



江蘇正力新能電池技術股份有限公司

Jiangsu Zenergy Battery Technologies Group Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

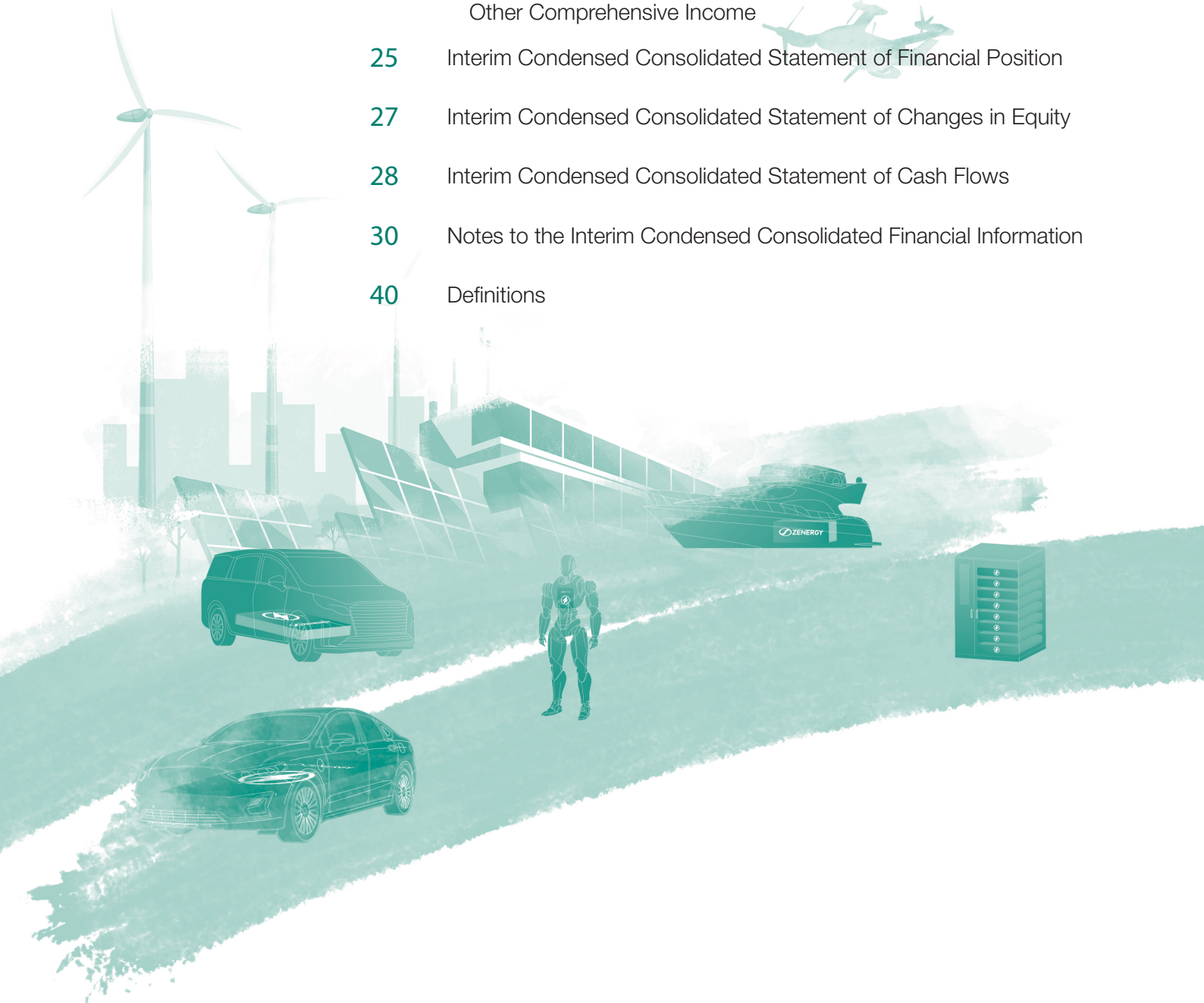
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2025
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Cao Fang (*Chairperson of the Board and executive Director*)
Mr. Chen Jicheng
Mr. Yu Zhexun

Non-executive Director

Mr. Zhang Li

Independent Non-executive Directors

Mr. Xu Zhiming
Mr. Gong Zhengliang
Ms. Xiao Min

AUDIT COMMITTEE

Mr. Gong Zhengliang (*Chairperson*)
Ms. Xiao Min
Mr. Zhang Li

NOMINATION COMMITTEE

Ms. Cao Fang (*Chairperson*)
Mr. Chen Jicheng
Mr. Xu Zhiming
Mr. Gong Zhengliang
Ms. Xiao Min

