
APPENDIX I

ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JIANGXI TONGBO TECHNOLOGY CO., LTD. AND SINOLINK SECURITIES (HONG KONG) COMPANY LIMITED

Introduction

We report on the historical financial information of Jiangxi Tongbo 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 and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 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 [REDACTED] of the shares of the Company on the [REDACTED] 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.

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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 and other comprehensive income, statement of changes in equity and statement of cash flows 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.

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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 12 to the Historical Financial Information which contains information about the dividend paid by the Company in respect of the Relevant Periods.

Certified Public Accountants

Hong Kong

[date]

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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.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
					(unaudited)	
REVENUE	5	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272
Cost of sales		(2,951,445)	(3,111,890)	(3,971,193)	(1,720,650)	(3,127,116)
Gross profit		211,550	99,783	241,303	81,643	276,156
Other income and gains	5	74,470	122,116	77,850	26,694	46,153
Selling and marketing expenses		(21,722)	(13,884)	(17,261)	(7,035)	(9,892)
Administrative expenses		(69,280)	(60,834)	(65,063)	(19,641)	(31,775)
Research and development expenses .		(53,825)	(46,823)	(49,406)	(21,538)	(36,278)
Reversal of impairment losses/ (impairment losses) on financial assets, net		1,573	(5,508)	5,137	2,101	4,797
Other expenses	7	(21,049)	(11,896)	(20,375)	(9,936)	(12,764)
Finance costs	8	(48,515)	(61,604)	(68,365)	(39,570)	(47,780)
PROFIT BEFORE TAX	6	73,202	21,350	103,820	12,718	188,617
Income tax (expense)/credit	11	(10,145)	(770)	(9,986)	562	(23,699)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>63,057</u>	<u>20,580</u>	<u>93,834</u>	<u>13,280</u>	<u>164,918</u>
Profit attributable to:						
Owners of the parent		63,085	20,581	91,780	13,279	156,237
Non-controlling interests		(28)	(1)	2,054	1	8,681
		<u>63,057</u>	<u>20,580</u>	<u>93,834</u>	<u>13,280</u>	<u>164,918</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	13	<u>0.27</u>	<u>0.09</u>	<u>0.39</u>	<u>0.06</u>	<u>0.67</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	1,098,754	1,017,635	1,141,423	1,699,169
Right-of-use assets	15	29,228	29,101	43,922	43,351
Intangible assets	16	1,565	1,389	1,212	1,778
Deferred tax assets	18	17,692	21,180	17,577	14,519
Prepayments, other receivables and other assets	21	422	8,488	40,353	35,902
Time deposits	22	307,782	—	—	—
Total non-current assets		1,455,443	1,077,793	1,244,487	1,794,719
CURRENT ASSETS					
Inventories	19	398,357	421,202	525,153	874,093
Trade and bills receivables	20	1,191,514	1,727,785	1,913,388	1,695,833
Prepayments, other receivables and other assets	21	54,593	56,224	102,270	133,596
Income tax recoverable		9,229	9,804	—	—
Time deposits	22	—	322,109	170,045	129,941
Restricted cash	22	—	1,751	32,104	—
Pledged deposits	22	44,000	463,585	444,396	1,015,577
Cash and cash equivalents	22	219,746	107,078	406,196	721,232
Total current assets		1,917,439	3,109,538	3,593,552	4,570,272
CURRENT LIABILITIES					
Trade and bills payables	23	278,587	455,210	441,225	618,524
Other payables and accruals	24	124,514	86,616	174,905	350,580
Contract liabilities	25	269	545	320	1,222
Interest-bearing bank and other borrowings	26	1,169,535	2,004,127	2,333,586	2,954,627
Lease liabilities	15	705	4,533	5,499	6,108
Deferred income	27	7,215	8,367	8,771	8,472
Tax payable		3,022	4,448	7,705	6,775
Total current liabilities		1,583,847	2,563,846	2,972,011	3,946,308
NET CURRENT ASSETS		333,592	545,692	621,541	623,964
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,789,035	1,623,485	1,866,028	2,418,683

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		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	26	370,365	163,831	206,652	507,514
Deferred income	27	82,455	84,284	79,544	82,308
Lease liabilities	15	2,467	554	553	664
Total non-current liabilities		455,287	248,669	286,749	590,486
Net assets		1,333,748	1,374,816	1,579,279	1,828,197
EQUITY					
Equity attributable to owners of the parent					
Share capital.	28	232,629	232,629	232,629	232,629
Reserves	30	1,098,647	1,139,716	1,283,333	1,484,008
		1,331,276	1,372,345	1,515,962	1,716,637
Non-controlling interests		2,472	2,471	63,317	111,560
Total equity.		1,333,748	1,374,816	1,579,279	1,828,197

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent					Non-controlling	
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	interests	Total equity
	RMB'000 Note 28	RMB'000 Note 30	RMB'000 Note 30	RMB'000 Note 30	RMB'000	RMB'000	RMB'000
As at 1 January 2023	232,629	951,622	–	5,579	52,987	1,242,817	–
Profit and other comprehensive income for the year	–	–	–	–	63,085	63,085	(28)
Total comprehensive income for the year	–	–	–	–	63,085	63,085	(28)
Transfer to surplus reserve	–	–	645	–	(645)	–	–
Equity-settled share-based payment expense	–	37,005	–	–	–	37,005	–
Capital contribution from non-controlling shareholders	–	–	–	–	–	2,500	2,500
Dividend declared	–	–	–	–	(11,631)	(11,631)	–
Appropriation to special reserve	–	–	–	11,185	(11,185)	–	–
Utilisation of special reserve	–	–	–	(6,340)	6,340	–	–
As at 31 December 2023	232,629	988,627	645	10,424	98,951	1,331,276	2,472

Year ended 31 December 2024

	Attributable to owners of the parent					Non-controlling	
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	interests	Total equity
	RMB'000 Note 28	RMB'000 Note 30	RMB'000 Note 30	RMB'000 Note 30	RMB'000	RMB'000	RMB'000
As at 1 January 2024	232,629	988,627	645	10,424	98,951	1,331,276	2,472
Profit and other comprehensive income for the year	–	–	–	–	20,581	20,581	(1)
Total comprehensive income for the year	–	–	–	–	20,581	20,581	(1)
Equity-settled share-based payment expense	–	20,488	–	–	–	20,488	–
Appropriation to special reserve	–	–	–	12,236	(12,236)	–	–
Utilisation of special reserve	–	–	–	(3,859)	3,859	–	–
As at 31 December 2024	232,629	1,009,115	645	18,801	111,155	1,372,345	2,471

Year ended 31 December 2025

	Attributable to owners of the parent					Non-controlling	
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	interests	Total equity
	RMB'000 Note 28	RMB'000 Note 30	RMB'000 Note 30	RMB'000 Note 30	RMB'000	RMB'000	RMB'000
As at 1 January 2025	232,629	1,009,115	645	18,801	111,155	1,372,345	2,471
Profit and other comprehensive income for the year	–	–	–	–	91,780	91,780	2,054
Total comprehensive income for the year	–	–	–	–	91,780	91,780	2,054
Equity-settled share-based payment expense	–	5,629	–	–	–	5,629	–
Capital contribution from non-controlling shareholders	–	46,208	–	–	–	46,208	58,792
Appropriation to special reserve	–	–	–	12,413	(12,413)	–	–
Utilisation of special reserve	–	–	–	(3,790)	3,790	–	–
As at 31 December 2025	232,629	1,060,952	645	27,424	194,312	1,515,962	63,317

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Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Statutory surplus reserve	Special reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
	Note 28	Note 30	Note 30	Note 30				
As at 1 January 2025	232,629	1,009,115	645	18,801	111,155	1,372,345	2,471	1,374,816
Profit and other comprehensive income for the period (unaudited)	–	–	–	–	13,279	13,279	1	13,280
Total comprehensive income for the period (unaudited) . .	–	–	–	–	13,279	13,279	1	13,280
Equity-settled share-based payment expense (unaudited) . .	–	1,735	–	–	–	1,735	–	1,735
Capital contribution from non-controlling shareholders (unaudited)	–	–	–	–	–	–	5,000	5,000
Appropriation to special reserve (unaudited)	–	–	–	6,206	(6,206)	–	–	–
Utilisation of special reserve (unaudited)	–	–	–	(2,237)	2,237	–	–	–
As at 30 June 2025 (unaudited)	232,629	1,010,850	645	22,770	120,465	1,387,359	7,472	1,394,831

Six months ended 30 June 2026

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium*	Statutory surplus reserve*	Special reserve*	Retained profits*	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
	Note 28	Note 30	Note 30	Note 30				
As at 1 January 2026	232,629	1,060,952	645	27,424	194,312	1,515,962	63,317	1,579,279
Profit and other comprehensive income for the period . . .	–	–	–	–	156,237	156,237	8,681	164,918
Total comprehensive income for the period	–	–	–	–	156,237	156,237	8,681	164,918
Capital contribution from non-controlling shareholders . . .	–	44,438	–	–	–	44,438	39,562	84,000
Appropriation to special reserve	–	–	–	4,682	(4,682)	–	–	–
Utilisation of special reserve	–	–	–	(1,093)	1,093	–	–	–
As at 30 June 2026	232,629	1,105,390	645	31,013	346,960	1,716,637	111,560	1,828,197

* These reserve accounts represent the consolidated reserves of RMB1,098,647,000, RMB1,139,716,000, RMB1,283,333,000 and RMB1,484,008,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

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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	RMB'000
					(unaudited)	
CASH FLOWS FROM						
OPERATING ACTIVITIES						
Profit before tax		73,202	21,350	103,820	12,718	188,617
Adjustments for:						
Depreciation of property, plant and equipment	6,14	85,979	89,332	89,852	44,890	49,474
Depreciation of right-of-use assets . .	6,15	1,654	1,867	2,025	940	1,308
Amortisation of intangible assets . .		155	176	177	89	123
Write-down of inventories to net realisable value	19	14,270	3,696	1,927	1,927	1,571
(Reversal of impairment losses)/ impairment losses on financial assets, net		(1,573)	5,508	(5,137)	(2,101)	(4,797)
Bank interest income		(17,275)	(12,429)	(15,307)	(8,771)	(6,386)
Finance costs	8	48,515	61,604	68,365	39,570	47,780
Exchange (gain)/loss		–	(7)	(97)	(1)	11
Share-based compensation benefits . .	6,29	37,005	20,488	5,629	1,735	–
Asset-related government grants and subsidies		(6,746)	(8,285)	(8,488)	(4,186)	(4,535)
Losses on disposal of items of property, plant and equipment . . .	5,6	–	–	2,694	78	113
		<u>235,186</u>	<u>183,300</u>	<u>245,460</u>	<u>86,888</u>	<u>273,279</u>
Increase in inventories.		(32,798)	(26,541)	(105,878)	(64,723)	(350,511)
Increase in trade and bills receivables		(174,167)	(624,142)	(524,793)	(310,154)	(406,499)
Decrease/(increase) in prepayments and other receivables.		43,711	(1,670)	(61,966)	(5,837)	(31,436)
Decrease/(increase) in pledged deposits.		221,000	(419,585)	19,189	57,339	(571,181)
(Decrease)/increase in trade and bills payables		(133,072)	176,623	(13,985)	94,886	177,299
(Decrease)/increase in other payables and accruals		(886)	(5,572)	16,631	(7,816)	(15,045)
(Decrease)/increase in contract liabilities		(1,858)	276	(225)	(66)	902
Decrease/(increase) in restricted cash.		<u>172</u>	<u>(1,751)</u>	<u>(4,353)</u>	<u>(3,271)</u>	<u>5,338</u>
Cash generated from/(used in) operations		157,288	(719,062)	(429,920)	(152,754)	(917,854)
Interest received		7,581	7,031	7,232	3,595	4,713
Income tax (paid)/refunded		<u>(58,702)</u>	<u>(3,407)</u>	<u>6,678</u>	<u>7,564</u>	<u>(21,571)</u>
Net cash flows from/(used in) operating activities		<u>106,167</u>	<u>(715,438)</u>	<u>(416,010)</u>	<u>(141,595)</u>	<u>(934,712)</u>

