All bank acceptance bills are aged within 6 months. For the bank acceptance bill portfolio, the Group applies the simplified approach under IFRS 9, under which the Group considers that the ECL is insignificant.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills				
– Measured at amortised cost	188,115	373,791	422,829	577,383

26. BILLS RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills				
– Measured at fair value through other comprehensive income	1,063,100	600,042	1,407,399	1,918,395

The amounts of bank acceptance bills receivables pledged as collateral for the issuance of new bank acceptance bills were RMB115,729,000, RMB11,836,000, RMB23,410,000 and RMB121,990,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills				
– Measured at fair value through other comprehensive income	807,120	365,010	1,023,996	1,455,276

The Group and the Company have classified bills receivables that are held both to collect cash flows and to sell as financial assets at fair value through other comprehensive income under IFRS 9. All these receivables at fair value through other comprehensive income are aged within 12 months as at 31 December 2023, 2024 and 2025 and 30 June 2026. The Group considers that there is no material credit risk in the bank acceptance bills held by the Group.

27. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS

The Group

(a) Cash and cash equivalents

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	2,942,301	2,742,102	1,134,335	1,987,242

(b) Pledged deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Pledged bank balances	450	2,100	20,135	50,476

(c) Time deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits – current	903,663	20,815	1,561,593	830,764
Time deposits – non-current	1,050,963	1,840,162	1,018,534	951,118
Total	1,954,626	1,860,977	2,580,127	1,781,882

The Group's cash and cash equivalents, pledged deposits and time deposits are denominated in:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	4,681,502	4,281,975	3,476,784	3,452,481
USD	203,319	300,922	236,148	338,358
EUR	6,846	15,064	12,522	13,672
Others	5,710	7,218	9,143	15,089
Total	4,897,377	4,605,179	3,734,597	3,819,600

The RMB is not freely convertible into other currencies, however, under the 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 authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made from 6 to 60 months depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

The Company

(a) Cash and cash equivalents

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	2,144,516	1,791,156	443,803	756,258

(b) Pledged deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Pledged bank balances	450	–	581	6,122

(c) Time deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits – current	903,663	20,452	1,437,380	616,320
Time deposits – non-current	1,020,173	1,595,183	659,119	571,362
Total	1,923,836	1,615,635	2,096,499	1,187,682

The Company's cash and cash equivalents, pledged deposits and time deposits are denominated in:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	3,905,437	3,226,138	2,463,748	1,775,274
USD	158,681	170,970	72,816	169,954
EUR	4,684	9,683	4,319	4,834
Total	4,068,802	3,406,791	2,540,883	1,950,062

28. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,053,821	1,415,485	2,303,476	3,563,458
Bills payable	2,495,477	1,506,028	2,399,042	4,089,655
Total	3,549,298	2,921,513	4,702,518	7,653,113

An ageing analysis of the trade and bills payables of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	3,549,298	2,921,513	4,702,518	7,653,113

Included in the balances of trade and bills payables are the following balances with related parties:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	13,109	15,808	22,873	19,557
Joint ventures and their subsidiaries	–	333,702	836,081	1,668,070
Other related parties	22	22	–	–
Total	13,131	349,532	858,954	1,687,627

The trade and bills payables are non-interest-bearing and are normally settled on 30-day to 180-day terms.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	977,072	1,193,094	1,973,958	2,648,434
Bills payable	1,935,573	1,174,662	1,820,966	2,585,568
Total	2,912,645	2,367,756	3,794,924	5,234,002

An ageing analysis of the trade and bills payables of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	2,912,645	2,367,756	3,794,924	5,234,002

Included in the balances of trade and bills payables are the following balances with related parties:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	–	800	6,400	3,935
Joint ventures and their subsidiaries	–	47,274	187,984	400,882
Total	–	48,074	194,384	404,817

29. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion				
Employee benefits payables	45,606	39,493	18,869	1,418
Current portion				
Employee benefits payables	244,601	224,663	246,078	234,932
Other tax payables	19,097	46,175	62,834	82,907
Deposits	10,018	8,837	7,300	9,937
Payables for acquisition of plant and equipment	460,994	302,984	315,313	337,906
Energy fee payable	13,402	23,550	18,968	22,225
Other accruals	191,455	80,075	103,814	97,204
Total current portion	939,567	686,284	754,307	785,111

Included in the balances of other payables and accruals are the following balances with related parties:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	–	–	204	136
Joint venture and their subsidiaries	–	–	101	–
Total	–	–	305	136

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion				
Employee benefits payables	44,927	39,151	18,251	706
Current portion				
Employee benefits payables	96,902	72,115	91,487	121,018
Other tax payables	5,115	12,469	35,337	50,321
Deposits	6,584	4,855	4,626	5,276
Payables for acquisition of plant and equipment	9,396	30,021	14,773	15,950
Amounts due to subsidiaries	447,931	445,892	313,522	362,120
Energy fee payable	2,962	1,605	389	163
Other accruals	147,867	13,732	19,519	15,317
Total current portion	716,757	580,689	479,653	570,165

Included in the balances of other payables and accruals are the following balances with related parties:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Associates and their subsidiaries	–	–	204	–

30. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

The Group

	31 December 2023		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.36%-2.40%	2024	402,809
Current portion of long term bank loans – unsecured	0.95%-2.70%	2024	291,627
Other borrowings from discounting bills receivable *(note (a))*	1.09%-1.36%	2024	21,342
Other borrowings from discounting electronic receivables *(note (b))*	3.30%	2024	48,978
Total – current			764,756
Non-current			
Bank loans – unsecured	0.95%-2.70%	2025-2027	523,300
Total			1,288,056

	31 December 2024		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.40%	2025	750,550
Current portion of long term bank loans – unsecured	0.85%-2.70%	2025	95,384
Current portion of long term bank loans – secured *(note (c))*	2.58%-2.70%	2025	82,728
Other borrowings from discounting bills receivable *(note (a))*	0.60%-1.50%	2025	3,541
Total – current			932,203
Non-current			
Bank loans – unsecured	0.85%-2.70%	2026-2027	319,632
Bank loans – secured *(note (c))*	2.58%-2.70%	2029	275,000
Total – non-current			594,632
Total			1,526,835

	31 December 2025		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	1.30%-2.02%	2026	350,171
Current portion of long term bank loans – unsecured	2.24%	2026	5,028
Current portion of long term bank loans – secured *(note (c))*	0.51%-2.35%	2026	104,757
Total – current			459,956
Non-current			
Bank loans – unsecured	2.24%	2028	45,000
Bank loans – secured *(note (c))*	0.51%-2.35%	2029-2030	297,870
Total – non-current			342,870
Total			802,826

	30 June 2026		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	1.11%-2.11%	2026-2027	800,350
Current portion of long term bank loans – secured *(note (c))*	2.13%-2.51%	2027	104,734
Other borrowings from discounting bills receivable *(note (a))*	0.63%-0.68%	2026	7,341
Bank loans under supplier finance arrangements *(note (d))*	1.45%-1.63%	2027	7,366
Total – current			919,791
Non-current			
Bank loans – secured *(note (c))*	2.13%-2.51%	2029-2030	288,188
Total – non-current			288,188
Total			1,207,979

The interest-bearing bank loans and other borrowings of the Group are denominated in RMB.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans and other borrowings:				
Within one year or on demand	764,756	932,203	459,956	919,791
In the second year	383,668	470,168	129,590	104,892
In the third to fifth years, inclusive	139,632	124,464	213,280	183,296
Total	1,288,056	1,526,835	802,826	1,207,979

Notes:

(a) As part of its normal business operations, the Group has entered into discounting arrangements with banks for bills receivable. The Group continues to recognise the transferred receivables and the related liabilities failing to meet the derecognition criteria at their carrying amount. As of 31 December 2023, 31 December 2024 and 30 June 2026, the amounts from discounting bills receivable in Chinese mainland presented as borrowings were with carrying amounts in aggregate of RMB21,342,000, RMB3,541,000 and RMB7,341,000, respectively.