REMUNERATION AND EVALUATION COMMITTEE

Mr. Xu Zhiming (*Chairperson*)
Ms. Cao Fang
Mr. Chen Jicheng
Mr. Gong Zhengliang
Ms. Xiao Min

JOINT COMPANY SECRETARIES

Ms. Xu Jing
Ms. Ho Wing Nga (*an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

AUTHORISED REPRESENTATIVES

Ms. Cao Fang
Ms. Ho Wing Nga (*an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

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Changshu, Jiangsu
PRC

CORPORATE INFORMATION

**REGISTERED OFFICE, HEADQUARTER AND
PRINCIPAL PLACE OF BUSINESS IN CHINA**

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STOCK CODE

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FINANCIAL SUMMARY

OVERVIEW

During the Reporting Period, revenue of the Group increased by 71.9% from RMB1,844.8 million for the six months ended June 30, 2024 to RMB3,172.0 million for the six months ended June 30, 2025; net profit for the period of the Group increased from a loss of RMB130.0 million for the six months ended June 30, 2024 to a profit of RMB220.4 million for the six months ended June 30, 2025, representing a year-on-year increase of RMB350.4 million in net profit; earnings per share of the Group increased by RMB0.15 from RMB-0.06 for the six months ended June 30, 2024 to RMB0.09 for the six months ended June 30, 2025.

KEY FINANCIAL INDEX

	For the six months ended June 30,		YOY change
	2025 Unaudited RMB'000	2024 Unaudited RMB'000	
Revenue	3,172,028	1,844,800	71.9%
Gross profit	568,684	183,142	210.5%
Gross profit margin (%)	17.9	9.9	/
Net profit	220,425	(130,034)	/
Net profit margin of sales (%)	6.9	(7.0)	/
Earnings per share			
Basic and diluted (RMB)	0.09	(0.06)	/

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

EV Battery Market

In the context of advocating green travel and sustainable development around the globe, the global new energy vehicle (NEV) market maintained robust growth in the first half of 2025. According to Rho Motion, global EV sales volume reached 9.1 million units in the first half of 2025, representing a year-on-year increase of 28%. More than half of global EV sales volume comes from China, which has become the world's largest producer and seller of EVs. As the core components for NEVs, market demands of EV batteries continue to rise.

In the domestic market, according to the China Association of Automobile Manufacturers, in the first half of 2025, China's NEV production and sales volumes were 6.968 million and 6.937 million units, representing year-on-year increases of 41.4% and 40.3%, respectively. The market penetration rate of NEV sales reached 44.3%.

The growing demand for NEVs has further fueled an increase in the sales volume of EV batteries. According to the CABIA, in the first half of 2025, the cumulative sales volume of EV batteries in China reached 485.5 GWh, representing a year-on-year increase of 51.6%. In particular, the cumulative sales volume of NCM batteries was 129.8 GWh, accounting for 26.7% of the total sales volume, representing a year-on-year increase of 8.5%; the cumulative sales volume of LFP batteries was 354.8 GWh, accounting for 73.1% of the total sales volume, representing a year-on-year increase of 77.6%.

Looking ahead to the second half of the year, the "equipment upgrading and consumer goods trade-in (兩新)" policies in China, in combination with the accelerated construction of a new intelligent connected vehicle ecosystem in the market of China and other factors, will effectively stimulate the growth of NEVs consumption, thereby further boosting the demands for EV batteries.

In overseas markets, the pace of transformation to electrification of vehicles in Europe is relatively leading, according to Rho Motion. NEVs sales volume in Europe reached 2 million units for the first time in the first half of 2025, representing a year-on-year increase of 26%. Despite the overall strong growth, the NEVs market witnesses a geographic differentiation characteristic in Europe. In particular, the UK and Germany hold a relatively prominent leading position, mainly related to the different NEV subsidy policies and levels of support in various European countries. In the Northern American market, affected by policies, the growth of EV market in the U.S. is expected to be relatively moderate. The South Asian and Southeast Asian markets, with their large population bases and rapidly growing economies, have seen the countries such as India, Indonesia, and Thailand successively introduce various policies to promote the rapid development of the NEV market, and are expected to become key growth points of the global NEV market in the future.

Energy Storage Market

According to Rho Motion, in the first half of 2025, the global deployed capacity of battery energy storage systems (ESS) reached 86.7 GWh, representing a year-on-year increase of 54%. The global deployed capacity of ESS for the year of 2025 is expected to reach 170 GWh.