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		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
					(unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(65,630)	(48,607)	(177,026)	(21,790)	(407,891)
Receipt of asset-related government grants		26,200	11,266	4,152	–	7,000
Purchase of intangible assets		(326)	–	–	–	–
Placement of time deposits		–	(8,929)	(170,045)	(99,998)	(60,000)
Withdrawal of time deposits		22,280	–	330,184	–	101,777
Disposal of property, plant and equipment		–	–	2,579	72	17
Net cash flows used in investing activities		<u>(17,476)</u>	<u>(46,270)</u>	<u>(10,156)</u>	<u>(121,716)</u>	<u>(359,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital contribution from non- controlling shareholders of subsidiaries		2,500	–	105,000	5,000	84,000
Payment of lease liabilities		(347)	(64)	(149)	(17)	(43)
New interest-bearing bank and other borrowings (excluding intra-group bills)		623,978	455,353	1,031,676	503,068	923,559
Repayment of interest-bearing bank and other borrowings (excluding intra-group bills)		(722,612)	(395,717)	(288,579)	(187,455)	(95,483)
Proceeds from discounting of intra- group bills		902,104	2,041,655	2,367,631	995,000	1,540,278
Repayment of intra-group bills		(858,997)	(1,388,445)	(2,426,040)	(927,210)	(797,739)
Dividend paid		(11,631)	–	–	–	–
Interest paid		(31,660)	(63,749)	(62,257)	(30,061)	(44,864)
Payment of [REDACTED]		–	–	(2,095)	–	(852)
Net cash flows (used in)/from financing activities		<u>(96,665)</u>	<u>649,033</u>	<u>725,187</u>	<u>358,325</u>	<u>1,608,856</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(7,974)</u>	<u>(112,675)</u>	<u>299,021</u>	<u>95,014</u>	<u>315,047</u>
Cash and cash equivalents at beginning of the year/period		227,720	219,746	107,078	107,078	406,196
Effect of foreign exchange rate changes, net		–	7	97	1	(11)

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		Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
		(unaudited)				
CASH AND CASH EQUIVALENTS						
AT END OF YEAR/PERIOD. . . .		<u>219,746</u>	<u>107,078</u>	<u>406,196</u>	<u>202,093</u>	<u>721,232</u>
ANALYSIS OF BALANCES OF						
CASH AND CASH						
EQUIVALENTS						
Cash and bank balances.	22	571,528	894,523	1,052,741	1,040,644	1,866,750
Less: Restricted cash.	22	–	1,751	32,104	5,022	–
Time deposits	22	307,782	322,109	170,045	427,283	129,941
Pledged deposits	22	<u>44,000</u>	<u>463,585</u>	<u>444,396</u>	<u>406,246</u>	<u>1,015,577</u>
Cash and cash equivalents as stated						
in the consolidated statement of						
cash flows		<u>219,746</u>	<u>107,078</u>	<u>406,196</u>	<u>202,093</u>	<u>721,232</u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	294,653	269,266	243,759	285,790
Right-of-use assets	15	8,699	9,248	8,628	8,376
Investments in subsidiaries	17	521,320	531,520	583,020	683,220
Deferred tax assets	18	13,066	16,649	13,251	10,307
Prepayments, other receivables and other assets	21	414	632	408	3,823
Time deposits	22	307,782	—	—	—
Total non-current assets		1,145,934	827,315	849,066	991,516
CURRENT ASSETS					
Inventories	19	187,261	211,737	242,265	350,158
Trade and bills receivables	20	1,190,996	1,727,601	1,868,925	1,493,288
Prepayments, deposits and other receivables	21	24,649	30,842	25,908	60,038
Income tax recoverable		9,229	9,804	—	—
Due from subsidiaries	34	80,205	102,567	79,407	137,715
Time deposits	22	—	322,109	160,034	109,817
Restricted cash	22	—	1,751	5,180	—
Pledged deposits	22	44,000	350,092	439,358	1,015,576
Cash and cash equivalents	22	163,337	85,969	379,788	629,194
Total current assets		1,699,677	2,842,472	3,200,865	3,795,786
CURRENT LIABILITIES					
Trade and bills payables	23	84,642	167,378	230,154	220,662
Other payables and accruals	24	22,511	15,380	30,298	15,091
Contract liabilities	25	269	545	169	147
Due to subsidiaries	34	1,084,641	1,809,573	1,464,811	2,422,396
Interest-bearing bank and other borrowings	26	254,195	382,607	893,187	715,563
Lease liabilities	15	562	2,365	2,602	2,692
Deferred income	27	5,861	7,013	7,416	7,118
Tax payable		—	—	—	3,209
Total current liabilities		1,452,681	2,384,861	2,628,637	3,386,878
NET CURRENT ASSETS		246,996	457,611	572,228	408,908
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,392,930	1,284,926	1,421,294	1,400,424

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		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank loans and other borrowings	26	96,000	–	109,581	50,444
Deferred income	27	56,021	59,205	55,819	52,260
Lease liabilities	15	690	221	64	27
Total non-current liabilities		152,711	59,426	165,464	102,731
Net assets		1,240,219	1,225,500	1,255,830	1,297,693
EQUITY					
Share capital.	28	232,629	232,629	232,629	232,629
Reserves	30	1,007,590	992,871	1,023,201	1,065,064
Total equity.		1,240,219	1,225,500	1,255,830	1,297,693

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Jiangxi Tongbo Technology Co., Ltd. (the “**Company**”) was registered as a limited liability company in the People’s Republic of China (“**PRC**”) on 18 August 2016. On 20 December 2022, the Company was converted into a joint stock company with limited liability.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “**Group**”) were involved in the research, development, production and sale of copper foil.

As at 30 June 2026, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, which are set out below:

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Name	Note	Place and date of registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
			(‘000)	%	%	
Jiangxi Shengeng Copper Foil Technology Co., Ltd. 江西省深耕銅箔科技有限公司	(1)	PRC/Chinese mainland/ 10 January 2020	RMB533,149	92	–	– Manufacture and research and development (“R&D”) of copper foil
Sichuan Tongbo Technology Co., Ltd. 四川銅博科技有限公司	(1)	PRC/Chinese mainland/ 05 July 2023	RMB119,000	70	–	– Manufacture and R&D of copper foil
Jiangxi Tongbo Materials Co., Ltd. 江西銅博材料有限公司	(1)	PRC/Chinese mainland/ 27 June 2025	RMB500	100	–	– Manufacture and sale of copper foil

The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Note:

(1) No audited financial statements of these entities have been prepared for the years ended 31 December 2023, 2024 and 2025 as these entities were either newly registered or not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

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2.1 BASIS OF PREPARATION

The Historical Financial Information and the Interim Comparative Financial Information have been prepared in accordance with IFRS Accounting Standards issued 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 consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and the Interim Comparative Financial Information.

The Historical Financial Information and the Interim Comparative Financial Information have been prepared under the historical cost convention.

Basis of consolidation

The Historical Financial Information and the Interim Comparative Financial Information include the financial statements of the Company and its subsidiaries 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.

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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 and liabilities and any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements¹</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures¹</i>
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities³</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency¹</i>
Amendments to IAS 28	<i>Amendments to the Fair Value Option for Investments in Associates and Joint Ventures⁴</i>

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

² No mandatory effective date yet determined but available for adoption

³ Reporting periods beginning on or after 1 January 2029

⁴ Effective when an entity first applies IFRS 18

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

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statement*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statements of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statements of cash flows and additional disclosure will be included in the Historical Financial Information and the Interim Comparative Financial Information.

The Group has already commenced an assessment of the impact of these new and amended IFRS Accounting Standards, which are relevant to the Group’s operations. According to the preliminary assessment made by the directors, except for IFRS 18 which is still under assessment, no significant impact on the financial performance and financial position of the Group is expected when other new and amended IFRS Accounting Standards become effective.

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2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

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

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

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and 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.

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

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

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

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Related parties

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

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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Property, plant and equipment and depreciation

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

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

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

Buildings	5%
Production equipment	6% to 32%
Office equipment and electronic devices	10% to 32%
Vehicles	19% to 24%

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

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

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for

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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 the end of each financial year.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years, which is mainly determined by reference to the licensed period of the purchased software.

Research and development costs

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

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

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 not exceeding five to seven years, 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

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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 50 years
Leased plant and properties	3 to 8 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 machinery and equipment (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 office equipment that is considered to be of low value.

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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.

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.

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Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

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

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

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The Group’s financial liabilities include trade payables, other payables and accruals, other current liabilities, amounts due to related companies and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (loans and borrowings, or payables)

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

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Inventories

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

Cash and cash equivalents

Cash and cash equivalents in the 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.

Provisions

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

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

Income tax

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

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

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

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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, 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, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Government grants

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

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

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.

Sale of copper foil

Revenue from the sale of copper foil is recognised at the point in time when control of the asset is transferred to the customer, generally upon acceptance of the delivered 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.

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. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

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Share-based payments

The Company operates a share incentive scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the shares granted is determined by an external valuer using the discounted cash flow model, taking into account the recent capital injection price. Further details are set out in note 29 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 fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

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

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

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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. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension schemes

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

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.

Events after the reporting period

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

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3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Estimation uncertainty

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

Share-based payments

The Group operates a share scheme for the purpose of providing incentives to the Group’s employees (including directors). The grant date fair value of the granted shares is determined by an external valuer using the discounted cash flow model. Further details are contained in note 29 to the Historical Financial Information.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on ageing of receivables.

The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on ageing of the trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group calibrates the matrix to adjust the credit loss with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the expected credit losses are adjusted. At the end of each reporting period, the expected credit loss rates are updated and changes in the forward-looking estimates are analysed.

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

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4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the senior management for the purposes of resource allocation and performance assessment. The Group’s chief operating decision maker is the chief executive officer of the Group who reviews the Group’s consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

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

Information about major customers

External customers from which the revenue amounted individually to over 10% of total revenue of the Group during the Relevant Periods and the six months ended 30 June 2025 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	RMB’000
				(unaudited)	
Customer A	1,533,181	1,997,404	2,475,820	1,081,815	1,869,988
Customer B	497,217	495,309	765,921	301,563	649,640
Customer D	434,612	*	*	*	*

* Less than 10% of the Group’s revenue

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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	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

Revenue from contracts with customers

(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					
Lithium battery copper foil . . .	2,816,472	2,851,739	3,700,905	1,566,084	3,040,091
Electronic circuit copper foil . .	323,118	351,186	478,769	231,116	280,061
Others	23,405	8,748	32,822	5,093	83,120

Total revenue from contracts with customers	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272
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	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
Geographical markets					
Chinese mainland	3,162,995	3,208,196	4,211,858	1,801,983	3,403,182
Overseas	–	3,477	638	310	90
Total	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

	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
Timing of revenue recognition					
Goods transferred at a point in time	3,162,995	3,211,673	4,212,496	1,802,293	3,403,272

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The following table shows the amounts of revenue recognised in the Relevant Periods and the six months ended 30 June 2025 that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous 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
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<u>2,127</u>	<u>269</u>	<u>545</u>	<u>545</u>	<u>320</u>

(b) *Performance obligations*

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

Sale of copper foil

The performance obligation is satisfied when control of the asset is transferred to the customer, generally upon acceptance of the delivered products. Payment is generally due within 30 to 90 days from receipt of invoice or from delivery.

The performance obligation is part of a contract that has an original expected duration of one year. As a practical expedient, the remaining performance obligations are not disclosed.