(b) As part of its normal business operations, the Group has entered into discounting arrangements with banks for certain electronic receivables. The Group continues to recognise the transferred receivables and the related liabilities failing to meet the derecognition criteria at their carrying amounts. As of 31 December 2023, the amounts from electronic receivables in Chinese mainland presented as borrowings were with carrying amounts in aggregate of RMB48,978,000.

(c) Certain of the Group's bank loans are secured by

(i) mortgages over the property, plant and equipment situated in Fujian Province, the PRC, with an aggregate carrying amount of RMB395,673,000, RMB445,271,000 and RMB538,019,000 as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively;

(ii) mortgages over the leasehold lands situated in Fujian Province, the PRC, with an aggregate carrying amount of RMB35,262,000, RMB34,472,000 and RMB34,076,000 as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively;

(iii) corporate guarantee provided by the Company.

(d) As at 30 June 2026, the Group had bank loans of RMB7,366,000 entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates. The Group's obligations to suppliers are legally extinguished on settlement by the relevant banks. The Group then settles with the banks within 360 days after settlement by the banks.

The Company

	31 December 2023		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.36%-2.40%	2024	402,809
Current portion of long term bank loans – unsecured	2.40%-2.70%	2024	291,614
Other borrowings from discounting bills receivables *(note (a))*	1.09%	2024	1,600
Total – current			696,023
Non-current			
Bank loans – unsecured	2.70%	2025-2026	478,500
Total			1,174,523

	31 December 2024		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.40%	2025	750,550
Current portion of long term bank loans – unsecured	2.39%-2.70%	2025	80,205
Current portion of long term bank loans – secured *(note (b))*	2.58%-2.70%	2025	82,728
Total – current			913,483
Non-current			
Bank loans – unsecured	2.39%-2.70%	2026	290,000
Bank loans – secured *(note (b))*	2.58%-2.70%	2029	275,000
Total – non-current			565,000
Total			1,478,483

	31 December 2025		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.02%	2026	300,151
Current portion of long term bank loans – unsecured	2.24%	2026	5,028
Current portion of long term bank loans – secured *(note (b))*	2.13%-2.35%	2026	104,751
Total – current			409,930
Non-current			
Bank loans – unsecured	2.24%	2028	45,000
Bank loans – secured *(note (b))*	2.13%-2.35%	2029	261,250
Total – non-current			306,250
Total			716,180

	30 June 2026		
	Effective interest rate	*Maturity*	*RMB'000*
Current			
Bank loans – unsecured	2.11%	2027	680,312
Current portion of long term bank loans – secured *(note(b))*	2.13%-2.35%	2027	104,685
Total – current			784,997
Non-current			
Bank loans – secured *(note(b))*	2.13%-2.35%	2029	209,000
Total – non-current			209,000
Total			993,997

The interest-bearing bank loans and other borrowings of the Company are denominated in RMB.

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans:				
Within one year or on demand	696,023	913,483	409,930	784,997
In the second year	368,500	455,000	129,500	104,500
In the third to fifth years, inclusive	110,000	110,000	176,750	104,500
Total	1,174,523	1,478,483	716,180	993,997

Notes:

(a) As part of its normal business operations, the Company has entered into discounting arrangements with banks for bills receivables. The Company continues to recognise the transferred receivables and the related liabilities failing to meet the derecognition criteria at their carrying amounts. As of 31 December 2023, the amounts from discounting bills receivable in Chinese mainland presented as borrowings were with carrying amounts in aggregate of RMB1,600,000.

(b) Certain of the Company's bank loans are secured by

(i) mortgages over the property, plant and equipment situated in Fujian Province, the PRC, with an aggregate carrying amount of RMB395,673,000, RMB445,271,000 and RMB538,019,000 as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively; and

(ii) mortgages over the leasehold lands situated in Fujian Province, the PRC, with an aggregate carrying amount of RMB35,262,000, RMB34,472,000 and RMB34,076,000 as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively.

31. CONVERTIBLE BONDS

On 26 September 2022, the Company issued 19,700,000 convertible bonds with a nominal value of RMB1,970,000,000. As of 30 June 2026, 1,654,011 convertible bonds with nominal value of RMB165,401,100 have been converted into shares. The bonds are convertible at the option of the bondholders into ordinary shares from 30 March 2023 to 25 September 2028 on the basis of one ordinary share for RMB42.77, and the newest conversion price for one ordinary share is RMB40.49 adjusted on 18 May 2026. The bonds carry interest at a rate of 0.30% in the first year, 0.50% in the second year, 1.00% in the third year, 1.50% in the fourth year, 1.80% in the fifth year and 2.00% in the sixth year, which is payable yearly in arrears on 26 September.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds have been split into the liability and equity components as follows:

The Group and the Company

	Liability component	Equity component	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	1,694,888	274,856	1,969,744
Interest expense	67,212	–	67,212
Interest paid	(5,909)	–	(5,909)
Bonds conversion	(458)	(73)	(531)
At 31 December 2023 and 1 January 2024	1,755,733	274,783	2,030,516
Interest expense	69,792	–	69,792
Interest paid	(9,847)	–	(9,847)
Bonds conversion	(64)	(10)	(74)
At 31 December 2024 and 1 January 2025	1,815,614	274,773	2,090,387
Interest expense	71,129	–	71,129
Interest paid	(19,693)	–	(19,693)
Bonds conversion	(155,471)	(22,981)	(178,452)
At 31 December 2025 and 1 January 2026	1,711,579	251,792	1,963,371
Interest expense	33,363	–	33,363
Bonds conversion	(87)	(13)	(100)
At 30 June 2026	1,744,855	251,779	1,996,634

32. CONTRACT LIABILITIES

The Group

	As at 1 January	As at 31 December			As at 30 June
	2023	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Receipts in advance from customers for sales of goods	83,090	16,351	19,783	64,353	53,286
Others	–	60	44	53	134
Total	83,090	16,411	19,827	64,406	53,420

The Company

	As at 1 January	As at 31 December			As at 30 June
	2023	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Receipts in advance from customers for sales of goods	66,164	2,705	12,400	51,941	44,473
Others	–	60	44	53	134
Total	66,164	2,765	12,444	51,994	44,607

Included in the balances of contract liabilities are the following balances with related parties:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other related parties	28	–	6	6

Contract liabilities mainly include short-term advances received from customers for the sale of goods.

The decrease in contract liabilities during the year ended 31 December 2023 and period ended 30 June 2026 was mainly due to the decrease in advances received from customers in relation to the sale of goods at the end of the year.

The increase in contract liabilities during the years ended 31 December 2024 and 2025 was mainly due to increase in advances received from customers in relation to the sale of goods at the end of the respective periods.

33. DEFERRED TAX

The Group

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

	Impairment of assets	Accruals and employee benefits	Share-based payments	Deferred income-government grants	Losses available for offsetting against future taxable profits	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	17,416	23,389	12,401	10,386	25,598	7,627	96,817
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	9,739	5,254	2,978	(856)	8,048	1,505	26,668
Deferred tax credited to the equity during the year	–	–	3,449	–	–	–	3,449
As at 31 December 2023 and 1 January 2024	27,155	28,643	18,828	9,530	33,646	9,132	126,934
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	(3,116)	(5,930)	(9,584)	4,441	27,095	554	13,460
As at 31 December 2024 and 1 January 2025	24,039	22,713	9,244	13,971	60,741	9,686	140,394
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	9,606	(6,297)	10,755	1,345	(8,957)	3,595	10,047
Deferred tax credited to the equity during the year	–	–	13,768	–	–	–	13,768
Exchange realignment	–	80	–	–	–	–	80
As at 31 December 2025 and 1 January 2026	33,645	16,496	33,767	15,316	51,784	13,281	164,289
Deferred tax credited/(charged) to profit or loss during the period *(note 10)*	12,164	(1,570)	(3,981)	(647)	4,449	6,144	16,559
Deferred tax credited to the equity during the period	–	–	24,736	–	–	–	24,736
Exchange realignment	–	(73)	–	–	–	–	(73)
As at 30 June 2026	45,809	14,853	54,522	14,669	56,233	19,425	205,511