In terms of geographic market landscape, there is a trend of China leading, with rising demand from the Middle East and the Asia-Pacific region. As the world's largest single market for energy storage, China's installed capacity is in a league of its own. The European and American markets are currently in a period of structural adjustment with European market having a relatively large-scale plan for ESS deployment capacity.

MANAGEMENT DISCUSSION AND ANALYSIS

Low-altitude Economy

Low-altitude economy is a national strategic emerging industry and a “new growth engine” for economic development. According to the forecast of the Civil Aviation Administration of China, the market size of low-altitude economy in China will reach RMB1.5 trillion in 2025 and is expected to increase to RMB3.5 trillion in 2035. Globally, according to Morgan Stanley’s forecast, the global market for urban air mobility will reach US\$1 trillion by 2040 and is expected to reach US\$9 trillion by 2050, among which, the electric aviation will be one of the core technology carrier in the low-altitude economy industry reform.

According to the “Outline for the Development of Green Aviation Manufacturing Industry (2023-2035)” (《綠色航空製造業發展綱要(2023-2035年)》), the development of green aviation manufacturing industry in China faces major strategic opportunities. In particular, the development level of light and small fixed-wing electric aircraft and multi-rotor unmanned aircraft ranks among the highest in the world; products such as electric Vertical Take-off and Landing aircraft (eVTOL) and aircraft vehicles have emerged rapidly, forming industrial advantages in some areas.

With the rapid development of the market size of low-altitude economy and the accelerated commercialization of electric aviation, the demand for aviation-grade power batteries will also accelerate. For electric aircraft and aviation power battery enterprises, it is difficult, time-consuming and costly to obtain airworthiness certification, which requires leading technical capabilities and a long-term validation process. Those who can first overcome this key market entry threshold will have a greater advantage in seizing the development opportunities of the electric aviation market.

BUSINESS REVIEW

Principal Business

We are a lithium-ion battery manufacturer in China, committed to developing a diverse portfolio of market-driven and technology-fueled battery products. We primarily focus on the R&D, production and sales of EV battery products, ESS battery products and aviation battery products. We provide integrated battery solutions, encompassing battery cells, modules, packs, racks, and battery management systems. We are rooted in the passenger vehicle power battery market and dedicated to large-scale applications of electrochemical products to interconnect land, sea and air (“LISA”).

We are one of the few companies among the top 10 battery manufacturers with an auto part gene. Our core management team brings extensive professional expertise and profound industry insights into the automotive sector. With understanding of customers’ demands to balance safety, quality, performance, and cost efficiency, we developed a diversified portfolio of EV battery products as our core business and actively carried out the R&D of aviation battery products, placing us in a favorable position of application scenario expansion and rapid technological advancements in the battery industry. Although the EV battery sector in China is highly competitive, our market share continues to grow steadily thanks to the dedication and collective efforts of our entire team.

Leveraging our safe and high-quality products, cutting-edge technologies and responsive services, our cooperation with a number of top passenger vehicle customers has been continuously deepened, and we are constantly optimizing our customer structure. Looking to the future, the combination of forward-looking and innovative projects with sustainable value output in terms of cost, efficiency and quality of products and services to customers will become the foundation for the sustainable and healthy growth of our business. Our mission is to promote green mobility in the transportation sector, and are dedicated to powering the zero-carbon journey of electrification across “land, sea and air” full-scenario with a single battery cell.

MANAGEMENT DISCUSSION AND ANALYSIS

Main Products

The Company's main products are EV batteries, ESS battery and aviation battery. Among them, the EV battery products can be used in BEV, PHEV, EREV and HEV models, and can be installed in multi-functional vehicles such as sedans, SUVs and MPVs; the ESS products may be adopted in the scenarios such as residential energy storage, large-scale energy storage, and commercial and industrial energy storage; and the aviation battery products may be applied to electric manned fixed-wing aircraft and eVTOLs, etc.

Business Achievements

I. EV Battery Business

In the first half of 2025, the sales revenue and delivery volume of our EV battery recorded RMB2.985 billion and 7.63 GWh, respectively, both the sales revenue and delivery volume of EV battery business grew by more than 80% year-on-year. The Company made more effort in new energy passenger vehicles market, and achieved improvement both in ranking and market share in battery installed capacity industry. According to the CABIA, from January to June 2025, the Company ranked 7th in terms of installed capacity in new energy passenger vehicles, among which, in June 2025, its ranking has rose to 6th place in China.