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 . . .	17,275	12,429	15,307	8,771	6,386
Government grants and subsidies.	57,107	109,262	62,021	17,692	39,712
Others	<u>88</u>	<u>424</u>	<u>425</u>	<u>138</u>	<u>54</u>
Other gains					
Foreign exchange differences, net	<u>–</u>	<u>1</u>	<u>97</u>	<u>93</u>	<u>1</u>
Total	<u>74,470</u>	<u>122,116</u>	<u>77,850</u>	<u>26,694</u>	<u>46,153</u>

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6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Cost of sales of goods*		2,951,445	3,111,890	3,971,193	1,720,650	3,127,116
Write-down of inventories to net realisable value	19	14,270	3,696	1,927	1,927	1,571
Depreciation of property, plant and equipment**	14	85,979	89,332	89,852	44,890	49,474
Depreciation of right-of-use assets** . . .	15	1,654	1,867	2,025	940	1,308
Amortisation of intangible assets** . . .	16	155	176	177	89	123
Research and development expenses . . .		53,825	46,823	49,406	21,538	36,278
Employee benefit expense (including directors’ chief executive’s and supervisor’s remuneration (note 9))***:						
Wages and salaries		101,840	104,266	108,889	50,419	76,150
Share-based payment	29	37,005	20,488	5,629	1,735	–
Pension scheme contributions and social welfare		13,192	13,674	14,391	6,789	9,740
Losses on disposal of items of property, plant and equipment	5,6	–	–	2,694	78	113
[REDACTED]		–	–	14,151	–	2,917

* Cost of sales of goods for the Relevant Periods and the six months ended 30 June 2025 includes the impairment losses on inventories recognised, the depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of intangible assets which are also included in the respective total amounts disclosed separately in “write-down of inventories to net realisable value”, “depreciation of property, plant and equipment”, “depreciation of right-of-use assets” and “amortisation of intangible assets” above.

** The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of intangible assets for the Relevant Periods and the six months ended 30 June 2025 are included in “Cost of sales”, “Research and development expenses”, “Selling and marketing expenses” and “Administrative expenses” in profit or loss.

*** The employee benefit expense for the Relevant Periods and the six months ended 30 June 2025 is included in “Cost of sales”, “Selling and marketing expenses”, “Research and development expenses” and “Administrative expenses” in profit or loss.

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7. OTHER EXPENSES

An analysis of other expenses 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
Bills discounting fee	20,831	11,822	16,707	9,020	12,585
Loss on disposal of property, plant and equipment	–	–	2,694	78	113
Others	218	74	974	838	66
Total	<u>21,049</u>	<u>11,896</u>	<u>20,375</u>	<u>9,936</u>	<u>12,764</u>

8. 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 interest-bearing bank and other borrowings	48,366	61,365	68,202	39,433	51,880
Interest on lease liabilities	149	239	163	137	26
Less: Interest capitalised	–	–	–	–	(4,126)
Total	<u>48,515</u>	<u>61,604</u>	<u>68,365</u>	<u>39,570</u>	<u>47,780</u>

9. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

Directors’ and supervisors’ remuneration for the Relevant Periods and the six months ended 30 June 2025 is set out below:

	As at 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Fees	–	–	–	–	–
Other emoluments:					
Salaries, allowances and benefits in kind	2,416	2,091	2,395	1,165	1,114
Performance related bonuses*	1,335	1,371	1,692	467	505
Share-based payments	18,703	20,488	2,651	1,735	–
Pension scheme contributions	36	36	42	21	12
Total	<u>22,490</u>	<u>23,986</u>	<u>6,780</u>	<u>3,388</u>	<u>1,631</u>

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* Certain directors of the Company are entitled to bonus payments which are determined by key performance indicators.

During the Relevant Periods and the six months ended 30 June 2025, restricted shares were granted to certain directors, in respect of their services to the Group, under the employee incentive schemes (the “**Share Incentive Schemes**”) of the Company, further details of which are set out in note 29 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding “share-based payment expense” in profit or loss over the vesting period. The amounts during the Relevant Periods and the six months ended 30 June 2025 are included in the above directors’ chief executive’s and supervisors’ 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	RMB’000
				(unaudited)	
Ms. Wang Jinlan (i)	90	90	90	45	45
Mr. Liu Shuhong (ii)	90	90	75	45	–
Mr. Zhang Jiafeng (iii)	90	90	90	45	45
Mr. Zhang Wei (iv)	–	–	15	–	45
Mr. Huang Hao (v)	–	–	–	–	100
Total	<u>270</u>	<u>270</u>	<u>270</u>	<u>135</u>	<u>235</u>

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

- (i) On 20 December 2022, Ms. Wang Jinlan was appointed as a director of the Company.
- (ii) On 20 December 2022, Mr. Liu Shuhong was appointed as a director of the Company and resigned on 1 October 2025.
- (iii) On 20 December 2022, Mr. Zhang Jiafeng was appointed as a director of the Company.
- (iv) On 30 October 2025, Mr. Zhang Wei was appointed as a director of the Company.
- (v) On 29 December 2025, Mr. Huang Hao was appointed as a director of the Company.

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(b) Executive and non-executive directors and supervisors

The remuneration of each of the executive and non-executive directors and supervisors of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors or supervisors of the Company) for the Relevant Periods and the six months ended 30 June 2025 is set out as follows:

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December, 2023						
Executive and non-executive directors:						
Mr. Li Xianyang (i)	–	482	202	18,703	6	19,393
Mr. Xie Changjiang (ii)	–	553	308	–	6	867
Mr. Tang Haifeng (iii)	–	548	624	–	6	1,178
Mr. Li Siyang (iv)	–	–	–	–	–	–
Subtotal.	–	1,583	1,134	18,703	18	21,438
Supervisors:						
Mr. Zhou Qingyun (vi)	–	192	54	–	6	252
Ms. Yang Qing (vii)	–	187	85	–	6	278
Ms. Hua Xiu (viii)	–	184	62	–	6	252
Subtotal.	–	563	201	–	18	782
Total	–	2,146	1,335	18,703	36	22,220

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December, 2024						
Executive and non-executive directors:						
Mr. Li Xianyang (i)	–	386	87	20,488	6	20,967
Mr. Xie Changjiang (ii)	–	449	503	–	6	958
Mr. Tang Haifeng (iii)	–	456	458	–	6	920
Mr. Li Siyang (iv)	–	–	–	–	–	–
Subtotal.	–	1,291	1,048	20,488	18	22,845
Supervisors:						
Mr. Zhou Qingyun (vi)	–	170	96	–	6	272
Ms. Yang Qing (vii)	–	180	121	–	6	307
Ms. Hua Xiu (viii)	–	180	106	–	6	292
Subtotal.	–	530	323	–	18	871
Total	–	1,821	1,371	20,488	36	23,716

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	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December, 2025						
Executive and non-executive directors:						
Mr. Li Xianyang (i)	–	354	283	2,651	6	3,294
Mr. Xie Changjiang (ii)	–	467	300	–	6	773
Mr. Tang Haifeng (iii)	–	463	430	–	6	899
Mr. Li Siyang (iv)	–	–	–	–	–	–
Mr. Xu Hongbiao (v)	–	354	319	–	6	679
Subtotal.	–	1,638	1,332	2,651	24	5,645
Supervisors:						
Mr. Zhou Qingyun (vi)	–	148	111	–	6	265
Ms. Yang Qing (vii)	–	169	139	–	6	314
Ms. Hua Xiu (viii)	–	170	110	–	6	286
Subtotal.	–	487	360	–	18	865
Total	–	2,125	1,692	2,651	42	6,510
Six months ended 30 June, 2025 (unaudited)						
Executive and non-executive directors:						
Mr. Li Xianyang (i)	–	165	68	1,735	3	1,971
Mr. Xie Changjiang (ii)	–	228	169	–	3	400
Mr. Tang Haifeng (iii)	–	224	91	–	3	318
Mr. Li Siyang (iv)	–	–	–	–	–	–
Mr. Xu Hongbiao (v)	–	168	52	–	3	223
Subtotal.	–	785	380	1,735	12	2,912
Supervisors:						
Mr. Zhou Qingyun (vi)	–	74	31	–	3	108
Ms. Yang Qing (vii)	–	85	13	–	3	101
Ms. Hua Xiu (viii)	–	86	43	–	3	132
Subtotal.	–	245	87	–	9	341
Total	–	1,030	467	1,735	21	3,253

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	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June, 2026						
Executive and non-executive directors:						
Mr. Li Xianyang (i)	–	186	124	–	3	313
Mr. Xie Changjiang (ii)	–	250	129	–	3	382
Mr. Tang Haifeng (iii)	–	251	133	–	3	387
Mr. Li Siyang (iv)	–	–	–	–	–	–
Mr. Xu Hongbiao (v)	–	192	119	–	3	314
Total	–	879	505	–	12	1,396

- (i) On 31 October 2018, Mr. Li Xianyang, the chief executive, was appointed as the chairman of the board of directors of the Company.
- (ii) On 20 December 2022, Mr. Xie Changjiang was appointed as a director of the Company.
- (iii) On 17 September 2021, Mr. Tang Haifeng was appointed as a director of the Company.
- (iv) On 17 September 2021, Mr. Li Siyang was appointed as a director of the Company.
- (v) On 29 December 2025, Mr. Xu Hongbiao was appointed as a director of the Company.
- (vi) On 20 December 2022, Mr. Zhou Qingyun was appointed as a supervisor of the Company and resigned on 8 October 2025.
- (vii) On 20 December 2022, Ms. Yang Qing was appointed as a supervisor of the Company and resigned on 8 October 2025.
- (viii) On 20 December 2022, Ms. Hua Xiu was appointed as a supervisor of the Company and resigned on 8 October 2025.

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 included the chief executive, the chief executive and two directors, the chief executive and two directors, the chief executive and two directors, and two directors, respectively; details of whose remuneration are set out in note 9 above. Details of the remuneration for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 of the remaining four, two, two, two and three highest paid employees who are neither a director nor chief executive of the Company 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 and benefits in kind	873	690	558	63	100
Performance related bonuses	420	738	379	581	1,122
Share-based payment expense	14,519	–	2,978	–	–
Pension scheme contributions and social welfare	24	12	8	6	9
Total	<u>15,836</u>	<u>1,440</u>	<u>3,923</u>	<u>650</u>	<u>1,231</u>

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to HK\$1,000,000	–	2	1	2	3
HK\$3,000,001 to HK\$3,500,000	2	–	–	–	–
HK\$3,500,001 to HK\$4,500,000	–	–	1	–	–
HK\$5,500,001 to HK\$6,000,000	<u>2</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>

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11. INCOME TAX

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

Chinese Mainland

Pursuant to the Corporate Income Tax (“CIT”) Law of the PRC and the respective regulations, the Company and subsidiaries which operate in the Chinese Mainland are subject to CIT at a standard rate of 25% on the taxable income during the Relevant Periods and the six months ended 30 June 2025 covered by the Interim Comparative Financial Information, except for the following tax concessions.

The Company was accredited as a “High and New Technology Enterprise” (“HNT”) in 2019 and its qualification was renewed in 2022 and 2025. It is therefore entitled to a preferential CIT rate of 15% from 2019 to 2027. This qualification is subject to review by the relevant tax authority in the PRC every three years.

A subsidiary of the Company was accredited as an HNT in 2023 and is therefore entitled to a preferential CIT rate of 15% from 2023 to 2025. The subsidiary is undergoing a review to renew the qualification, and it is expected that it will continue to be accredited as a HNT in 2026.

Based on the Public Notice 2023 No. 7 issued by the Ministry of Finance and the State Tax Bureau of the PRC on 26 March 2023, the Group is eligible for a 100% super deduction of eligible R&D expense from 1 January 2023. The Group claimed such super deduction during the Relevant Periods and the six months ended 30 June 2025 covered by Interim Comparative Financial Information.

Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the jurisdictions in which the Group operates.