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

	Fair value adjustments arising from acquisition of subsidiaries	Depreciation allowance in excess of related depreciation	Fair value changes of equity investments at fair value through other comprehensive income	Fair value changes of financial assets at fair value through profit or loss	Interest receivable	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	7,433	35,881	45,756	183	1,045	3,732	94,030
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	(2,141)	(2,613)	–	2,674	1,139	(230)	(1,171)
Deferred tax credited to equity during the year	–	–	(17,826)	–	–	–	(17,826)
As at 31 December 2023 and 1 January 2024	5,292	33,268	27,930	2,857	2,184	3,502	75,033
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	(1,487)	(2,587)	–	(2,768)	6,714	(841)	(969)
Deferred tax charged to equity during the year	–	–	6,845	–	–	–	6,845
As at 31 December 2024 and 1 January 2025	3,805	30,681	34,775	89	8,898	2,661	80,909
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	(312)	(5,420)	–	(44)	8,741	(151)	2,814
Deferred tax credited to equity during the year	–	–	(12,761)	–	–	–	(12,761)
As at 31 December 2025 and 1 January 2026	3,493	25,261	22,014	45	17,639	2,510	70,962
Deferred tax charged/(credited) to profit or loss during the period *(note 10)*	(155)	2,866	–	22	(7,428)	–	(4,695)
Deferred tax credited to equity during the period	–	–	(3,868)	–	–	–	(3,868)
As at 30 June 2026	3,338	28,127	18,146	67	10,211	2,510	62,399

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	123,506	137,772	149,004	183,237
Net deferred tax liabilities recognised in the consolidated statement of financial position	71,605	78,287	55,677	40,125

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	232,101	355,290	602,743	662,782
Deductible temporary differences	1,217	6,220	11,205	11,322

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose. In Chinese mainland, the tax loss can be carried forward to 5 years, where the entity is recognised as HNTE, the tax losses can be carried forward to 10 years. The majority of tax losses in overseas can be carried forward indefinitely.

The Company

Deferred tax assets

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

	Impairment of assets	Accruals and employee benefits	Share-based Payments	Deferred income-Government grants	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	11,900	17,863	5,568	966	2,050	38,347
Deferred tax credited/ (charged) to the statements of profit or loss during the year	3,143	3,332	2,198	419	(12)	9,080
As at 31 December 2023 and 1 January 2024	15,043	21,195	7,766	1,385	2,038	47,427
Deferred tax credited/ (charged) to profit or loss during the year	(1,731)	(7,514)	(5,411)	1,149	2,319	(11,188)
As at 31 December 2024 and 1 January 2025	13,312	13,681	2,355	2,534	4,357	36,239
Deferred tax credited/ (charged) to profit or loss during the year	4,705	(4,744)	11,237	1,080	619	12,897
As at 31 December 2025 and 1 January 2026	18,017	8,937	13,592	3,614	4,976	49,136
Deferred tax credited/(charged) to profit or loss during the period	7,331	(981)	497	(3)	1,938	8,782
Deferred tax credited to the equity during the period	–	–	11,040	–	–	11,040
As at 30 June 2026	25,348	7,956	25,129	3,611	6,914	68,958

Deferred tax liabilities

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

	Depreciation allowance in excess of related depreciation	Fair value changes of equity investments at fair value through other comprehensive income	Fair value changes of financial assets at fair value through profit or loss	Interest receivable	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	12,514	42,070	131	1,045	1,768	57,528
Deferred tax charged/(credited) to profit or loss during the year	(63)	–	2,461	1,139	(152)	3,385
Deferred tax credited to equity during the year	–	(14,140)	–	–	–	(14,140)
As at 31 December 2023 and 1 January 2024	12,451	27,930	2,592	2,184	1,616	46,773
Deferred tax charged/(credited) to profit or loss during the year	5,546	–	(2,503)	6,059	(609)	8,493
Deferred tax charged to equity during the year	–	6,845	–	–	–	6,845
As at 31 December 2024 and 1 January 2025	17,997	34,775	89	8,243	1,007	62,111
Deferred tax charged/(credited) to profit or loss during the year	(3,921)	–	(89)	7,417	(272)	3,135
Deferred tax credited to equity during the year	–	(12,761)	–	–	–	(12,761)
As at 31 December 2025	14,076	22,014	–	15,660	735	52,485
Deferred tax charged/(credited) to profit or loss during the period	4,198	–	–	(7,100)	(23)	(2,925)
Deferred tax credited to equity during the period	–	(3,868)	–	–	–	(3,868)
As at 30 June 2026	18,274	18,146	–	8,560	712	45,692

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statement of financial position	45,811	35,232	48,401	59,687
Net deferred tax liabilities recognised in the statement of financial position	45,157	61,104	51,750	36,421

34. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grant	220,484	250,195	347,280	348,170
Less: Current portion	(10,836)	(24,322)	(24,717)	(31,752)
Non-current portion	209,648	225,873	322,563	316,418

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grant	50,041	51,251	53,412	49,274
Less: Current portion	(5,822)	(6,767)	(8,845)	(11,331)
Non-current portion	44,219	44,484	44,567	37,943

35. PROVISION

The Group

		As at 31 December			As at 30 June
	Note	2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Forfeited deposit for land acquisition	*(a)*	20,540	–	–	–
Others		124	–	–	–
		20,664	–	–	–
Portion classified as current liabilities		(20,664)	–	–	–
Non-current portion		–	–	–	–

Note:

(a) Forfeited deposit for land acquisition

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	–	20,540	–	–
Additional provision	20,540	–	–	–
Amounts utilised during the year/period	–	(20,540)	–	–
At the end of the year/period	20,540	–	–	–

36. SHARE CAPITAL

Shares

	31 December			30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Issued and fully paid:				
Paid-in capital	749,625	753,883	751,791	753,886

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

	Number of shares in issue	Share capital
	RMB'000	*RMB'000*
As at 1 January 2023	745,694	745,694
Restricted shares exercised *(Note (a))*	3,918	3,918
Convertible bonds converted into shares	13	13
As at 31 December 2023 and 1 January 2024	749,625	749,625
Restricted shares exercised *(Note (b))*	4,257	4,257
Convertible bonds converted into shares	1	1
As at 31 December 2024 and 1 January 2025	753,883	753,883
Cancellation of shares *(Note (c))*	(6,104)	(6,104)
Convertible bonds converted into shares	4,012	4,012
As at 31 December 2025 and 1 January 2026	751,791	751,791
Restricted shares exercised *(Note (d))*	2,093	2,093
Convertible bonds converted into shares	2	2
As at 30 June 2026	753,886	753,886

Notes:

(a) During the year ended 31 December 2023, the subscription rights attaching to 3,918,200 share awards under restricted share incentive plan were exercised at the subscription price of RMB22.76 per share, resulting in the issue of 3,918,200 shares for a total cash consideration, before expenses, of RMB89,178,000.

(b) During the year ended 31 December 2023, the subscription rights attaching to 4,257,240 share awards under restricted share incentive plan were exercised at the subscription price of RMB23.32 per share, resulting in the issue of 4,257,240 shares for a total cash consideration, before expenses, of RMB99,275,000. The consideration was received during the year ended 31 December 2023 and respective shares registration who completed during the year ended 31 December 2024.

(c) During the year ended 31 December 2025, the Company cancelled 6,104,000 ordinary shares on 23 May 2025.

(d) During the six months ended 30 June 2026, the subscription rights attaching to 4,632,675 share awards under restricted share incentive plan were exercised at the subscription price of RMB18.93 per share, resulting in the issue of 2,092,875 new shares and transfer of 2,539,800 treasury shares to the grantees for a total cash consideration, before expenses, of RMB87,697,000.