The growth of the Company's EV battery business was mainly attributable to several design-wins models achieving mass production. Our EV battery customers include large state-owned enterprises, pure-play EV companies and multi-national OEMs. The market share of our battery products among core vehicle models of leading global OEMs, such as FAW Hongqi, GAC Trumpchi, Leap Motor, SAIC-GM Wuling, SAIC-GM, GAC-Toyota and Volkswagen (FAW-Volkswagen, SAIC-Volkswagen and Volkswagen Anhui), continues to increase, and we deeply participated in a number of future-oriented innovative electrification platform development projects, and gradually became a long-term stable and reliable partner for such customers. At the same time, the Company continued its in-depth cooperation with Leap Motor, a pure-play EV company and, as its core battery supplier, advanced the C10 Series to be the 800V high-voltage, fast-charging and long-range vehicle model. Furthermore, leveraging the cooperation

with our customers, such as Leap Motor, SAIC-GM Wuling and GAC Trumpchi, we serve as their core component supplier to support the global expansion of their vehicles.

Our joint venture, Sinogy Toyota Automotive Energy System Co., Ltd. (新中源豐田汽車能源系統有限公司, "STAES") offered various lithium-ion and Ni-MH battery packs for HEVs and supplied to major OEMs that are joint ventures with Toyota in China for their core HEV vehicle models. Toyota enjoys a market share of over 70% in HEV market in China in terms of its sales volume in 2024.

II. Energy Storage and Other Business

Energy storage business benefited from strong overseas demand, and the 104Ah standardized battery cells developed by the Company has become one of the main products supplied for global residential energy storage. Through cooperation with business partners, our current products are now sold in markets across Asia, Africa, Latin America, and other regions.

Furthermore, our aircraft aviation battery business achieved interim progress, and has obtained airworthiness certification leveraging by RX1E, the fixed-wing manned electric airline of Liaoning General Aviation Academy, and will realize mass production this year, making us the first supplier in the industry to mass-produce and deliver batteries for fixed-wing manned aircraft. Currently, the product entered into mass-production of the Company is the second-generation aviation power battery featuring high safety, high energy density, high discharge rate and ultra-fast charging capabilities, which incorporates dual semi-solid-state technology. This represents a continuous iteration of the core performance metrics first introduced by the Company in 2023, integrating high safety, high energy density, high discharge rate and ultra-fast charging capabilities.

Our aviation battery products have now simultaneously obtained the AS9100D aviation system certification and the airworthiness certification for aircraft, which represents dual verification of our products in both the safety system and the technical system. Battery enterprises with dual certificates can gain a first-mover advantage and seize the future development opportunities in the electric aviation market.

MANAGEMENT DISCUSSION AND ANALYSIS

Technology and R&D Achievements

1. Technological Iteration and Innovation:

The Company always regards innovation as its engine, driving continuous R&D iteration to pioneer cutting-edge technology and excellent products, and consolidate and strengthen competitive barriers.

(1) With respect to advanced materials: We focused on the development of key materials such as high press density lithium-iron phosphate cathode materials, high safety high nickel materials, high voltage lithium nickel manganese oxide, graphite with a fast-charging capability of over 8C, new low-expansion, fast-charging and long-lifespan silicon-carbon anode materials and new electrolyte solvent and additives, achieving a series of breakthrough progress.

(2) With respect to advanced technology platforms: We aligned with our "5-3-1 R&D Strategy," we are committed to building advanced technology platforms, which focuses on pre-research and reserves for technologies and products with relatively high application potential for the next three years, enhancing the market competitiveness of the Company.

1) High-energy-density phosphate system technology platform: We have developed an ultra-fast charging 6C LFP product that features high safety and high energy density.

2) High-energy NCM (Silicon) system technology platform: Leveraging the application of ultra-high-nickel cathode material technology and the iteration and upgrade of third-generation silicon anodes, our product portfolio covers an energy density range of 280~350 Wh/kg. High-energy NCM (Silicon) system has achieved mass production in aviation batteries.

3) New chemistry system technology platform: The Company's sodium ion battery has achieved an energy density of over 170 Wh/kg. Meanwhile, the Company also actively deployed ultra-high

voltage spinel platform system and lithium-rich manganese platform system to complete a series of key issues identification and technical reserve.