	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 income tax	14,119	4,258	6,383	4,676	20,641
Deferred tax (credit)/charge (note 18)	(3,974)	(3,488)	3,603	(5,238)	3,058
Total tax charge/(credit)	<u>10,145</u>	<u>770</u>	<u>9,986</u>	<u>(562)</u>	<u>23,699</u>

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A reconciliation of the tax expense applicable to profit before tax at the preferential tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense/(credit) at the effective tax rate 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
Profit before tax	73,202	21,350	103,820	12,718	188,617
Tax at the preferential tax rate. .	10,980	3,203	15,573	1,909	28,293
Effect of different tax rates. . . .	(12)	(1)	(81)	–	(342)
Expenses not deductible for tax .	6,224	4,591	1,902	760	1,190
Super deduction on research and development expenses	(7,465)	(7,023)	(7,408)	(3,231)	(5,442)
Effect on opening deferred tax of decrease in rate	418	–	–	–	–
Tax charge/(credit) at the Group’s effective tax rate . . .	10,145	770	9,986	(562)	23,699

12. DIVIDEND

Cash dividend of RMB11,631,000 was declared and paid by the Company on 15 June 2023.

13. 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 Relevant Periods and the six months ended 30 June 2025 attributable to ordinary equity holders of the parent, and the weighted average numbers of outstanding ordinary shares during the Relevant Periods and the 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
Profit					
Profit attributable to ordinary equity holders of the parent (RMB'000) . .	63,085	20,581	91,780	13,279	156,237
Shares					
Weighted average number ('000) of ordinary shares outstanding during the year/period	232,629	232,629	232,629	232,629	232,629
Profit per share					
Basic and diluted (RMB)	0.27	0.09	0.39	0.06	0.67

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14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
At 1 January 2023:						
Cost	257,787	987,932	1,570	2,602	41,624	1,291,515
Accumulated depreciation	(24,489)	(126,428)	(691)	(742)	–	(152,350)
Net carrying amount	<u>233,298</u>	<u>861,504</u>	<u>879</u>	<u>1,860</u>	<u>41,624</u>	<u>1,139,165</u>
At 1 January 2023, net of accumulated depreciation	233,298	861,504	879	1,860	41,624	1,139,165
Additions	–	570	6	–	44,992	45,568
Transfers	10,338	72,798	28	–	(83,164)	–
Depreciation provided during the year	(12,133)	(73,003)	(349)	(494)	–	(85,979)
At 31 December 2023, net of accumulated depreciation and impairment	<u>231,503</u>	<u>861,869</u>	<u>564</u>	<u>1,366</u>	<u>3,452</u>	<u>1,098,754</u>
At 31 December 2023:						
Cost	268,125	1,061,300	1,604	2,602	3,452	1,337,083
Accumulated depreciation	(36,622)	(199,431)	(1,040)	(1,236)	–	(238,329)
Net carrying amount	<u>231,503</u>	<u>861,869</u>	<u>564</u>	<u>1,366</u>	<u>3,452</u>	<u>1,098,754</u>
	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
At 1 January 2024:						
Cost	268,125	1,061,300	1,604	2,602	3,452	1,337,083
Accumulated depreciation	(36,622)	(199,431)	(1,040)	(1,236)	–	(238,329)
Net carrying amount	<u>231,503</u>	<u>861,869</u>	<u>564</u>	<u>1,366</u>	<u>3,452</u>	<u>1,098,754</u>
At 1 January 2024, net of accumulated depreciation	231,503	861,869	564	1,366	3,452	1,098,754
Additions	–	2,202	–	193	5,818	8,213
Transfers	–	7,064	–	–	(7,064)	–
Depreciation provided during the year	(12,738)	(75,898)	(244)	(452)	–	(89,332)
At 31 December 2024, net of accumulated depreciation	<u>218,765</u>	<u>795,237</u>	<u>320</u>	<u>1,107</u>	<u>2,206</u>	<u>1,017,635</u>
At 31 December 2024:						
Cost	268,125	1,070,566	1,604	2,795	2,206	1,345,296
Accumulated depreciation	(49,360)	(275,329)	(1,284)	(1,688)	–	(327,661)
Net carrying amount	<u>218,765</u>	<u>795,237</u>	<u>320</u>	<u>1,107</u>	<u>2,206</u>	<u>1,017,635</u>

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	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
At 1 January 2025:						
Cost	268,125	1,070,566	1,604	2,795	2,206	1,345,296
Accumulated depreciation	(49,360)	(275,329)	(1,284)	(1,688)	–	(327,661)
Net carrying amount	<u>218,765</u>	<u>795,237</u>	<u>320</u>	<u>1,107</u>	<u>2,206</u>	<u>1,017,635</u>
At 1 January 2025 net of accumulated depreciation	218,765	795,237	320	1,107	2,206	1,017,635
Additions	–	829	9	1,017	217,058	218,913
Transfers	–	6,966	136	–	(7,102)	–
Disposals	–	(5,210)	–	(63)	–	(5,273)
Depreciation provided during the year	<u>(12,738)</u>	<u>(76,481)</u>	<u>(80)</u>	<u>(553)</u>	<u>–</u>	<u>(89,852)</u>
At 31 December 2025, net of accumulated depreciation	<u>206,027</u>	<u>721,341</u>	<u>385</u>	<u>1,508</u>	<u>212,162</u>	<u>1,141,423</u>
At 31 December 2025:						
Cost	268,125	1,070,022	1,750	3,339	212,162	1,555,398
Accumulated depreciation	(62,098)	(348,681)	(1,365)	(1,831)	–	(413,975)
Net carrying amount	<u>206,027</u>	<u>721,341</u>	<u>385</u>	<u>1,508</u>	<u>212,162</u>	<u>1,141,423</u>
	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
30 June 2026						
At 1 January 2026:						
Cost	268,125	1,070,022	1,750	3,339	212,162	1,555,398
Accumulated depreciation	(62,098)	(348,681)	(1,365)	(1,831)	–	(413,975)
Net carrying amount	<u>206,027</u>	<u>721,341</u>	<u>385</u>	<u>1,508</u>	<u>212,162</u>	<u>1,141,423</u>
At 1 January 2026 net of accumulated depreciation	206,027	721,341	385	1,508	212,162	1,141,423
Additions	–	1,742	43	376	605,878	608,039
Transfers	98,227	300,815	67	–	(399,798)	(689)
Disposals	–	(130)	–	–	–	(130)
Depreciation provided during the period	<u>(7,463)</u>	<u>(41,664)</u>	<u>(45)</u>	<u>(302)</u>	<u>–</u>	<u>(49,474)</u>
At 30 June 2026 net of accumulated depreciation	<u>296,791</u>	<u>982,104</u>	<u>450</u>	<u>1,582</u>	<u>418,242</u>	<u>1,699,169</u>
At 30 June 2026:						
Cost	366,352	1,332,389	1,860	3,715	418,242	2,122,558
Accumulated depreciation	(69,561)	(350,285)	(1,410)	(2,133)	–	(423,389)
Net carrying amount	<u>296,791</u>	<u>982,104</u>	<u>450</u>	<u>1,582</u>	<u>418,242</u>	<u>1,699,169</u>

The Group was in the process of obtaining property ownership certificates for certain of the Group’s buildings with carrying amount of nil, nil, nil and RMB97,145,000 as at 31 December 2023 , 2024 and 2025 and 30 June 2026.

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Group’s property, plant and equipment with aggregate carrying amounts of approximately RMB506,316,000, RMB319,484,000, RMB295,473,000 and RMB281,701,000 respectively, were pledged to secure interest-bearing bank loans, and certain of the Group’s property, plant and equipment with aggregate carrying amounts of approximately RMB348,921,000, RMB323,603,000, RMB381,478,000 and RMB364,317,000, respectively, were pledged to secure interest-bearing other borrowings of the Group.

The Company

	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2023						
At 1 January 2023:						
Cost	65,368	348,474	1,046	1,302	–	416,190
Accumulated depreciation	(14,462)	(94,048)	(511)	(495)	–	(109,516)
Net carrying amount	<u>50,906</u>	<u>254,426</u>	<u>535</u>	<u>807</u>	<u>–</u>	<u>306,674</u>
At 1 January 2023, net of accumulated depreciation	50,906	254,426	535	807	–	306,674
Additions	–	–	–	–	16,573	16,573
Transfers	–	16,556	17	–	(16,573)	–
Disposals	–	(957)	–	–	–	(957)
Depreciation provided during the year	(3,107)	(24,105)	(178)	(247)	–	(27,637)
At 31 December 2023, net of accumulated depreciation	<u>47,799</u>	<u>245,920</u>	<u>374</u>	<u>560</u>	<u>–</u>	<u>294,653</u>
At 31 December 2023:						
Cost	65,368	364,073	1,063	1,302	–	431,806
Accumulated depreciation	(17,569)	(118,153)	(689)	(742)	–	(137,153)
Net carrying amount	<u>47,799</u>	<u>245,920</u>	<u>374</u>	<u>560</u>	<u>–</u>	<u>294,653</u>

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	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
At 1 January 2024:						
Cost	65,368	364,073	1,063	1,302	–	431,806
Accumulated depreciation	(17,569)	(118,153)	(689)	(742)	–	(137,153)
Net carrying amount	<u>47,799</u>	<u>245,920</u>	<u>374</u>	<u>560</u>	<u>–</u>	<u>294,653</u>
At 1 January 2024, net of accumulated depreciation	47,799	245,920	374	560	–	294,653
Additions	–	218	–	193	3,364	3,775
Transfers	–	3,037	–	–	(3,037)	–
Disposals	–	(668)	–	–	–	(668)
Depreciation provided during the year	(3,106)	(25,074)	(109)	(205)	–	(28,494)
At 31 December 2024, net of accumulated depreciation	<u>44,693</u>	<u>223,433</u>	<u>265</u>	<u>548</u>	<u>327</u>	<u>269,266</u>
At 31 December 2024:						
Cost	65,368	366,660	1,063	1,495	327	434,913
Accumulated depreciation	(20,675)	(143,227)	(798)	(947)	–	(165,647)
Net carrying amount	<u>44,693</u>	<u>223,433</u>	<u>265</u>	<u>548</u>	<u>327</u>	<u>269,266</u>
	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
At 1 January 2025:						
Cost	65,368	366,660	1,063	1,495	327	434,913
Accumulated depreciation	(20,675)	(143,227)	(798)	(947)	–	(165,647)
Net carrying amount	<u>44,693</u>	<u>223,433</u>	<u>265</u>	<u>548</u>	<u>327</u>	<u>269,266</u>
At 1 January 2025, net of accumulated depreciation	44,693	223,433	265	548	327	269,266
Additions	–	–	–	302	7,451	7,753
Transfers	–	6,705	136	–	(6,841)	–
Disposals	–	(4,554)	–	(11)	–	(4,565)
Depreciation provided during the year	(3,106)	(25,290)	(61)	(238)	–	(28,695)
At 31 December 2025, net of accumulated depreciation	<u>41,587</u>	<u>200,294</u>	<u>340</u>	<u>601</u>	<u>937</u>	<u>243,759</u>
At 31 December 2025:						
Cost	65,368	364,658	1,199	1,571	937	433,733
Accumulated depreciation	(23,781)	(164,364)	(859)	(970)	–	(189,974)
Net carrying amount	<u>41,587</u>	<u>200,294</u>	<u>340</u>	<u>601</u>	<u>937</u>	<u>243,759</u>

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	Buildings	Production equipment	Office equipment and electronic devices	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
30 June 2026						
At 1 January 2026:						
Cost	65,368	364,658	1,199	1,571	937	433,733
Accumulated depreciation	(23,781)	(164,364)	(859)	(970)	–	(189,974)
Net carrying amount	<u>41,587</u>	<u>200,294</u>	<u>340</u>	<u>601</u>	<u>937</u>	<u>243,759</u>
At 1 January 2026, net of accumulated depreciation	41,587	200,294	340	601	937	243,759
Additions	–	495	–	345	55,241	56,081
Transfers	–	(41,747)	67	–	41,680	–
Disposals	–	(928)	–	–	–	(928)
Depreciation provided during the period	(1,553)	(11,405)	(38)	(126)	–	(13,122)
At 30 June 2026, net of accumulated depreciation	<u>40,034</u>	<u>146,709</u>	<u>369</u>	<u>820</u>	<u>97,858</u>	<u>285,790</u>
At 30 June 2026:						
Cost	65,368	282,123	1,266	1,916	97,858	448,531
Accumulated depreciation	(25,334)	(135,414)	(897)	(1,096)	–	(162,741)
Net carrying amount	<u>40,034</u>	<u>146,709</u>	<u>369</u>	<u>820</u>	<u>97,858</u>	<u>285,790</u>

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Company’s property, plant and equipment with aggregate carrying amounts of approximately RMB157,130,000, nil, nil and nil, respectively, were pledged to secure interest-bearing bank loans of the Company, and certain of the Company’s property, plant and equipment with aggregate carrying amounts of approximately nil, nil, RMB160,578,000 and RMB151,156,000, respectively, were pledged to secure interest-bearing other borrowings of the Company.