37. SHARE-BASED PAYMENTS

The Company implemented share incentive plans for the Group's management and employees in order to recognise and reward their contribution for the growth and development of the Group, and retain eligible employees for the continuous operation and development of the Group.

(a) Restricted share incentive plans

The Company has adopted the 2020 Restricted Share Incentive Plans, 2022 Restricted Share Incentive Plans, 2023 Restricted Share Incentive Plans and 2025 Restricted Share Incentive Plans.

According to the resolution passed by the 12th Meeting of the 5th Board of Directors and the 9th Meeting of the 5th Supervisory Committee titled "Resolution on the Initial Grant of Restricted Shares to Incentive Recipients under the 2020 Restricted Share Incentive Plans": the conditions for grant under the 2020 Restricted Share Incentive Plans have been met. The Company has determined 22 December 2020 as the grant date, and granted a total of 5,688,000 restricted shares at an initial exercise price of RMB41.54 per share to 317 eligible incentive recipients who meet the eligibility criteria for the initial grant. The plan has a term of 48 months. After the completion of the first 12 months, the incentive recipients may apply for vesting in three tranches of 30%, 30%, and 40% over the periods of 12-24 months, 24-36 months, and 36-48 months, respectively, subject to meeting the vesting conditions.

According to the resolution passed by the 25th Meeting of the 5th Board of Directors and the 18th Meeting of the 5th Supervisory Committee titled "Resolution on the Grant of Reserved Restricted Shares to Incentive Recipients under the 2020 Restricted Share Incentive Plans": the conditions for grant under the 2020 Restricted Share Incentive Plans have been met. The Company has determined 29 November 2021 as the grant date for the reserved portion, and granted a total of 634,000 restricted shares at an exercise price of RMB67.20 per share to 115 eligible incentive recipients. The reserved portion has a term of 36 months. After the completion of the first 12 months, the incentive recipients may apply for vesting in two equal tranches of 50% each, over the periods of 12-24 months and 24-36 months, subject to meeting the vesting conditions.

As of 30 April 2022, according to the 《2021 Annual Equity Distribution Implementation Announcement》, the exercise price and number of restricted shares in 2020 are adjusted accordingly. After the adjustment, the initial exercise price of the company's restricted shares in 2020 adjusted from RMB41.54 per share to RMB22.48 per share, and the number of restricted shares adjusted from 5,688,000 to 10,076,000 shares.

As of 31 December 2023, the vesting conditions for the second vesting period of the initial grant under the 2020 Restricted Share Incentive Plans and the first vesting period of the reserved grant have been met. A total of 2,951,100 restricted shares (30% of the initial grant) and 292,750 restricted shares (50% of the reserved grant) have been officially vested.

As of 31 December 2024, the vesting conditions for the third vesting period of the initial grant under the 2020 Restricted Share Incentive Plans and the second vesting period of the reserved grant have been met. A total of 4,257,240 restricted shares (30% of the initial grant and 50% of the reserved grant) have been vested.

According to the resolution passed by the 33rd Meeting of the 5th Board of Directors and the 26th Meeting of the 5th Supervisory Committee titled "Resolution on the Initial Grant of Restricted Shares to Incentive Recipients under the 2022 Restricted Incentive Plans": the conditions for grant under the 2022 Restricted Incentive Plans have been met. The Company has determined 9 September 2022 as the grant date, and granted a total of 10,102,000 restricted shares at an initial exercise price of RMB23.26 per share to 511 eligible incentive recipients. The plan has a term of 48 months. After the completion of the first 12 months, the incentive recipients may apply for vesting in three tranches of 40%, 30%, and 30% over the periods of 12-24 months, 24-36 months, and 36-48 months, respectively, subject to meeting the vesting conditions.

As of 31 December 2023, the vesting conditions for the first vesting period of the initial grant under the 2022 Restricted Share Incentive Plans have been met. A total of 3,918,200 restricted shares (40% of the initial grant) have been vested.

According to the resolution passed by the 3rd Meeting of the 6th Board of Directors and the 3rd Meeting of the 6th Supervisory Committee titled "Adjusting the Grant Price of the First and Reserved Grant Shares of the Restricted Share Incentive Plan in 2022 Proposal": the initial exercise price under the 2022 Restricted Incentive Plans has been adjusted from RMB23.26 per share to RMB22.76 per share.

According to the resolution passed by the 10th Meeting of the 6th Board of Directors and the 10th Meeting of the 6th Supervisory Committee titled "Resolution on the 2023 Annual Profit Distribution Proposal": the initial exercise price under the 2022 Restricted Incentive Plans has been adjusted from RMB22.76 per share to RMB22.16 per share.

According to the resolution passed by the 9th Meeting of the 6th Board of Directors and the 9th Meeting of the 6th Supervisory Committee titled "Resolution on the Initial Grant of Restricted Shares to Incentive Recipients under the 2023 Restricted Incentive Plans": the conditions for grant under the 2023 Restricted Incentive Plans have been met. The Company has determined 25 December 2023 as the grant date, and granted a total of 10,119,000 restricted shares at an initial exercise price of RMB21.87 per share to 646 eligible incentive recipients who meet the eligibility criteria for the initial grant. The plan has a term of 64 months. After the completion of the first 12 months, the incentive recipients may apply for vesting in three tranches of 40%, 30%, and 30% over the periods of 16-28 months, 28-40 months, and 40-52 months, respectively, subject to meeting the vesting conditions.

According to the resolution passed by the 10th Meeting of the 6th Board of Directors and the 10th Meeting of the 6th Supervisory Committee titled "Resolution on the 2023 Annual Profit Distribution Proposal": the initial exercise price under the 2023 Restricted Incentive Plans has been adjusted from RMB21.87 per share to RMB21.27 per share.

According to the resolution passed by the 22nd Meeting of the 6th Board of Directors and the 20th Meeting of the 6th Supervisory Committee titled "Resolution on the Initial Grant of Restricted Shares to Incentive Recipients under the 2025 Restricted Incentive Plans": the conditions for grant under the 2025 Restricted Incentive Plans have been met. The Company has determined 28 April 2025 as the initial grant date, and granted a total of 11,934,000 restricted shares at an initial exercise price of RMB19.83 per share to 576 eligible recipients. The plan has a term of 60 months. After the completion of the first 12 months, the incentive recipients may apply for vesting in three tranches of 40%, 30%, and 30% over the periods of 12-24 months, 24-36 months, and 36-48 months, respectively, subject to meeting the vesting conditions.

According to the resolution passed by the 26th Meeting of the 6th Board of Directors titled "Resolution on the Grant of Reserved Restricted Shares to Incentive Recipients under the 2025 Restricted share Incentive Plans": the conditions for grant under the 2025 Restricted share Incentive Plans have been met. The Company has determined 11 December 2025 as the grant date for the reserved portion, and granted a total of 1,636,000 restricted shares at an exercise price of RMB19.43 per share to 259 eligible incentive recipients. The reserved portion has a term of 24 months. After the completion of the first 12 months, the incentive recipients may apply for vesting in two equal tranches of 50% each, over the periods of 0–12 months and 12–24 months, subject to meeting the vesting conditions.

According to the resolution passed by the 19th Meeting of the 6th Board of Directors and the 18th Meeting of the 6th Supervisory Committee titled "Resolution on the 2024 Annual Profit Distribution Proposal": the initial exercise price under the 2023 Restricted Incentive Plans has been adjusted from RMB21.27 per share to RMB20.87 per share.

According to the resolution passed by the 19th Meeting of the 6th Board of Directors and the 18th Meeting of the 6th Supervisory Committee titled "Resolution on the 2024 Annual Profit Distribution Proposal": the initial exercise price under the 2025 Restricted Incentive Plans has been adjusted from RMB19.83 per share to RMB19.43 per share.