(3) With respect to cutting-edge battery technologies: The lithium metal battery has achieved an energy density of 400 Wh/kg. For semi-solid-state battery, we have developed the second-generation dual semi-solid-state large cylindrical battery product that features high safety, high energy density, high power, and fast-charging capabilities ("三高一快"), which has successfully achieved mass production in the field of aviation battery. For all-solid-state battery, the Company adopt the technical route mainly focusing on sulfide solid-state electrolytes to develop ampere-hour level all-solid-state batteries, and simultaneously promote the pilot production line construction of 100 MWh level all-solid-state batteries.

(4) With respect to intelligent manufacturing: 1) we applied 5um ultra-thin separator, upgraded coating formula and optimized coating process, increasing the coating speed by 25% and reducing the manufacturing cost; 2) we adopted artificial intelligence solutions by applying AI vision and big data analysis, achieving automatic detection of manufacturing defects, reducing manual operations and ensuring mass delivery of products with high reliability and consistency; 3) we independently developed the CTP production line software, reducing equipment investment, shortening the development period, and enabling intelligent upgrade and iteration.

(5) With respect to intellectual property, the Company adheres to a quality-centric and value-oriented intellectual property development strategy, ensuring that intellectual property protection is highly aligned with the Company's core business, technical routes and market positioning. As of June 30, 2025, the Company has filed a total of 3,999 patent applications, of which 2,524 have been granted. In the first half of 2025, in terms of number of new patents granted, the Company ranked third among enterprises in Jiangsu Province.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Product Refinement and Upgrade:

(1) NCM power battery products:

- 1) 400V high voltage NCM products with peak 5C fast-charging capability: No thermal propagation under high-temperature of 45℃, exceeding the requirement of GB 38031-2025, which has been mass delivered.
- 2) 800V High voltage NCM products with peak 8C fast-charging capability: It incorporates high energy density design, with cell energy density exceeding 240Wh/kg.

(2) Phosphate-based power battery products:

- 1) High energy density LFP battery: Adoption of 4.5th generation LFP material with powder press density of 2.65g/cm³, enables high cell volumetric energy density of 435Wh/L, which ranks the top amongst LFP battery cell. It can improve the total energy in fixed battery pack dimension, such products have been mass delivered.
- 2) Fast-charging, long-life battery: 800V products with 4C fast-charging capability, and its cycle life reaches 4,000 cycles, satisfying the long-life requirements of EREV/PHEV, which has been mass delivered and used in our customers' premium vehicles.
- 3) 8C ultra-fast-charging LFP battery: It incorporates a high-energy-density design, with an energy density exceeding 185Wh/kg.

(3) Residential ESS products:

Our long-cycle-life battery for residential ESS products have achieved energy efficiency of above 95%, and cycle life exceeding 8,000 cycles. Such products have been mass delivered; and the second-generation products focus on optimizing low-temperature performance, primarily targeting applications in regions and countries with extremely cold climates.

(4) Battery system products:

"No thermal propagation under 45℃" for NCM battery system, the single cell is triggered at 45℃ high temperature without fire or explosion of battery packs after 288 hours of observation; it can pass the underbody ball striking test with 500J continuous impact on 11 points, the vibration test within a wide frequency range of 10-1000Hz and the temperature cycle from -40℃ to 65℃, all exceeding the relevant national standards in the "Safety Requirements for Power Batteries for Electric Vehicles" to be implemented in July 2026.

(5) Aviation battery products:

The second-generation aviation battery featuring high safety, high energy density, high power, and fast-charging capabilities adopts dual semi-solid-state technology with an energy density of over 320Wh/kg, while still meets the ppb aviation safety standard. It can maintain a discharge rate of 12C at a low SOC and support 15-minute fast charging. The product can meet the demands of high-frequency, diversified flight scenarios, and has been mass-delivered.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

Further Enhancing Production Capacity

We strive for a balance between production capacity layout and customer demands, and will plan the construction of new production capacity based on the design-wins of our customers, to maximize production capacity benefits. The Company currently has a production capacity of 25.5 GWh, and plans to increase its production capacity by 10 GWh by the fourth quarter of 2025 and by additional 15 GWh by the end of 2026, so as to achieve a total production capacity of 50.5 GWh. The newly built production line will be equipped with advanced technologies and equipment, aiming at reducing energy consumption and carbon emissions, and enhancing the level of production automation and intelligence. The currently expanding 10 GWh production capacity has covered additional design-wins of major OEMs.

We plan to further strengthen the software-defined mode for intelligent plant by fully implementing digital management systems, equipment failure prediction systems, manufacturing technology optimization, and intelligent maintenance systems to further improve manufacturing efficiency. We also plan to increase the flexibility of our production lines by independently designing core equipment, which will shorten the time required to convert lines for producing different battery products.