15. LEASES

The Group as a lessee

The Group has lease contracts for plant and properties and land used in its operations. Leases of land generally have lease terms between 30 and 50 years. Leases of plant and properties generally have lease terms between 3 and 8 years.

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(a) Right-of-use assets

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

The Group

	Leased plant and properties	Leasehold land	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2023	1,783	28,164	29,947
Additions	935	–	935
Depreciation charge	(1,049)	(605)	(1,654)
As at 31 December 2023 and 1 January 2024	1,669	27,559	29,228
Additions	1,740	–	1,740
Depreciation charge	(1,262)	(605)	(1,867)
As at 31 December 2024 and 1 January 2025	2,147	26,954	29,101
Additions	951	15,895	16,846
Depreciation charge	(1,315)	(710)	(2,025)
As at 31 December 2025 and 1 January 2026	1,783	42,139	43,922
Additions	737	–	737
Depreciation charge	(669)	(639)	(1,308)
As at 30 June 2026	<u>1,851</u>	<u>41,500</u>	<u>43,351</u>

As at 31 December 2023 , 2024 and 2025 and 30 June 2026, certain of the Group’s leasehold land with aggregate carrying amounts of approximately RMB12,370,000, RMB 3,737,000, RMB3,662,000 and RMB23,522,000 respectively, were pledged to secure interest-bearing bank loans, and certain of the Group’s leasehold land with aggregate carrying amounts of approximately RMB4,314,000, RMB4,221,000, RMB4,137,000 and RMB4,091,000, respectively, were pledged to secure interest-bearing other borrowings of the Group.

The Company

	Leased plant and properties	Leasehold land	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2023	487	8,751	9,238
Additions	100	–	100
Depreciation charge	(440)	(199)	(639)
As at 31 December 2023 and 1 January 2024	147	8,552	8,699
Additions	1,229	–	1,229
Depreciation charge	(481)	(199)	(680)
As at 31 December 2024 and 1 January 2025	895	8,353	9,248
Additions	33	–	33
Depreciation charge	(454)	(199)	(653)
As at 31 December 2025 and 1 January 2026	474	8,154	8,628
Additions	72	–	72
Depreciation charge	(224)	(100)	(324)
As at 30 June 2026	<u>322</u>	<u>8,054</u>	<u>8,376</u>

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain of the Company’s leasehold land with aggregate carrying amounts of approximately RMB8,552,000, nil, nil and nil, respectively, were pledged to secure interest-bearing bank loans of the Company.

(b) Lease liabilities

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

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Carrying amount at the beginning of year/period	2,435	3,172	5,087	6,052
New leases	935	1,740	951	737
Accretion of interest recognised during the year/period	149	239	163	26
Payments	(347)	(64)	(149)	(43)
Carrying amount at the end of year/period	<u>3,172</u>	<u>5,087</u>	<u>6,052</u>	<u>6,772</u>
Analysed into:				
Current portion	705	4,533	5,499	6,108
Non-current portion	<u>2,467</u>	<u>554</u>	<u>553</u>	<u>664</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Carrying amount at the beginning of year/period	1,117	1,252	2,586	2,666
New leases	100	1,229	33	72
Accretion of interest recognised during the year/period	69	130	81	6
Payments	(34)	(25)	(34)	(25)
Carrying amount at the end of year/period	<u>1,252</u>	<u>2,586</u>	<u>2,666</u>	<u>2,719</u>
Analysed into:				
Current portion	562	2,365	2,602	2,692
Non-current portion	<u>690</u>	<u>221</u>	<u>64</u>	<u>27</u>

The maturity analysis of lease liabilities is disclosed in note 38.

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(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
Depreciation charge of right-of-use assets	1,654	1,867	2,025	940	1,308
Interest on lease liabilities	149	239	163	137	26
Total amount recognised in profit or loss	<u>1,803</u>	<u>2,106</u>	<u>2,188</u>	<u>1,077</u>	<u>1,334</u>

The Company

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	
Depreciation charge of right-of-use assets	639	680	653	327	324
Interest on lease liabilities	69	130	81	74	6
Total amount recognised in profit or loss	<u>708</u>	<u>810</u>	<u>734</u>	<u>401</u>	<u>330</u>

16. INTANGIBLE ASSETS

The Group

	<u>Software</u> RMB’000
At 1 January 2023:	
Cost	1,441
Accumulated amortisation.	<u>(47)</u>
Net carrying amount	<u>1,394</u>
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation.	1,394
Additions	326
Amortisation provided during the year	<u>(155)</u>
At 31 December 2023	<u>1,565</u>
At 31 December 2023 and at 1 January 2024:	
Cost	1,767
Accumulated amortisation.	<u>(202)</u>
Net carrying amount	<u>1,565</u>

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	<u>Software</u> <i>RMB’000</i>
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation.	1,565
Amortisation provided during the year	<u>(176)</u>
At 31 December 2024	<u><u>1,389</u></u>
At 31 December 2024 and at 1 January 2025:	
Cost	1,767
Accumulated amortisation.	<u>(378)</u>
Net carrying amount	<u><u>1,389</u></u>
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation.	1,389
Amortisation provided during the year	<u>(177)</u>
At 31 December 2025	<u><u>1,212</u></u>
At 31 December 2025 and at 1 January 2026:	
Cost	1,767
Accumulated amortisation and impairment	<u>(555)</u>
Net carrying amount	<u><u>1,212</u></u>
30 June 2026	
Cost at 1 January 2026, net of accumulated amortisation.	1,212
Transfers	689
Amortisation provided during the period.	<u>(123)</u>
At 30 June 2026	<u><u>1,778</u></u>
At 30 June 2026:	
Cost	2,456
Accumulated amortisation.	<u>(678)</u>
Net carrying amount	<u><u>1,778</u></u>

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17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the end of year/period	<u>521,320</u>	<u>531,520</u>	<u>583,020</u>	<u>683,220</u>

The Company’s outstanding balances with the subsidiaries are disclosed in note 34.

18. DEFERRED TAX

The Group

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

Deferred tax assets

	Tax losses	Impairment provision	Deferred income	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	–	2,847	10,771	498	14,116
Effect on opening deferred tax of decrease in rates	–	(177)	(239)	(131)	(547)
Deferred tax credited to profit or loss during the year	<u>29</u>	<u>1,317</u>	<u>2,919</u>	<u>109</u>	<u>4,374</u>
Gross deferred tax assets at 31 December 2023 and 1 January 2024	29	3,987	13,451	476	17,943
Deferred tax credited to profit or loss during the year	<u>2,632</u>	<u>194</u>	<u>447</u>	<u>287</u>	<u>3,560</u>
Gross deferred tax assets at 31 December 2024 and 1 January 2025	2,661	4,181	13,898	763	21,503
Deferred tax (charged)/credited to profit or loss during the year	<u>(834)</u>	<u>(2,318)</u>	<u>(651)</u>	<u>145</u>	<u>(3,658)</u>
Gross deferred tax assets at 31 December 2025 and 1 January 2026	1,827	1,863	13,247	908	17,845
Deferred tax (charged)/credited to profit or loss during the period	<u>(931)</u>	<u>(425)</u>	<u>370</u>	<u>109</u>	<u>(877)</u>
Gross deferred tax assets at 30 June 2026	<u>896</u>	<u>1,438</u>	<u>13,617</u>	<u>1,017</u>	<u>16,968</u>

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Deferred tax liabilities

	Depreciation allowance in excess of related depreciation	Right-of-use assets	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023	–	398	398
Effect on opening deferred tax of decrease in rates. . .	–	129	129
Deferred tax credited to profit or loss during the year. .	–	(276)	(276)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	–	251	251
Deferred tax charged to profit or loss during the year. .	–	72	72
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	–	323	323
Deferred tax credited to profit or loss during the year. .	–	(55)	(55)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	–	268	268
Deferred tax charged to profit or loss during the period	2,171	10	2,181
Gross deferred tax liabilities at 30 June 2026	2,171	278	2,449

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 Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	17,692	21,180	17,577	14,519

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The Company

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

Deferred tax assets

	Tax losses	Impairment provision	Deferred income	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	–	2,404	10,174	166	12,744
Deferred tax credited/(charged) to profit or loss during the year	–	1,214	(892)	22	344
Gross deferred tax assets at 31 December 2023 and 1 January 2024	–	3,618	9,282	188	13,088
Deferred tax credited to profit or loss during the year . . .	2,629	216	651	200	3,696
Gross deferred tax assets at 31 December 2024 and 1 January 2025	2,629	3,834	9,933	388	16,784
Deferred tax (charged)/credited to profit or loss during the year	(1,037)	(1,989)	(448)	12	(3,462)
Gross deferred tax assets at 31 December 2025 and 1 January 2026	1,592	1,845	9,485	400	13,322
Deferred tax (charged)/credited to profit or loss during the period	(1,592)	(804)	(578)	7	(2,967)
Gross deferred tax assets at 30 June 2026	–	1,041	8,907	407	10,355

Deferred tax liabilities

	Right-of-use assets
	<i>RMB'000</i>
At 1 January 2023	72
Deferred tax credited to profit or loss during the year	(50)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	22
Deferred tax charged to profit or loss during the year	113
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	135
Deferred tax credited to profit or loss during the year	(64)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	71
Deferred tax credited to profit or loss during the period	(23)
Gross deferred tax liabilities at 30 June 2026	48

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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 Group for financial reporting purposes:

	As at 31 December			As at
	2023	2024	2025	30 June
	RMB'000	RMB'000	RMB'000	2026
Net deferred tax assets recognised in the consolidated statement of financial position	13,066	16,649	13,251	10,307

19. INVENTORIES

The Group

	As at 31 December			As at
	2023	2024	2025	30 June
	RMB'000	RMB'000	RMB'000	2026
Raw materials	30,756	28,259	30,952	27,422
Finished goods	176,708	180,000	162,722	350,792
Work in progress.	207,254	225,084	333,558	499,287
	414,718	433,343	527,232	877,501
Less: Provision for impairment losses on inventories	(16,361)	(12,141)	(2,079)	(3,408)
Net carrying amount	398,357	421,202	525,153	874,093

The movements in provision

	As at 31 December			As at
	2023	2024	2025	30 June
	RMB'000	RMB'000	RMB'000	2026
Carrying amount at the beginning of the year/period	4,530	16,361	12,141	2,079
Impairment losses recognised (<i>note 6</i>)	14,270	3,696	1,927	1,571
Amounts utilised	(2,439)	(7,916)	(11,989)	(242)
Carrying amount at the end of the year/period	16,361	12,141	2,079	3,408

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	14,627	15,432	12,657	14,865
Finished goods	85,345	92,243	72,898	145,290
Work in progress.	101,232	113,958	158,758	192,127
	201,204	221,633	244,313	352,282
Less: Provision for impairment losses on inventories	(13,943)	(9,896)	(2,048)	(2,124)
Net carrying amount	187,261	211,737	242,265	350,158

The movements in provision

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/ period	2,819	13,943	9,896	2,048
Impairment losses recognised	11,852	1,561	–	318
Amounts utilised	(728)	(5,608)	(7,848)	(242)
Carrying amount at the end of the year/period . . .	13,943	9,896	2,048	2,124

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20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	963,163	1,335,451	1,703,172	1,104,257
Bank acceptance notes	238,435	407,887	220,043	596,976
Commercial acceptance bills	—	—	500	—
Less: Impairment losses	(10,084)	(15,553)	(10,327)	(5,400)
Net carrying amount	<u>1,191,514</u>	<u>1,727,785</u>	<u>1,913,388</u>	<u>1,695,833</u>

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. 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.