On 24 April, 2026, the Company convened the Fourth Meeting of the Seventh Board of Directors, which reviewed and approved the Proposal on the Fulfilment of Vesting Conditions for the First Vesting Period of the Initial Grant under the Company's 2025 Restricted Share Incentive Plan. Based on the Company's 2025 Restricted Share Incentive Plan (Draft) and the authorisation granted by the First Extraordinary General Meeting of Shareholders of 2025, the Board of Directors determined that the vesting conditions for the first vesting period of the initial grant under the 2025 Incentive Plan had been met. A total of 4,632,675 restricted shares, representing 39.20% of the initially granted restricted shares, have completed vesting.

On 24 April, 2026, the Company convened the Fourth Meeting of the Seventh Board of Directors, which reviewed and approved the Proposal on adjusting the Grant Price of the Initial Grant under the Company's 2023 Restricted Share Incentive Plan. The exercise price for the initial grant under the 2023 Restricted Share Incentive Plan was adjusted from RMB20.87 per share to RMB20.37 per share.

On 24 April, 2026, the Company convened the Fourth Meeting of the Seventh Board of Directors, which reviewed and approved the Proposal on Adjusting the Grant Prices of the Initial and Reserved Grants under the Company's 2025 Restricted Share Incentive Plan. The exercise prices for both the initial and reserved grants under the 2025 Restricted Share Incentive Plan were adjusted from RMB19.43 per share to RMB18.93 per share.

Set out below are details of the movements of the outstanding restricted shares granted for the Relevant Periods.

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
At the beginning of the year/period	14,487,320	17,313,940	5,789,400	16,248,924
Granted during the year/period	10,119,000	–	13,570,000	–
Forfeited during the year/period	(3,374,180)	(7,267,300)	(3,110,476)	(84,549)
Exercised during the year/period	(3,918,200)	(4,257,240)	–	(4,632,675)
At the end of the year/period	17,313,940	5,789,400	16,248,924	11,531,700

During the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2025 and 2026, share-based payment expenses of RMB104,583,000, RMB30,452,000, RMB54,879,000, RMB43,779,000 (unaudited) and RMB67,910,000, respectively, were recognised in the consolidated statements of profit or loss.

The fair value of the restricted shares granted on 25 December 2023 to the employees (including directors) of the Company was RMB280,873,000 (weighted average of RMB21.87 per option).

The fair value of the restricted shares granted on 28 April 2025 to the employees (including directors) of the Company was RMB153,626,000 (weighted average of RMB19.83 per option).

The fair value of the restricted shares granted on 11 December 2025 to the employees (including directors) of the Company was RMB49,170,000 (weighted average of RMB19.43 per option).

The fair value of equity-settled restricted shares granted during the year was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for options granted:

Grant date	25 December 2023	28 April 2025	11 December 2025
Expected volatility (%)	18.06-22.91	42.82-47.03	48.98-49.28
Risk-free interest rate (%)	1.50-2.75	1.46-1.52	1.39
Expected life of option (years)	1.3-3.3	1-3	1-2
Weighted average share price (RMB per share)	21.87	19.83	19.43

The expected life of the restricted shares is based on the historical exercise and employee attrition data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

(b) Employee share ownership scheme

Sanming Hexafluo Chemicals Co., Ltd., a wholly owned subsidiary of the Company, made the first shareholder decision in 2023 on 19 May 2023: in order to further accelerate the business development of Sanming Hexafluo, optimises the governance structure of Sanming Hexafluo, stabilises and attract talents, fully mobilises the enthusiasm of the management team and core backbone workers, and introduced Mingxi Fuju Investment (明溪福聚投資合夥企業(有限合夥)), an employee stock ownership platform, to Sanming Hexafluo through issurance of shares. As partners of Mingxi Fuju Investment, the management team and core employees of Sanming Hexafluo purchased 1.259% share capital of Sanming Hexafluo (totalling 1,300,000 shares). After reaching the vesting conditions, the corresponding shares would be vested as at 30%, 30% and 40% on 30 April 2024, 30 April 2025 and 30 April 2026, respectively. The share-based payment expenses recognised during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 are RMB21,333,000, RMB25,172,000, RMB11,708,000, RMB7,432,000 (unaudited) and RMB2,792,000, respectively.

38. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity in the Historical Financial Information.

(a) Surplus reserves

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the surplus reserves until the cumulative total of the reserve reaches 50% of the companies registered capital. Subject to approval from the relevant PRC authorities, the surplus reserves may be used to offset any accumulated losses or increase the registered capital of the companies. The surplus reserves is not available for dividend distribution to equity holders of the PRC companies.

(b) Capital reserves

The capital reserves mainly comprises (i) the equity settled share-based payments; (ii) share premium; and (iii) difference between the amounts by which the non-controlling interests are adjusted for the change in the Group's ownership interests in existing subsidiaries and the fair value of the consideration paid or received.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

Year ended 31 December 2023

	Capital reserves	Fair value reserve	Surplus reserves	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	2,433,073	259,286	337,452	2,305,113	5,334,924
Profit for the year	–	–	–	795,373	795,373
Other comprehensive income/(expense) for the year:					
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	(91,899)	–	–	(91,899)
Cash flow hedges, net of tax	–	264	–	–	264
Total comprehensive income/(expense) for the year	–	(91,635)	–	795,373	703,738
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	(9,116)	–	9,116	–
Recognition of share-based payments	104,583	–	–	–	104,583
Appropriation to surplus reserve	–	–	37,360	(37,360)	–
Exercise of share awards	85,260	–	–	–	85,260
Convertible bonds converted into shares	517	–	–	–	517
Final 2022 dividend declared and approved	–	–	–	(371,734)	(371,734)
Others*	1,468	–	–	–	1,468
As at 31 December 2023	2,624,901	158,535	374,812	2,700,508	5,858,756

* Others mainly comprises the recognition of deferred tax related to share-based payments.

Year ended 31 December 2024

	Capital reserves	Fair value reserve	Surplus reserves	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	2,624,901	158,535	374,812	2,700,508	5,858,756
Profit for the year	–	–	–	718,127	718,127

	Capital reserves	Fair value reserve	Surplus reserves	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other comprehensive income/(expense) for the year:					
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	40,336	–	–	40,336
Cash flow hedges, net of tax	–	(264)	–	–	(264)
Total comprehensive income for the year	–	40,072	–	718,127	758,199
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	(1,548)	–	1,548	–
Recognition of share-based payments	30,452	–	–	–	30,452
Appropriation to surplus reserve	–	–	2,129	(2,129)	–
Exercise of share awards	95,018	–	–	–	95,018
Convertible bonds converted into shares	49	–	–	–	49
Final 2023 dividend declared and approved	–	–	–	(450,805)	(450,805)
Others*	890	–	–	–	890
As at 31 December 2024	2,751,310	197,059	376,941	2,967,249	6,292,559

* Others mainly comprises the recognition of deferred tax related to share-based payments.

Year ended 31 December 2025

	Capital reserves	Fair value reserve	Surplus reserves	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	2,751,310	197,059	376,941	2,967,249	6,292,559
Profit for the year	–	–	–	905,508	905,508
Other comprehensive income for the year:					
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	95,414	–	–	95,414
Cash flow hedges, net of tax	–	1,029	–	–	1,029
Total comprehensive income for the year	–	96,443	–	905,508	1,001,951
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	(167,727)	–	167,727	–
Recognition of share-based payments	54,879	–	–	–	54,879
Appropriation to surplus reserve	–	–	–	–	–
Repurchase and cancellation of shares	(193,856)	–	–	–	(193,856)
Final 2024 dividend declared and approved	–	–	–	(298,096)	(298,096)
Convertible bonds converted into shares	174,429	–	–	–	174,429
Others*	9,160	–	–	–	9,160
As at 31 December 2025	2,795,922	125,775	376,941	3,742,388	7,041,026

* Others mainly comprises the share of changes in capital reserves of joint ventures and associates.