We will also further deepen our strategies in respect of standardized battery cells, platformed battery packs and diversified electrochemistries. On such basis, we will explore the technology for producing different battery products on the same production line, thereby further enhancing the flexibility of our production lines.

Sustainable Customer Expansion

In terms of EV batteries, we plan to launch new battery products for vehicles with different power sources (BEV, PHEV, EREV, and HEV), different uses (sedans, SUVs, and MPVs), and different driving ranges. We continue to strengthen and deepen our relationships with existing customers to increase product penetration and strategic portfolio of core models, and to establish business cooperation with new customers.

In the domestic market, for the rapid iteration and upgrades for legacy platforms and new projects and the future-oriented product and technology evolution of new platforms of our customers, we will keep sustained strategic investments in R&D and maintain our competitive advantages in the industry in terms of our products, technologies and management, thereby continuously expanding our market share.

Through deepening cooperation with domestic and overseas customers, we actively explore overseas business opportunities and serve as a core component supplier for their export vehicle models, supporting their global expansion. Currently, we have established such partnership with Leap Motor, SAIC-GM Wuling and GAC Trumpchi, and our battery products have been sold to Hong Kong, India, Indonesia, EU and other markets.

Technological Re-innovation

Advanced Materials: 1) We will continue to focus on the development of materials for flash charging systems, concentrating on the development of graphite anode materials with charging capability above 10C, and innovative electrolyte systems; 2) We will continue to deepen our research and development on key materials, such as high-nickel materials, and new low-expansion, fast-charging and long-life silicon-carbon anodes.

Advanced Technology Platforms: We will continue to advance the iteration and upgrade of high-energy-density platform, fast-charging platform and long-life platform and other systems.

Cutting-edge Battery Technologies: We will focus on the development of sulfide electrolytes, and launch sulfide-based all-solid-state batteries with high safety and high energy density. The Company is actively promoting the construction of a pilot production line of 100 MWh level all-solid-state batteries.

Intelligent Manufacturing: We will advance the application of embodied intelligence technologies in production lines to achieve automation and intelligence, for the purpose of replacing manual labor in complex scenarios.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION RESULTS AND ANALYSIS

The table below is extracted from the interim condensed consolidated statements of profit or loss and other comprehensive income of the Group, which sets forth the absolute amount for the six months ended June 30, 2024 and June 30, 2025.

Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	3,172,028	1,844,800
Cost of sales		
Cost of sales of goods	(2,581,469)	(1,640,608)
Impairment losses on inventories	(21,875)	(21,050)
Gross profit	568,684	183,142
Other income and gains	27,267	22,245
Selling and marketing expenses	(16,404)	(16,578)
Administrative expenses	(172,723)	(134,885)
Research and development expenses	(252,858)	(260,327)
Impairment losses on financial assets and contract assets, net	(5,182)	921
Other expenses	(27,331)	(1,013)
Finance costs	(68,223)	(63,792)
Share of profits of joint ventures	160,250	133,763
PROFIT/(LOSS) BEFORE TAX	213,480	(136,524)
Income tax credit	6,945	6,490
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	220,425	(130,034)
Profit/(loss) attributable to:		
Owners of the parent	220,425	(130,034)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	0.09	(0.06)

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Revenue of the Group increased by 71.9% from RMB1,844.8 million for the six months ended June 30, 2024 to RMB3,172.0 million for the six months ended June 30, 2025, which was mainly attributable to the significant year-on-year increase in shipment volume of power batteries, facilitating the increase in the Group's sales revenue.

The following table sets forth a breakdown of the Group's revenue by product type during the periods indicated, including the absolute amounts and as percentages of total revenue:

Item	Six months ended June 30, (Unaudited)			
	2025		2024	
	Percentage of		Percentage of	
	Revenue	Revenue	Revenue	Revenue
	RMB'000	(%)	RMB'000	(%)
Power battery	2,985,306	94.1	1,641,029	89.0
ESS products and others	186,722	5.9	203,771	11.0
Total	3,172,028	100.0	1,844,800	100.0

Revenue from sales of power batteries of the Group increased by 81.9% from RMB1,641.0 million for the six months ended June 30, 2024 to RMB2,985.3 million for the six months ended June 30, 2025. Such increase was mainly attributable to the significant year-on-year increase in shipment volume resulting from the continuous expansion of the power battery business of the Company and mass production of multiple design-win models, facilitating the increase in the Group's sales revenue.