The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, 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	1,191,121	1,723,969	1,913,335	1,695,818
1 to 2 years	99	3,806	15	15
2 to 3 years	294	10	38	—
Total	<u>1,191,514</u>	<u>1,727,785</u>	<u>1,913,388</u>	<u>1,695,833</u>

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	11,672	10,084	15,553	10,327
(Reversal of impairment losses)/impairment losses	(1,588)	5,469	(5,162)	(4,907)
Amount written off as uncollectible	—	—	(64)	(20)
At end of year/period	<u>10,084</u>	<u>15,553</u>	<u>10,327</u>	<u>5,400</u>

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The Group applies the simplified approach in calculating ECLs for trade receivables. The trade receivables are grouped and collectively assessed for impairment allowance. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of receivables for groups of customers based on the invoice date that have similar credit rating. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

The Group’s bank acceptance notes aged within one year were neither past due nor impaired. Since accepting banks are reputable financial institutions, the management of the Company assessed that the credit loss to be minimal.

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

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
As at 31 December 2023					
<i>On collective basis:</i>					
Expected credit loss rate	0.98%	18.37%	59.49%	100.00%	1.05%
Gross carrying amount (RMB’000)	962,115	121	727	200	963,163
Expected credit losses (RMB’000)	<u>9,430</u>	<u>22</u>	<u>432</u>	<u>200</u>	<u>10,084</u>
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
As at 31 December 2024					
<i>On collective basis:</i>					
Expected credit loss rate	0.96%	33.40%	80.71%	100.00%	1.16%
Gross carrying amount (RMB’000)	1,328,776	5,715	51	909	1,335,451
Expected credit losses (RMB’000)	<u>12,694</u>	<u>1,909</u>	<u>41</u>	<u>909</u>	<u>15,553</u>
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
As at 31 December 2025					
<i>On collective basis:</i>					
Expected credit loss rate	0.57%	16.67%	80.21%	100.00%	0.61%
Gross carrying amount (RMB’000)	1,702,919	18	187	548	1,703,672
Expected credit losses (RMB’000)	<u>9,626</u>	<u>3</u>	<u>150</u>	<u>548</u>	<u>10,327</u>
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
As at 30 June 2026					
<i>On collective basis:</i>					
Expected credit loss rate	0.47%	16.67%	–	100.00%	0.49%
Gross carrying amount (RMB’000)	1,104,029	18	–	210	1,104,257
Expected credit losses (RMB’000)	<u>5,187</u>	<u>3</u>	<u>–</u>	<u>210</u>	<u>5,400</u>

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group’s trade and bills receivables, with aggregate carrying amounts of approximately RMB504,358,000, RMB857,464,000, RMB663,323,000 and RMB480,881,000, respectively, were pledged to banks as collateral for the issuance of bank acceptance notes.

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, other borrowings were secured by trade and bills receivables. Details can be found in note 26.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	963,163	1,335,329	1,668,686	946,513
Bank acceptance notes	237,917	407,824	209,871	551,434
Commercial acceptance bills	—	—	500	—
Less: Impairment losses	(10,084)	(15,552)	(10,132)	(4,659)
Net carrying amount	<u>1,190,996</u>	<u>1,727,601</u>	<u>1,868,925</u>	<u>1,493,288</u>

An ageing analysis of the trade and bills receivables of the Company as at the end of the reporting period, based on the invoice date and net of loss allowance, 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	1,190,603	1,723,785	1,868,872	1,493,273
1 to 2 years	99	3,806	15	15
2 to 3 years	294	10	38	—
Total	<u>1,190,996</u>	<u>1,727,601</u>	<u>1,868,925</u>	<u>1,493,288</u>

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	11,672	10,084	15,552	10,132
(Reversal of impairment losses)/impairment losses	(1,588)	5,468	(5,356)	(5,453)
Amount written off as uncollectible	—	—	(64)	(20)
At end of year/period.	<u>10,084</u>	<u>15,552</u>	<u>10,132</u>	<u>4,659</u>

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

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
As at 31 December 2023					
<i>On a collective basis:</i>					
Expected credit loss rate	0.98%	18.37%	59.49%	100.00%	1.05%
Gross carrying amount (RMB’000)	962,115	121	727	200	963,163
Expected credit losses (RMB’000)	9,430	22	432	200	10,084
As at 31 December 2024					
<i>On a collective basis:</i>					
Expected credit loss rate	0.96%	33.40%	80.71%	100.00%	1.16%
Gross carrying amount (RMB’000)	1,328,654	5,715	51	909	1,335,329
Expected credit losses (RMB’000)	12,693	1,909	41	909	15,552
As at 31 December 2025					
<i>On a collective basis:</i>					
Expected credit loss rate	0.57%	16.67%	80.21%	100.00%	0.61%
Gross carrying amount (RMB’000)	1,668,433	18	187	548	1,669,186
Expected credit losses (RMB’000)	9,431	3	150	548	10,132
As at 30 June 2026					
<i>On a collective basis:</i>					
Expected credit loss rate	0.47%	16.67%	–	100.00%	0.49%
Gross carrying amount (RMB’000)	946,285	18	–	210	946,513
Expected credit losses (RMB’000)	4,446	3	–	210	4,659

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Current:				
VAT and other tax recoverable	52,368	46,694	65,266	82,572
Prepayments to suppliers	1,603	8,850	33,554	41,979
Deposits and other receivables	759	857	1,136	6,410
Prepayment of [REDACTED].	–	–	2,516	2,947
Less: Impairment allowance	(137)	(177)	(202)	(312)
Subtotal	54,593	56,224	102,270	133,596
Non-current:				
Prepayments for long-term assets	422	8,488	40,353	35,902
Total	55,015	64,712	142,623	169,498

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, the ECLs of other receivables were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant periods.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current:				
Other tax recoverable	23,485	24,747	–	16,837
Prepayments to suppliers	943	5,806	22,960	34,709
Deposits and other receivables	312	400	550	5,703
Prepayment of [REDACTED]	–	–	2,516	2,947
Less: Impairment allowance	(91)	(111)	(118)	(158)
Subtotal	24,649	30,842	25,908	60,038
Non-current:				
Prepayments for [REDACTED]	414	632	408	3,823
Total	25,063	31,474	26,316	63,861

22. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	571,528	894,523	1,052,741	1,866,750
Less: Pledged time deposits*.	307,782	322,109	170,045	129,941
Less: Pledged deposits**.	44,000	463,585	444,396	1,015,577
Less: Restricted deposits***	–	1,751	32,104	–
Cash and cash equivalents	219,746	107,078	406,196	721,232

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

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- * Time deposits amounting to RMB307,782,000, RMB322,109,000, RMB170,045,000 and RMB129,941,000 were pledged to banks as collateral for the issuance of bank acceptance notes as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.
- ** Pledged deposits represented bank deposits amounting to RMB44,000,000, RMB463,585,000, RMB444,396,000 and RMB1,015,577,000 that were pledged to banks as collateral for the issuance of bank acceptance notes as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.
- *** Restricted deposits represented bank deposits amounting to nil, RMB1,751,000, RMB32,104,000 and nil that were mainly restricted due to litigation and insurance, or pledged for the repayment of bank loans as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. The restricted deposits amounting to RMB 26,000,000 as at 31 December 2025 were released in January 2026 to fully settle the relevant bank loans.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents				
Denominated in RMB	219,746	104,777	406,131	720,977
Denominated in USD	—	2,301	65	255
	<u>219,746</u>	<u>107,078</u>	<u>406,196</u>	<u>721,232</u>
Pledged time deposits in RMB	307,782	322,109	170,045	129,941
Pledged deposits in RMB	44,000	463,585	444,396	1,015,577
Restricted deposits in RMB	—	1,751	32,104	—

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents				
Denominated in RMB	163,337	83,668	379,723	628,966
Denominated in USD	—	2,301	65	228
	<u>163,337</u>	<u>85,969</u>	<u>379,788</u>	<u>629,194</u>
Pledged time deposits in RMB	307,782	322,109	160,034	109,817
Pledged deposits in RMB	44,000	350,092	439,358	1,015,576
Restricted deposits in RMB	—	1,751	5,180	—

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23. 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	121,529	173,034	266,645	471,284
Bills payable.	157,058	282,176	174,580	147,240
Total	<u>278,587</u>	<u>455,210</u>	<u>441,225</u>	<u>618,524</u>

An ageing analysis of the trade and bills payables 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	274,040	449,452	434,277	613,729
1 to 2 years	3,035	2,267	3,398	293
2 to 3 years	832	2,024	575	1,504
Over 3 years.	680	1,467	2,975	2,998
Total	<u>278,587</u>	<u>455,210</u>	<u>441,225</u>	<u>618,524</u>

As at the end of each of the Relevant Periods, the carrying amounts of trade and bills payables approximated their fair values.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	70,723	100,884	102,936	171,801
Bills payable.	13,919	66,494	127,218	48,861
Total	<u>84,642</u>	<u>167,378</u>	<u>230,154</u>	<u>220,662</u>

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An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, 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	81,669	162,763	226,328	217,097
1 to 2 years	1,518	1,807	1,029	162
2 to 3 years	778	1,398	235	824
Over 3 years	677	1,410	2,562	2,579
Total	<u>84,642</u>	<u>167,378</u>	<u>230,154</u>	<u>220,662</u>

24. 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
Payroll and welfare payable	14,807	16,759	16,914	15,268
Payable for constructions and purchase of equipment	97,709	65,383	139,136	330,708
Deposits and other payables	3,093	2,201	2,406	1,173
Other tax payables	8,905	2,273	6,032	3,431
[REDACTED]	—	—	10,417	—
Total	<u>124,514</u>	<u>86,616</u>	<u>174,905</u>	<u>350,580</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll and welfare payable	7,015	7,885	6,878	4,315
Payable for constructions and purchase of equipment	11,967	4,225	5,944	7,926
Deposits and other payables	2,173	2,005	2,241	978
Other tax payables	1,356	1,265	4,818	1,872
[REDACTED]	—	—	10,417	—
Total	<u>22,511</u>	<u>15,380</u>	<u>30,298</u>	<u>15,091</u>

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Other payables are non-interest-bearing and unsecured. Except that the payable for purchase of items of property, plant and equipment is repayable within 12 months, all the other payables are repayable on demand.

25. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Copper foil products	269	545	320	1,222

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Copper foil products	269	545	169	147

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – secured	3.00-6.50	2024	170,261
Current portion of long term bank loans – secured	3.30-4.90	2024	54,380
Other borrowings	0.91-5.20	2024	944,894
Total – current			1,169,535
Non-current			
Bank loans – secured	3.30-4.90	2025-2028	278,000
Other borrowings	2.87-5.00	2027	92,365
Total – non-current			370,365
Total			1,539,900

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As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank loans – secured	3.25	2025	20,018
Current portion of long term bank loans – secured	3.30-4.90	2025	98,267
Other borrowings	0.60-5.00	2025	<u>1,885,842</u>
Total – current			<u>2,004,127</u>
Non-current			
Bank loans – secured	4.90	2028	130,000
Other borrowings	2.87-5.00	2027	<u>33,831</u>
Total – non-current			<u>163,831</u>
Total			<u><u>2,167,958</u></u>

As at 31 December 2025			
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank loans – secured	2.40-3.00	2026	139,707
Current portion of long term bank loans – secured	4.00-4.20	2026	54,203
Other borrowings	0.58-5.00	2026	<u>2,139,676</u>
Total – current			<u>2,333,586</u>
Non-current			
Bank loans – secured	4.00-4.20	2027-2028	121,000
Other borrowings	2.87-5.00	2027-2028	<u>85,652</u>
Total – non-current			<u>206,652</u>
Total			<u><u>2,540,238</u></u>

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	As at 30 June 2026		
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank loans – secured	2.40-3.30	2026-2027	159,725
Current portion of long term bank loans – secured	3.50-6.99	2026-2027	125,754
Other borrowings	0.54-5.00	2027	2,669,148
Total – current			2,954,627
Non-current			
Bank loans – secured	3.15-6.99	2027-2036	447,554
Other borrowings	4.20-5.00	2027-2028	59,960
Total – non-current			507,514
Total			3,462,141

At 31 December 2023, 2024 and 2025 and 30 June 2026, the details of other borrowings are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Discounted intra-group bills not matured	804,367	1,455,400	1,391,898	2,133,686
Discounted bank acceptance bills not derecognised	82,027	336,553	624,245	447,606
Sale and leaseback loans	150,865	127,720	209,185	147,816
Total	1,037,259	1,919,673	2,225,328	2,729,108

All bank loans of the Group are secured by property, plant, equipment (note 14) and leasehold land (note 15) and/or are guaranteed by related parties (note 34).