Six months ended 30 June 2026

	Capital reserves	Fair value reserve	Surplus reserves	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	2,795,922	125,775	376,941	3,742,388	7,041,026
Profit for the period	–	–	–	364,892	364,892

	Capital reserves	Fair value reserve	Surplus reserves	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other comprehensive expense for the period:					
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	(44,305)	–	–	(44,305)
Total comprehensive income/(expense) for the period	–	(44,305)	–	364,892	320,587
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	21,273	–	(21,273)	–
Recognition of share-based payments	67,910	–	–	–	67,910
Appropriation to surplus reserve	–	–	2	(2)	–
Final 2025 dividend declared and approved	–	–	–	(374,626)	(374,626)
Exercise of share awards	(14,697)	–	–	–	(14,697)
Income tax impact related to exercise of share awards	10,483	–	–	–	10,483
Convertible bonds converted into shares	98	–	–	–	98
Recoginition of deferred tax of share-based payments	11,040	–	–	–	11,040
Others*	373	–	–	–	373
As at 30 June 2026	2,871,129	102,743	376,943	3,711,379	7,062,194

* Others mainly comprise the share of changes in capital reserves of joint ventures and associates.

39. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group discounted and endorsed certain unexpired bills receivable accepted by banks in Chinese mainland with a carrying amount of RMB50,900,000, RMB39,044,000, RMB137,802,000 and RMB180,537,000, 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 endorsed bills receivable and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the endorsed bills receivable, including the sale, transfer or pledge of the endorsed bills receivable to any other third parties. The aggregate carrying amount of the trade payables settled by the endorsed bills receivable to which the suppliers have recourse was RMB29,559,000, RMB35,504,000, RMB137,802,000 and RMB173,196,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

As part of its normal business operations, the Group has entered into discounting arrangements with banks for certain electronic receivables, under which these receivables have been transferred to the banks. In these arrangements, the Group remains exposed to the credit risk and delay in payment risk associated with the transferred receivables and has retained substantially all the risks and rewards of ownership, failing to meet the derecognition criteria. Therefore, the Group continues to recognise the transferred receivables and the related liabilities at their carrying amounts. As at 31 December 2024, 31 December 2025 and 30 June 2026, there were no electronic receivables transferred under these arrangements that had not yet been settled. As at 31 December 2023, the total carrying amount of receivables that had not yet been settled under such arrangements was RMB48,977,000.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group discounted and endorsed certain unexpired bills receivables accepted by banks in Chinese mainland (the "Derecognised Bills") with a carrying amount of RMB2,334,645,000, RMB1,793,443,000, RMB2,341,443,000 and RMB3,166,914,000, 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 and six months ended 30 June 2025 and 2026, the Group recognised discounting expenses of RMB6,464,000, RMB2,718,000 and RMB3,167,000 and RMB3,902,000 (unaudited) and RMB4,278,000, respectively, on the transfer dates. The endorsement and discounting activities occurred approximately evenly throughout each year.

40. DISPOSAL OF A SUBSIDIARY

	As at 29 November 2024
	RMB'000
Net assets disposed of:	
Property, plant and equipment	2,368
Right-of-use assets	968
Cash and bank balances	9
Prepayments and other receivables	55
Deferred tax assets	302
Accruals and other payables	(418)
Subtotal	3,284
Gain on disposal of a subsidiary *(note 6)*	13,216
Total consideration	16,500
Satisfied by:	
Cash	16,500

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	RMB'000
Cash consideration	16,500
Cash and bank balances disposed of	(9)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	16,491

41. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During each of the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB5,132,000 and RMB5,132,000, RMB6,752,000 and RMB6,752,000, RMB10,883,000 and RMB10,883,000 and RMB4,765,000 and RMB4,736,000, respectively, in respect of lease arrangements for buildings, machinery and vehicles.

(b) Changes in liabilities arising from financing activities

31 December 2023

	Interest-bearing bank loans-current	Lease liabilities	Convertible bonds	Interest-bearing bank loans – non-current
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	416,860	30,972	1,694,888	650,946
Changes from financing cash flows	310,871	(13,271)	(5,909)	(143,733)
New leases	–	5,132	–	–
Interest expense	18,822	1,344	67,212	16,087
Discounting bills receivable	18,203	–	–	–
Convertible bonds conversion	–	–	(458)	–
As at 31 December 2023	764,756	24,177	1,755,733	523,300

31 December 2024

	Interest-bearing bank loans-current	Lease liabilities	Convertible bonds	Interest-bearing bank loans – non-current
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	764,756	24,177	1,755,733	523,300
Changes from financing cash flows	218,638	(11,218)	(9,847)	54,713
New leases	–	6,752	–	–
Interest expense	16,048	1,100	69,792	16,619
Discounting bills receivable	(66,900)	–	–	–
Convertible bonds conversion	–	–	(64)	–
Early cancellation of leases	–	(446)	–	–
Effect of foreign exchange changes	(339)	–	–	–
As at 31 December 2024	932,203	20,365	1,815,614	594,632

As at 31 December 2025

	Interest-bearing bank loans-current	Lease liabilities	Convertible bonds	Interest-bearing bank loans – non-current
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	932,203	20,365	1,815,614	594,632
Changes from financing cash flows	(475,894)	(10,678)	(19,693)	(264,533)
New leases	–	10,883	–	–
Interest expense	10,188	1,265	71,129	12,771
Discounting bills receivable	(6,541)	–	–	–
Convertible bonds conversion	–	–	(155,471)	–
Early cancellation of leases	–	(3,810)	–	–
As at 31 December 2025	459,956	18,025	1,711,579	342,870

As at 30 June 2026

	Interest-bearing bank loans-current	Lease liabilities	Convertible bonds	Interest-bearing bank loans – non-current
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	459,956	18,025	1,711,579	342,870
Changes from financing cash flows	446,543	(4,503)	–	(59,674)
New leases	–	4,736	–	–
Interest expense	5,904	390	33,363	4,992
Settlement of trade payables	7,388	–	–	–
Convertible bonds conversion	–	–	(87)	–
Early cancellation of leases	–	(53)	–	–
Exchange realignment	–	(10)	–	–
As at 30 June 2026	919,791	18,585	1,744,855	288,188

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	11,222	6,918	7,936	4,633	7,110
Within financing activities	13,271	11,218	39,542	3,788	21,837
Total	24,493	18,136	47,478	8,421	28,947

42. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

43. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans, issurance of new bank acceptance bills and guarantee. For bank loans granted are included in notes 13, 16 and 30, respectively, and for issurance of new bank acceptance bills are included in notes 25 and 26, respectively, to the Historical Financial Information.

44. COMMITMENTS

(a) The Group had the following contractual commitments:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Property, plant and equipment	751,710	610,280	644,875	796,875
Investment in				
– Joint venture	–	316,835	24,000	43,250
– Associates	–	14,005	–	–

45. RELATED PARTIES TRANSACTIONS AND BALANCES

(a) The Group had the following transactions with related parties during the Relevant Periods and six months ended 30 June 2025:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Associates and their subsidiaries:					
Sales of products	364	254	12,149	2,637	14,204
Purchases of raw materials	33,660	24,371	26,928	11,947	17,347
Payments for rent	243	267	–	–	–
Interest expense on lease liabilities	39	30	–	–	–
Joint venture and their subsidiaries:					
Sales of products	–	17,878	202,002	96,738	153,782
Purchases of raw materials	–	82,759	1,077,296	457,665	1,274,275
Other related parties*:					
Sales of products	10,189	1,623	7	7	–
Lease income	73	40	36	20	17

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

* The Group and the other related parties have common directors.