Revenue generated from ESS products and others of the Group decreased by 8.4% from RMB203.8 million for the six months ended June 30, 2024 to RMB186.7 million for the six months ended June 30, 2025. Such slight decrease was mainly because the current tight production capacity of the Company was tight, and the production lines were mainly used to manufacture power battery products, resulting in the decrease in shipment volume of ESS products.

Cost of Sales

Cost of sales of the Group increased by 56.7% from RMB1,661.7 million for the six months ended June 30, 2024 to RMB2,603.3 million for the six months ended June 30, 2025, which was primarily attributable to the substantial increase in sales volume of power battery products.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of gross profit and gross profit margin by product type and downstream application during the periods indicated:

Item	Six months ended June 30, (Unaudited)			
	2025		2024	
	Gross profit RMB'000	Gross profit margin (%)	Gross profit RMB'000	Gross profit margin (%)
Power battery	546,243	18.3	182,620	11.1
ESS products and others	22,441	12.0	522	0.3
Total	568,684	17.9	183,142	9.9

Gross profit of the Group increased by 210.5% from RMB183.1 million for the six months ended June 30, 2024 to RMB568.7 million for the six months ended June 30, 2025. Its gross profit margin increased from 9.9% for the six months ended June 30, 2024 to 17.9% for the six months ended June 30, 2025, representing a year-on-year increase of 8 percentage points.

Specifically, gross profit of power battery increased by 199.1% from RMB182.6 million for the six months ended June 30, 2024 to RMB546.2 million for the six months ended June 30, 2025, and its gross profit margin increased from 11.1% for the six months ended June 30, 2024 to 18.3% for the six months ended June 30, 2025. The growth in gross profit and gross profit margin was mainly attributable to the significant increase in sales volume of power battery products, the scale effect resulting from higher production volume and the Company's continuous efforts in quality and efficiency improvement, which reduced manufacturing costs.

Gross profit of ESS products and others increased from RMB0.5 million for the six months ended June 30, 2024 to RMB22.4 million for the six months ended June 30, 2025, and its gross profit margin increased from 0.3% for the six months ended June 30, 2024 to 12% for the six months ended June 30, 2025. The increase in gross profit and gross profit margin was mainly due to the shift in product sales mix of the Company's ESS products.

Other Income and Gains

Other income and gains increased by 23.0% from RMB22.2 million for the six months ended June 30, 2024 to RMB27.3 million for the six months ended June 30, 2025, was primarily due to the super deduction of value-added tax.

Selling and Marketing Expenses

Selling and marketing expenses decreased from RMB16.6 million for the six months ended June 30, 2024 to RMB16.4 million for the six months ended June 30, 2025.

Administrative Expenses

Administrative expenses increased by 28.0% from RMB134.9 million for the six months ended June 30, 2024 to RMB172.7 million for the six months ended June 30, 2025, which was primarily driven by the increase in Listing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Research and Development Expenses

Research and development expenses decreased from RMB260.3 million for the six months ended June 30, 2024 to RMB252.9 million for the six months ended June 30, 2025.

Impairment Losses on Financial Assets and Contract Assets, Net

The impairment losses on financial assets and contract assets, net increased from RMB-0.9 million for the six months ended June 30, 2024, to RMB5.2 million for the six months ended June 30, 2025, primarily due to a significant increase in the balance of accounts receivable at the end of the Reporting Period, resulting in the provision for credit impairment losses.

Other Expenses

Other expenses increased from RMB1.0 million for the six months ended June 30, 2024 to RMB27.3 million for the six months ended June 30, 2025, mainly due to an increase in exchange losses on foreign currency deposits.

Finance Costs

Finance costs increased by 6.9% from RMB63.8 million for the six months ended June 30, 2024 to RMB68.2 million for the six months ended June 30, 2025, mainly due to an increase in borrowing interest expenses.

Share of Profits of Joint Ventures

The share of profits of joint ventures increased by 19.8% from RMB133.8 million for the six months ended June 30, 2024 to RMB160.3 million for the six months ended June 30, 2025, mainly due to the increase in the net profit of a joint venture, STAES, resulting in an increase in investment income recognized under the equity method.

Profit for the Period

As a result of the foregoing, the Group's profit for the period increased from a loss of RMB130.0 million for the six months ended June 30, 2024 to a profit of RMB220.4 million for the six months ended June 30, 2025, representing a year-on-year increase in net profit of RMB350.4 million.

Liquidity and Capital Resources

For the six months ended June 30, 2025, the Group primarily funded its operations through equity financing, debt financing, and cash generated from operating activities.