At 31 December 2023, 2024 and 2025 and 30 June 2026, other borrowings with carrying amounts of RMB82,402,000, RMB344,352,000, RMB628,961,000 and RMB448,758,000, respectively, arose from the discounting, with recourse, of bills receivable from third parties. The Group continues to recognise the carrying amount of the underlying bills receivable, as presented in note 36, since the Group has retained the substantial risks and rewards. The remaining other borrowings of the Group are secured by property, plant, equipment (note 14), leasehold land (note 15), pledged time deposits and pledged deposits (note 22) and trade and bills receivables (note 20), and/or are guaranteed by related parties (note 34).

At 31 December 2023, 2024 and 2025, no secured bank loans were subject to the covenants. At 30 June 2026, the secured bank loans of certain subsidiaries with carrying amounts of RMB102,800,000, RMB222,000,000 and RMB100,000,000 were subject to the covenants that requires the debt-to-asset ratios less than 80%, 70% and 65% respectively. The debt-to-asset ratios were not greater than the covenants as at 30 June 2026 and the Group considers there is no indication that it will have difficulties in complying with this covenant.

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	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank loans – secured	3.00-6.50	2024	170,261
Current portion of long term bank loans – secured	3.30	2024	2,107
Other borrowings	0.91-5.20	2024	81,827
Total – current			254,195
Non-current			
Bank loans – secured	3.30	2025	96,000
Total – non-current			96,000
Total			350,195
	As at 31 December 2024		
	Effective interest rate (%)	Maturity	RMB’000
Current			
Current portion of long term bank loans – secured	3.30	2025	46,054
Other borrowings	0.87-3.30	2025	336,553
Total			382,607
	As at 31 December 2025		
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank loans – secured	2.40-3.00	2026	139,707
Current portion of long term bank loans – secured	4.00	2026	2,051
Other borrowings	0.68-4.50	2026	751,429
Total – current			893,187
Non-current			
Bank loans – secured	4.00	2027	43,000
Other borrowings – unsecured	4.50	2027-2028	66,581
Total – non-current			109,581
Total			1,002,768

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	As at 30 June 2026		
	Effective interest rate (%)	Maturity	RMB’000
Current			
Bank loans – secured	2.40-3.30	2026-2027	159,725
Current portion of long term bank loans – secured	3.50	2027	44,044
Other borrowings	0.54-4.50	2027	511,794
Total – current			715,563
Non-current			
Other borrowings – unsecured	4.50	2027-2028	50,444
Total – non-current			50,444
Total			766,007

27. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Non-current:				
Asset-related grants	82,455	84,284	79,544	82,308
Subtotal	82,455	84,284	79,544	82,308
Current:				
Asset-related grants	7,215	8,367	8,771	8,472
Subtotal	7,215	8,367	8,771	8,472
Total	89,670	92,651	88,315	90,780

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Non-current:				
Asset-related grants	56,021	59,205	55,819	52,260
Subtotal	56,021	59,205	55,819	52,260
Current:				
Asset-related grants	5,861	7,013	7,416	7,118
Subtotal	5,861	7,013	7,416	7,118
Total	61,882	66,218	63,235	59,378

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The asset-related grants were the subsidies received from the government in relation to the Group’s property, plant and equipment. The deferred income is released to profit or loss over the expected useful life of the relevant asset on a straight-line basis.

28. SHARE CAPITAL

Shares

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	Numbers of shares	Amount RMB’000	Numbers of shares	Amount RMB’000	Numbers of shares	Amount RMB’000	Numbers of shares	Amount RMB’000	Numbers of shares	Amount RMB’000
Issued and fully paid:										
Ordinary shares	232,629,206	232,629	232,629,206	232,629	232,629,206	232,629	232,629,206	232,629	232,629,206	232,629

29. SHARE-BASED PAYMENTS

To provide incentives and rewards to eligible participants who contribute to the Group’s operations, the actual controller of the Company, Mr. Li Xianyang, designed and established several employee shareholding platforms for the Company to operate a series of employee incentive schemes (the “**Share Incentive Schemes**”). Eligible participants of the Share Incentive Schemes, including members of senior management, mid-level managers and other employees of the Group, were determined by the actual controller and approved by the Company through shareholders’ resolutions.

During the Relevant Periods, 6,046,182 shares were granted and transferred to 13 eligible employees at a subscription price which was below the fair value of the shares. All of the above shares granted to employees were vested immediately without service conditions. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding “share-based payment expense” in profit or loss. During the Relevant Periods, the shares granted and transferred to employees under the Scheme are set out below:

	2023		2024		2025		30 June 2026	
	Subscription price	Number of shares	Subscription price	Number of shares	Subscription price	Number of shares	Subscription price	Number of shares
	RMB per share		RMB per share		RMB per share		RMB per share	
Granted and transferred	2.10-2.17	3,967,441	2.08-2.25	1,596,501	2.01-2.30	482,240	–	–

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The fair value of the shares was determined by an external valuer using a discounted cash flow model. Key assumptions, such as discount rate, perpetual growth rate and inflation rate, were required to be determined by the Company bases on its best estimates. Key assumptions are set out below:

	2023	2024	2025	30 June 2026
Discount rate	12.50%-13.00%	11.50%	11.50%	–
Perpetual growth rate	2.00%	2.00%	2.00%	–

Share-based payment expense relating to employees recognised for the Relevant Periods and the six months ended 30 June 2025 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
Administrative expenses	24,050	20,488	5,629	1,735	–
Research and development expenses	4,060	–	–	–	–
Selling expenses	8,109	–	–	–	–
Cost of sales	786	–	–	–	–
Total	37,005	20,488	5,629	1,735	–

30. RESERVES

The Group

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

(i) *Share premium*

The share premium of the Group represents the difference between the par value of the shares issued.

(ii) *Statutory surplus reserve*

In accordance with the Company Law of the PRC, companies established in the PRC are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

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(iii) Special reserve

According to relevant PRC regulations, transfer of production and maintenance funds at fixed rates based on relevant bases to a specific reserve account is required. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained profits.

The Company

	Share capital	Share premium	Statutory surplus reserve	Special reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	232,629	951,622	–	5,117	19,032	1,208,400
Profit and other comprehensive income for the year	–	–	–	–	6,445	6,445
Total comprehensive income for the year	–	–	–	–	6,445	6,445
Equity-settled share-based payment expense	–	37,005	–	–	–	37,005
Dividend declared	–	–	–	–	(11,631)	(11,631)
Appropriation to special reserve	–	–	–	4,254	(4,254)	–
Utilisation of special reserve	–	–	–	(2,193)	2,193	–
Transfer to surplus reserve	–	–	645	–	(645)	–
As at 31 December 2023 and 1 January 2024	232,629	988,627	645	7,178	11,140	1,240,219
Profit and other comprehensive income for the year	–	–	–	–	(35,207)	(35,207)
Total comprehensive income for the year	–	–	–	–	(35,207)	(35,207)
Equity-settled share-based payment expense	–	20,488	–	–	–	20,488
Appropriation to special reserve	–	–	–	3,866	(3,866)	–
Utilisation of special reserve	–	–	–	(1,185)	1,185	–
As at 31 December 2024 and 1 January 2025	232,629	1,009,115	645	9,859	(26,748)	1,225,500
Profit and other comprehensive income for the year	–	–	–	–	24,701	24,701
Total comprehensive income for the year	–	–	–	–	24,701	24,701
Equity-settled share-based payment expense	–	5,629	–	–	–	5,629
Appropriation to special reserve	–	–	–	3,667	(3,667)	–
Utilisation of special reserve	–	–	–	(1,405)	1,405	–
As at 31 December 2025 and 1 January 2026	232,629	1,014,744	645	12,121	(4,309)	1,255,830
Profit and other comprehensive income for the period	–	–	–	–	41,863	41,863
Total comprehensive income for the period	–	–	–	–	41,863	41,863
Utilisation of special reserve	–	–	–	(378)	378	–
As at 30 June 2026	232,629	1,014,744	645	11,743	37,932	1,297,693

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31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB935,000, RMB1,740,000, RMB951,000 and RMB737,000, respectively, in respect of lease arrangements for plant and properties.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the bills receivable endorsed by the Group to suppliers for the settlement of accounts payable but not yet expired were RMB164,711,000, RMB190,064,000, RMB351,728,000 and RMB294,497,000, respectively, and did not result in any cash flow.

(b) Changes in liabilities arising from financing activities

	Payable of [REDACTED]	Interest- bearing bank and other borrowings*	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	–	1,663,347	2,435	1,665,782
Changes from financing cash flows	–	(87,185)	(347)	(87,532)
Matured discounted bank acceptance bills	–	(84,628)	–	(84,628)
New leases	–	–	935	935
Interest expense	–	48,366	149	48,515
At 31 December 2023	–	1,539,900	3,172	1,543,072
Changes from financing cash flows	–	649,095	(64)	649,031
Matured discounted bank acceptance bills	–	(82,402)	–	(82,402)
New leases	–	–	1,740	1,740
Interest expense	–	61,365	239	61,604
At 31 December 2024	–	2,167,958	5,087	2,173,045
Changes from financing cash flows	(2,095)	648,430	(149)	646,186
Changes from operating cash flows	(4,155)	–	–	(4,155)
Matured discounted bank acceptance bills	–	(344,352)	–	(344,352)
New leases	–	–	951	951
Addition	16,667	–	–	16,667
Interest expense	–	68,202	163	68,365
At 31 December 2025	10,417	2,540,238	6,052	2,556,707
Changes from financing cash flows	(852)	1,498,984	(43)	1,498,089
Changes from operating cash flows	(12,913)	–	–	(12,913)
Matured discounted bank acceptance bills	–	(628,961)	–	(628,961)
New leases	–	–	737	737
Addition	3,348	–	–	3,348
Interest expense	–	51,880	26	51,906
At 30 June 2026	–	3,462,141	6,772	3,468,913

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During the Relevant Periods, net cash inflows from discounting and repaying of intra-group bills and discounting of bank acceptance bills not derecognised, with the amounts of RMB125,510,000, RMB997,562,000, RMB570,552,000 and RMB1,191,297,000, respectively have been recognised in cash flows from financing activities.

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows 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
Within financing activities.	347	64	149	17	43

32. CONTINGENT LIABILITIES

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

33. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Period:

	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:				
Properties, plant and equipment. . .	85,199	61,421	630,853	332,926

34. RELATED PARTY TRANSACTIONS

(a) Name and relationship:

Name of related parties	Relationship with the Group
Mr. Li Xianyang	Significant shareholder
Mr. Li Siyang	Significant shareholder
Ms. Lin Jiachun	Mr. Li Xianyang’s spouse
Ms. Chen Yingdan	Mr. Li Siyang’s spouse

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(b) Guarantees provided by related parties

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Guarantees for interest-bearing bank loans and other borrowings	1,292,490	892,490	1,810,429	3,012,929
Guarantees for bills payable	1,173,000	1,264,000	1,166,000	1,357,000
Total	2,465,490	2,156,490	2,976,429	4,369,929

During the Relevant Periods, certain interest-bearing bank loans and other borrowings and trade and bills payables were guaranteed by Mr. Li Xianyang, Mr. Li Siyang, Ms. Lin Jiachun and Ms. Chen Yingdan. The guarantees are in effect from 9 December 2022 to 25 June 2039. The guarantees with the amount of RMB3,008,629,000 will be released upon the completion of the successful [REDACTED] of the Company.