(b) Outstanding balances with related parties:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from related parties:				
Trade receivables				
Fujian Yongjing Technology Co., Ltd.*	–	78	–	–
Jiangxi Shilei Fluorine Materials Co., Ltd.*	–	32,267	33,508	–
Shenzhen Qiansuo Material Technology Co., Ltd.*	–	–	1,259	2,408
Shenzhen Xinyuanbang Technology Co., Ltd.*	–	–	432	580

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets				
Shenzhen Xinyuanbang Technology Co., Ltd.*	–	–	–	251
Jurong Optoelectronic Materials Technology Co. Ltd.	–	–	–	9
Jiangxi Shilei Fluorine Materials Co., Ltd.*	–	10,000	50	50
	–	42,345	35,249	3,298
Amounts due to related parties:				
Trade and bills payables				
Fujian Yongjing Technology Co., Ltd.*	13,109	15,808	22,858	19,396
N-Tech Environmental Protection Science and Technology (Changzhou) Co., Ltd.*	22	22	–	–
Jiangxi Shilei Fluorine Materials Co., Ltd.*	–	333,702	836,081	1,668,070
Shenzhen Xinyuanbang Technology Co., Ltd.*	–	–	15	161
Other payables and accruals				
Jiangxi Shilei Fluorine Materials Co., Ltd.*	–	–	101	–
Shenzhen Xinyuanbang Technology Co., Ltd.*	–	–	204	136
Contract liabilities				
Guangdong YRBEST High Polymer Technology Co., Ltd*	28	–	6	6
Lease liabilities				
Shenzhen Xinyuanbang Technology Co., Ltd.*	773	535	–	–
	13,932	350,067	859,265	1,687,769

* Trade in nature

** Non-trade in nature

The outstanding balances with related parties are included in notes 15(b), 20, 24, 28, 29 and 32 to the Historical Financial Information.

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fee	671	823	970	448	533
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	20,486	22,442	20,876	5,477	7,957
Share-based payment expenses	8,935	3,405	6,614	2,337	4,245
Total compensation paid to key management personnel	30,092	26,670	28,459	8,262	12,735

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

46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	281,982	–	281,982
Trade receivables	–	–	–	2,113,645	2,113,645
Bills receivables	–	–	–	292,417	292,417
Bills receivables at fair value through other comprehensive income	–	1,063,100	–	–	1,063,100
Financial assets at fair value through profit or loss	991,145	–	–	–	991,145
Derivative financial instruments	264	–	–	–	264
Time deposits	–	–	–	1,954,626	1,954,626
Pledged deposits	–	–	–	450	450
Financial assets included in prepayment, other receivables and other assets	–	–	–	23,960	23,960
Cash and cash equivalents	–	–	–	2,942,301	2,942,301
Total	991,409	1,063,100	281,982	7,327,399	9,663,890

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Held for trading	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	1,053,821	1,053,821
Bills payables	–	2,495,477	2,495,477
Financial liabilities included in other payables and accruals	–	675,870	675,870
Financial liabilities at fair value through profit or loss	18	–	18
Interest-bearing bank loans and other borrowings	–	1,288,056	1,288,056
Convertible bonds	–	1,755,733	1,755,733
Total	18	7,268,957	7,268,975

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	320,366	–	320,366
Trade receivables	–	–	–	2,456,896	2,456,896
Bills receivables	–	–	–	447,231	447,231
Bills receivables at fair value through other comprehensive income	–	600,042	–	–	600,042
Financial assets at fair value through profit or loss	682,740	–	–	–	682,740
Time deposits	–	–	–	1,860,977	1,860,977
Pledged deposits	–	–	–	2,100	2,100
Financial assets included in prepayment, other receivables and other assets	–	–	–	52,085	52,085
Cash and cash equivalents	–	–	–	2,742,102	2,742,102
Total	682,740	600,042	320,366	7,561,391	9,164,539

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Held for trading	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	1,415,485	1,415,485
Bills payables	–	1,506,028	1,506,028
Financial liabilities included in other payables and accruals	–	415,445	415,445
Financial liabilities at fair value through profit or loss	1,100	–	1,100
Interest-bearing bank loans and other borrowings	–	1,526,835	1,526,835
Convertible bonds	–	1,815,614	1,815,614
Total	1,100	6,679,407	6,680,507

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			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	203,273	–	203,273
Trade receivables	–	–	–	3,718,186	3,718,186
Bills receivables	–	–	–	599,591	599,591
Bills receivables at fair value through other comprehensive income	–	1,407,399	–	–	1,407,399
Financial assets at fair value through profit or loss	459,989	–	–	–	459,989
Time deposits	–	–	–	2,580,127	2,580,127
Pledged deposits	–	–	–	20,135	20,135
Financial assets included in prepayment, other receivables and other assets	–	–	–	64,293	64,293
Derivative financial instruments	1,029	–	–	–	1,029
Cash and cash equivalents	–	–	–	1,134,335	1,134,335
Total	461,018	1,407,399	203,273	8,116,667	10,188,357

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Held for trading	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	2,303,476	2,303,476
Bills payables	–	2,399,042	2,399,042
Financial liabilities included in other payables and accruals	–	445,395	445,395
Derivative financial instruments	17	–	17
Interest-bearing bank loans and other borrowings	–	802,826	802,826
Convertible bonds	–	1,711,579	1,711,579
Total	17	7,662,318	7,662,335

As at 30 June 2026

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such	Debt investments	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	204,591	–	204,591
Trade receivables	–	–	–	5,245,056	5,245,056
Bills receivables	–	–	–	850,305	850,305
Bills receivables at fair value through other comprehensive income	–	1,918,395	–	–	1,918,395
Financial assets at fair value through profit or loss	766,725	–	–	–	766,725
Time deposits	–	–	–	1,781,882	1,781,882
Pledged deposits	–	–	–	50,476	50,476
Financial assets included in prepayment, other receivables and other assets	–	–	–	65,527	65,527
Derivative financial instruments	77	–	–	–	77
Cash and cash equivalents	–	–	–	1,987,242	1,987,242
Total	766,802	1,918,395	204,591	9,980,488	12,870,276

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Held for trading	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	3,563,458	3,563,458
Bills payables	–	4,089,655	4,089,655
Financial liabilities included in other payables and accruals	–	467,272	467,272
Derivative financial instruments	82	–	82
Interest-bearing bank loans and other borrowings	–	1,207,979	1,207,979
Convertible bonds	–	1,744,855	1,744,855
Total	82	11,073,219	11,073,301

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management assessed that the fair values of cash and cash equivalents, restricted bank deposits, the current portion of time deposit, trade and bill receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, the current portion of 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 corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At the end of each of the Relevant Periods, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the chief financial officer.

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

The fair values of the bills receivables classified as financial assets at fair value through other comprehensive income have been calculated by discounting the expected future cash flows. In addition, the bills receivable will mature within one year, and thus their fair values approximate to their carrying values.

The Group invests in unlisted investments, which represent structured deposit issued by banks in Chinese mainland. The Group has estimated the fair value of structured deposit by using a discounted cash flow valuation approach, and estimated the fair value of wealth management products based on the valuation report released by the wealth management product manager where available and consider liquidity discount where applicable.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management applies valuation technics mainly comprise direct valuation of the equity used in recent transaction or market comparable company approach to determine fair value. When using market comparable company approach, the significant unobservable inputs to the valuation of the unlisted equity investments is average P/B multiple of peers. The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

The fair values of the non-current portion of time deposits, interest-bearing bank loans, long-term receivable, debt investment and long-term payables included in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

Fair value hierarchy

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

Assets measured at fair value:

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	–	991,145	–	991,145
Bills receivables at fair value through other comprehensive income	–	1,063,100	–	1,063,100
Equity investments designated at fair value through other comprehensive income	202,481	–	79,501	281,982
Derivative financial instruments	–	264	–	264
Total	202,481	2,054,509	79,501	2,336,491

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	56,908	625,832	–	682,740
Bills receivables at fair value through other comprehensive income	–	600,042	–	600,042
Equity investments designated at fair value through other comprehensive income	240,100	–	80,266	320,366
Total	297,008	1,225,874	80,266	1,603,148

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*
Financial assets at fair value through profit or loss	65,397	394,592	–	459,989
Bills receivables at fair value through other comprehensive income	–	1,407,399	–	1,407,399
Equity investments designated at fair value through other comprehensive income	111,335	–	91,938	203,273
Derivative financial instruments	1,029	–	–	1,029
Total	177,761	1,801,991	91,938	2,071,690

As at 30 June 2026

	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	63,886	702,839	–	766,725
Bills receivables at fair value through other comprehensive income	–	1,918,395	–	1,918,395
Equity investments designated at fair value through other comprehensive income	117,309	–	87,282	204,591
Derivative financial instruments	–	77	–	77
Total	181,195	2,621,311	87,282	2,889,788

The movements of equity investments in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at fair value through other comprehensive income				
At the beginning of the year/period	59,574	79,501	80,266	91,938
Gains/(losses) recognised in other comprehensive income for the year/period	13,927	765	11,672	(4,656)
Purchase	6,000	–	–	–
At the end of the year/period	79,501	80,266	91,938	87,282

Liabilities measured at fair value:

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 liabilities at fair value through profit or loss	–	18	–	18

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 liabilities at fair value through profit or loss	–	1,100	–	1,100

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*
Derivative financial instruments	–	17	–	17

As at 30 June 2026

	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*
Derivative financial instruments	82	–	–	82

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 both financial assets and financial liabilities.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, comprise bank loans, other interest-bearing loans and cash and deposits. 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 receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. The directors review and agree policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term interest-bearing bank loans with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2023, 2024 and 2025 and 30 June 2026, approximately 66%, 49%, 0% and 4% of the Group's interest-bearing borrowings bore interest at fixed rates.