(c) Outstanding balances with related parties:

The Company

The Company had the following material balances with related parties during the Relevant Periods:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Due to subsidiary				
Trade-related				
Trade payables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	97,814	138,739	70,201	218,013
Bills payables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	809,100	1,540,210	1,378,800	2,146,340
Contract liabilities				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	127,727	130,624	15,810	58,043
Non-trade-related				
Other payables, deposits received and accruals				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	50,000	—	—	—

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	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Total	<u>1,084,641</u>	<u>1,809,573</u>	<u>1,464,811</u>	<u>2,422,396</u>
Due from subsidiaries				
Trade-related				
Trade and bills receivables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	4,000	–	25,000	–
Jiangxi Tongbo Materials Co., Ltd.	<u>–</u>	<u>–</u>	<u>26,121</u>	<u>137,715</u>
Prepayments, deposits and other receivables				
Jiangxi Shengeng Copper Foil Technology Co., Ltd.	<u>76,205</u>	<u>102,567</u>	<u>28,286</u>	<u>–</u>
Total	<u>80,205</u>	<u>102,567</u>	<u>79,407</u>	<u>137,715</u>

During the Relevant Periods, all the remaining balances due to related parties were non-interest-bearing, unsecured and repayable on demand.

The non-trade-related balance at 31 December 2023 was settled in 2024.

(d) 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
Fees	–	–	–	–	–
Salaries, bonuses, allowances and benefits in kind	1,596	967	1,109	463	423
Performance related bonuses	791	677	717	223	142
Share-based payments	–	–	2,978	–	–
Pension scheme contributions	<u>24</u>	<u>18</u>	<u>21</u>	<u>9</u>	<u>6</u>
Total compensation paid to key management personnel	<u>2,411</u>	<u>1,662</u>	<u>4,825</u>	<u>695</u>	<u>571</u>

Further details of the directors’, chief executive’s and supervisors’ emoluments are included in note 9 to the Historical Financial Information.

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35. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

As at 31 December 2023

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills receivables	135,887	1,055,627	1,191,514
Financial assets included in prepayments, other receivables and other assets	–	759	759
Time deposits	–	307,782	307,782
Pledged deposits	–	44,000	44,000
Cash and cash equivalents	–	219,746	219,746
Total	<u>135,887</u>	<u>1,627,914</u>	<u>1,763,801</u>

As at 31 December 2024

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills receivables	248,736	1,479,049	1,727,785
Financial assets included in prepayments, other receivables and other assets	–	857	857
Time deposits	–	322,109	322,109
Restricted cash	–	1,751	1,751
Pledged deposits	–	463,585	463,585
Cash and cash equivalents	–	107,078	107,078
Total	<u>248,736</u>	<u>2,374,429</u>	<u>2,623,165</u>

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As at 31 December 2025

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills receivables	49,033	1,864,355	1,913,388
Financial assets included in prepayments, other receivables and other assets	–	1,136	1,136
Time deposits	–	170,045	170,045
Restricted cash	–	32,104	32,104
Pledged deposits	–	444,396	444,396
Cash and cash equivalents	–	406,196	406,196
Total	49,033	2,918,232	2,967,265

As at 30 June 2026

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills receivables	60,429	1,635,404	1,695,833
Financial assets included in prepayments, other receivables and other assets	–	6,107	6,107
Time deposits	–	129,941	129,941
Pledged deposits	–	1,015,577	1,015,577
Cash and cash equivalents	–	721,232	721,232
Total	60,429	3,508,261	3,568,690

Financial liabilities

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Financial liabilities at amortised cost				
Trade and bills payables	278,587	455,210	441,225	618,524
Financial liabilities included in other payables and accruals	100,802	67,584	151,959	331,881
Interest-bearing bank and other borrowings	1,539,900	2,167,958	2,540,238	3,462,141
Total	1,919,289	2,690,752	3,133,422	4,412,546

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36. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

Transfer of trade receivables

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group transferred certain trade receivables due from certain specified customers with aggregate carrying amounts of RMB25,316,000, RMB78,655,000, RMB28,551,000 and RMB87,586,000, respectively. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the transferred trade receivables. Accordingly, it has derecognised the full carrying amounts of the transferred trade receivables.

Bills endorsed or discounted

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivable accepted by banks in the Chinese Mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB14,341,000, RMB14,240,000, RMB261,048,000 and RMB247,342,000, respectively, and discounted certain bills receivable to banks in the Chinese Mainland (together, the “**Derecognised Bills**”) with carrying amounts in aggregate of RMB1,165,626,000, RMB926,496,000, RMB1,650,936,000 and RMB2,853,222,000. The Derecognised Bills had a maturity of one to twelve months at each of the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “**Continuing Involvement**”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

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Transferred financial assets that are not derecognised in their entirety

Factoring trade receivables

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the “**Arrangement**”) and transferred certain trade receivables to a bank. Under the Arrangement, the Group has retained the substantial risks and rewards and accordingly, it continued to recognise the full carrying amounts of the trade receivables. The original carrying amounts of the trade receivables transferred under the Arrangement that have not been settled as at 31 December 2023, 2024, and 2025 and 30 June 2026 were nil, RMB258,583,000, RMB589,687,000 and RMB10,238,000, respectively.

Bills endorsed or discounted

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivable (the “**Endorsed Bills**”) with carrying amounts of RMB37,403,000, RMB55,005,000, RMB107,191,000 and RMB87,357,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”); the Group discounted certain bills receivables (the “**Discounted Bills**”) with carrying amounts of RMB82,402,000, RMB85,769,000, RMB39,274,000 and RMB438,520,000 respectively. 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 Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled, and the Discounted Bills and the associated interest-bearing loans settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

The Group invests in financial assets at fair value through profit or loss, which represent structured deposits issued by banks in the Chinese Mainland. The Group has estimated the fair value of these structured deposits based on the net value announced by the bank at the end of each reporting period.

The Group has bank acceptance notes issued by banks in the Chinese Mainland measured at fair value through other comprehensive income. The Group has estimated the fair value of these bank acceptance notes by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Interest rate risk

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long term debt obligations with a floating interest rate. The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts.

If the interest rate of bank and other borrowings had increased/decreased by 50 basis points and all other variables were held constant, the profit before tax of the Group, through the impact on floating rate borrowings, would have increased/decreased by approximately nil, RMB100,000, nil and RMB2,237,770 for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively.

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. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific verification procedures.

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had certain concentrations of credit risk as 42%, 50%, 40% and 36% of the Group’s trade and bills receivables were due from the Group’s the largest debtor, respectively.

Maximum exposure and year-/period-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-/period-end staging classification.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade and bills receivables*	–	–	–	1,201,598	1,201,598
Financial assets included in prepayments, other receivables and other assets**					
– Normal**	759	–	–	–	759
Pledged deposits	44,000	–	–	–	44,000
Time deposits	307,782	–	–	–	307,782
Cash and cash equivalents	219,746	–	–	–	219,746
Total	<u>572,287</u>	<u>–</u>	<u>–</u>	<u>1,201,598</u>	<u>1,773,885</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade and bills receivables*	–	–	–	1,743,338	1,743,338
Financial assets included in prepayments, other receivables and other assets**					
– Normal**	857	–	–	–	857
Pledged deposits	463,585	–	–	–	463,585
Time deposits	322,109	–	–	–	322,109
Restricted cash	1,751	–	–	–	1,751
Cash and cash equivalents	107,078	–	–	–	107,078
Total	<u>895,380</u>	<u>–</u>	<u>–</u>	<u>1,743,338</u>	<u>2,638,718</u>

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As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	1,923,715	1,923,715
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,136	–	–	–	1,136
Pledged deposits	444,396	–	–	–	444,396
Time deposits	170,045	–	–	–	170,045
Restricted cash	32,104	–	–	–	32,104
Cash and cash equivalents	406,196	–	–	–	406,196
Total	<u>1,053,877</u>	<u>–</u>	<u>–</u>	<u>1,923,715</u>	<u>2,977,592</u>

As at 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 and bills receivables*	–	–	–	1,701,233	1,701,233
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,410	–	–	–	6,410
Pledged deposits	1,015,577	–	–	–	1,015,577
Time deposits	129,941	–	–	–	129,941
Restricted cash	5,000	–	–	–	5,000
Cash and cash equivalents	721,232	–	–	–	721,232
Total	<u>1,878,160</u>	<u>–</u>	<u>–</u>	<u>1,701,233</u>	<u>3,579,393</u>

* For trade and bills receivables to which the Group applies the simplified approach for impairment is disclosed in note 20.

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

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

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The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings and lease liabilities.

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2023					
Lease liabilities	725	2,526	154	–	3,405
Trade and bills payables	278,587	–	–	–	278,587
Financial liabilities included in other payables and accruals	100,803	–	–	–	100,803
Interest-bearing bank and other borrowings	1,207,175	217,182	78,684	102,598	1,605,639
Total	1,587,290	219,708	78,838	102,598	1,988,434
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2024					
Lease liabilities	4,687	571	–	–	5,258
Trade and bills payables	455,210	–	–	–	455,210
Financial liabilities included in other payables and accruals	67,584	–	–	–	67,584
Interest-bearing bank and other borrowings	2,089,097	78,684	75,324	27,274	2,270,379
Total	2,616,578	79,255	75,324	27,274	2,798,431
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2025					
Lease liabilities	5,540	423	142	–	6,105
Trade and bills payables	441,225	–	–	–	441,225
Financial liabilities included in other payables and accruals	151,959	–	–	–	151,959
Interest-bearing bank and other borrowings	2,343,085	155,302	61,374	–	2,559,761
Total	2,941,809	155,725	61,516	–	3,159,050
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 30 June 2026					
Lease liabilities	6,151	590	86	–	6,827
Trade and bills payables	618,524	–	–	–	618,524
Financial liabilities included in other payables and accruals	331,881	–	–	–	331,881
Interest-bearing bank and other borrowings	3,053,215	205,187	119,479	173,563	3,551,444
Total	4,009,771	205,777	119,565	173,563	4,508,676

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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.

The Group monitors capital using a net debt to capitalization ratio, which is net debt divided by total capital plus net debt. The Group includes, within net debt, interest-bearing bank and other borrowings, trade and bills payables, other payables and accruals and lease liabilities, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The net debt to capitalization ratios as at the end of the reporting periods were as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Trade and bills payables	278,587	455,210	441,225	618,524
Other payables and accruals	124,514	86,616	174,905	350,580
Interest-bearing bank and other borrowings	1,539,900	2,167,958	2,540,238	3,462,141
Lease liabilities	3,172	5,087	6,052	6,772
Less: Cash and cash equivalents	(219,746)	(107,078)	(406,196)	(721,232)
Net debt.	<u>1,726,427</u>	<u>2,607,793</u>	<u>2,756,224</u>	<u>3,716,785</u>
Equity attributable to owners of the parent.	<u>1,331,276</u>	<u>1,372,345</u>	<u>1,515,962</u>	<u>1,716,637</u>
Capital and net debt.	<u>3,057,703</u>	<u>3,980,138</u>	<u>4,272,186</u>	<u>5,433,422</u>
Net debt to capitalization ratio	<u>56%</u>	<u>66%</u>	<u>65%</u>	<u>68%</u>

39. EVENTS AFTER THE RELEVANT PERIODS

There were no other significant events that required additional disclosure or adjustments occurred after the end of the Relevant Periods.

40. SUBSEQUENT FINANCIAL STATEMENTS

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