If the interest rate of bank loans had increased/decreased in 100 basis points and all other variables were held constant, profit before tax of the Group, through the impact on floating rate borrowings, would have decreased/increased by approximately RMB3,526,000, RMB6,565,000, RMB6,820,000 and RMB 9,883,000 for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

(b) Foreign currency risk

The Group is exposed to transactional exchange rate risk. Such risks arise from transactions conducted by an operating entity in a currency other than its functional currency.

The following table shows the sensitivity analysis of exchange rate risk, reflecting the impact of reasonable and possible changes in foreign currency exchange rate on profit before tax under the assumption that other variables remain unchanged:

	Increase/(decrease) in foreign exchange rate	Increase/(decrease) in profit before tax
	%	*RMB'000*
As at 31 December 2023		
If the RMB weakens against the USD	5%	23,628
If the RMB strengthens against the USD	(5%)	(23,628)
If the RMB weakens against the EUR	5%	561
If the RMB strengthens against the EUR	(5%)	(561)
As at 31 December 2024		
If the RMB weakens against the USD	5%	19,174
If the RMB strengthens against the USD	(5%)	(19,174)
If the RMB weakens against the EUR	5%	765
If the RMB strengthens against the EUR	(5%)	(765)
As at 31 December 2025		
If the RMB weakens against the USD	5%	18,514
If the RMB strengthens against the USD	(5%)	(18,514)
If the RMB weakens against the EUR	5%	577
If the RMB strengthens against the EUR	(5%)	(577)
As at 30 June 2026		
If the RMB weakens against the USD	5%	27,669
If the RMB strengthens against the USD	(5%)	(27,669)
If the RMB weakens against the EUR	5%	786
If the RMB strengthens against the EUR	(5%)	(786)

(c) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

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	–	–	–	2,224,962	2,224,962
Bill receivables	–	–	–	292,417	292,417
Bills receivables at fair value through other comprehensive income	–	–	–	1,063,100	1,063,100
Financial assets included in prepayment, other receivables and other assets	23,960	–	–	–	23,960

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits	1,954,626	–	–	–	1,954,626
Pledged deposits	450	–	–	–	450
Cash and cash equivalents	2,942,301	–	–	–	2,942,301
Total	4,921,337	–	–	3,580,479	8,501,816

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	–	–	–	2,588,788	2,588,788
Bill receivables	–	–	–	447,231	447,231
Bills receivables at fair value through other comprehensive income	–	–	–	600,042	600,042
Financial assets included in prepayment, other receivables and other assets	52,085	–	–	–	52,085
Time deposits	1,860,977	–	–	–	1,860,977
Pledged deposits	2,100	–	–	–	2,100
Cash and cash equivalents	2,742,102	–	–	–	2,742,102
Total	4,657,264	–	–	3,636,061	8,293,325

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	–	–	–	3,912,448	3,912,448
Bill receivables	–	–	–	600,432	600,432
Bills receivables at fair value through other comprehensive income	–	–	–	1,407,399	1,407,399
Financial assets included in prepayment, other receivables and other assets	64,293	–	–	–	64,293
Time deposits	2,580,127	–	–	–	2,580,127
Pledged deposits	20,135	–	–	–	20,135
Cash and cash equivalents	1,134,335	–	–	–	1,134,335
Total	3,798,890	–	–	5,920,279	9,719,169

30 June 2026

	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	–	–	–	5,514,565	5,514,565
Bill receivables	–	–	–	851,364	851,364
Bills receivables at fair value through other comprehensive income	–	–	–	1,918,395	1,918,395
Financial assets included in prepayment, other receivables and other assets	68,297	–	–	–	68,297
Time deposits	1,781,882	–	–	–	1,781,882
Pledged deposits	50,476	–	–	–	50,476
Cash and cash equivalents	1,987,242	–	–	–	1,987,242
Total	3,887,897	–	–	8,284,324	12,172,221

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 24 and 25 to the Historical Financial Information, respectively.

** The credit quality of 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".

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans, and other available sources of financing.

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

	As at 31 December 2023				
	Within one year or on demand	In the second year	In the third year	Beyond three years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	9,131	5,825	4,780	6,866	26,602
Interest bearing bank and other loans	785,594	393,942	128,851	14,642	1,323,029
Trade and bills payables	3,549,298	–	–	–	3,549,298
Convertible bonds	9,847	19,695	29,542	2,044,314	2,103,398
Financial liabilities included in other payables and accruals	675,870	–	–	–	675,870
Total	5,029,740	419,462	163,173	2,065,822	7,678,197

	As at 31 December 2024				
	Within one year or on demand	In the second year	In the third year	Beyond three years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	9,660	6,007	1,865	3,633	21,165
Interest-bearing bank and other loans	936,191	502,536	99,112	27,610	1,565,449
Trade and bills payables	2,921,513	–	–	–	2,921,513
Convertible bonds	19,694	29,541	35,449	2,008,792	2,093,476
Financial liabilities included in other payables and accruals	415,445	–	–	–	415,445
Total	4,302,503	538,084	136,426	2,040,035	7,017,048

	As at 31 December 2025				
	Within one year or on demand	In the second year	In the third year	Beyond three years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	8,784	3,800	3,821	2,960	19,365
Interest-bearing bank and other loans	471,774	136,639	111,770	108,233	828,416
Trade and bills payables	4,702,518	–	–	–	4,702,518
Convertible bonds	27,070	32,484	1,840,784	–	1,900,338
Financial liabilities included in other payables and accruals	445,395	–	–	–	445,395
Total	5,655,541	172,923	1,956,375	111,193	7,896,032

	As at 30 June 2026				
	Within one year or on demand	In the second year	In the third year	Beyond three years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	9,098	4,524	3,389	2,719	19,730
Interest-bearing bank and other loans	939,596	110,842	148,332	39,394	1,238,164
Trade and bills payables	7,653,113	–	–	–	7,653,113
Convertible bonds	27,069	32,483	1,840,691	–	1,900,243
Financial liabilities included in other payables and accruals	467,272	–	–	–	467,272
Total	9,096,148	147,849	1,992,412	42,113	11,278,522

(e) Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026.

The Group monitors capital using an asset-liability ratio, which is total liabilities divided by total assets. The asset-liability ratio at the end of the reporting period was as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
Total assets (RMB'000)	17,624,313	17,623,194	19,797,527	23,755,823
Total liabilities (RMB'000)	7,992,083	7,400,505	8,543,893	11,915,193
Asset-liability ratio (%)	45.35	41.99	43.16	50.16

49. SUBSEQUENT EVENTS

Subsequent to 30 June 2026, the board of directors of the Company proposed the payment of interim dividend of RMB0.3 per ordinary share with total amount of RMB226,166,000. The proposal of the interim dividend is subject to approval in the Company's third extraordinary general meeting of shareholders on 7 September 2026.

50. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 30 June 2026.