We monitor our cash balance on a daily basis and review our cash flow on a monthly basis. We also regularly prepare a cash receipts and expenditures plan for the next three months and submit the same to the chief financial officer for approval to ensure we can maintain optimal liquidity levels and meet our working capital needs. We have sufficient liquidity to meet daily cash management and capital expenditure requirements and control internal operating cash flows.

Cash and Cash Equivalents

As of June 30, 2025, the Group's cash and cash equivalents amounted to RMB2,548.7 million, mainly including cash and unrestricted bank balances and short-term time deposits, compared to RMB2,199.1 million as of December 31, 2024. The Group's cash and cash equivalents are primarily denominated in RMB.

Bank and Other Borrowings

As of June 30, 2025, the Group's interest-bearing bank and other borrowings were approximately RMB4,968.9 million, compared to RMB4,014.5 million as of December 31, 2024. The Group's bank and other borrowings are denominated in RMB. As of June 30, 2025, with the exception of interest-bearing bank and other borrowings totaling approximately RMB800.0 million which bore interest at fixed rates, the remaining borrowings bore interest at floating rates. Of the Group's interest-bearing bank and other borrowings as of June 30, 2025, 33.9% will mature within one year, and the remainder will mature after one year.

Capital Structure

As of June 30, 2025, the Group's net assets were RMB7,038.4 million, including current assets of RMB6,596.9 million, non-current assets of RMB10,650.6 million, current liabilities of RMB6,459.4 million, and non-current liabilities of RMB3,749.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2025, the Group's gearing ratio (calculated as total liabilities divided by total assets) was 59.2%, compared to 62.2% as of December 31, 2024.

Cash Flows

For the six months ended June 30, 2025, the Group's net cash flow used in operating activities was RMB125.8 million, compared to the net cash flow used in operating activities of RMB305.4 million for the six months ended June 30, 2024. For the six months ended June 30, 2025, the Group's net cash flow used in investing activities was RMB1,302.5 million, compared to the net cash flow used in investing activities of RMB438.6 million for the six months ended June 30, 2024. For the six months ended June 30, 2025, the Group's net cash flow generated from financing activities was RMB1,783.7 million, compared to the net cash flow generated from financing activities of RMB234.0 million for the six months ended June 30, 2024.

Interest Rate Risk and Foreign Exchange Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debts with a floating interest rate.

The revenue and expenses of the Group are substantially denominated in Renminbi. We are exposed to foreign exchange risk arising from certain currency exposure (mainly related to Hong Kong dollar and Euro). For the six months ended June 30, 2025, no financial instruments were used for hedging purposes, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant. The Directors and senior management of the Company will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary.

Capital Expenditures and Commitments

For the six months ended June 30, 2025, the Group incurred capital expenditures of approximately RMB1,598.4 million, which were primarily related to the purchase of property, plant and equipment and the purchase of right-of-use assets and other intangible assets.

For the six months ended June 30, 2025, the Group's capital commitments amounted to RMB1,862.2 million, which were related to property, plant and equipment.

Restricted Assets and Charges on Assets

As at June 30, 2025, the Group had restricted assets with a total carrying amount of RMB4,454.7 million. These assets included restricted bank deposits of RMB924.1 million, property, plant and equipment of RMB3,138.7 million, and right-of-use assets of RMB391.9 million. These restricted assets were mainly used to secure bank loans and other bank facilities, and issue bank acceptance bills.

Significant Investments

As of June 30, 2025, the Group did not hold any significant investments with a value of 5% or more of the Group's total assets, except for the joint venture.

As of June 30, 2025, the Group held 50% of the equity interests in STAES, which is considered a material joint venture of the Group and is accounted for using the equity method. STAES was established as a limited liability company under the laws of the PRC on November 12, 2013, and is primarily engaged in the manufacturing, development and sale of Lithium-Ion and Ni-MH battery packs for use in vehicles. No market fair value was available for this investment as at June 30, 2025. The Group recorded a share of profit of its joint venture, STAES, of RMB159.7 million for the six months ended June 30, 2025, compared to a share of profit of RMB134.7 million for the six months ended June 30, 2024. For more details, please refer to (i) the paragraphs headed "History, Reorganization and Corporate Structure – Major Acquisition" in the Prospectus, and (ii) Note 12 to the interim financial information in this report.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the six months ended June 30, 2025, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Plans for Material Investments or Capital Assets

Except for the expansion plans disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus, the Group has no specific plans for material investments or acquisitions of major capital assets or other businesses. However, we will continue to seek new business development opportunities.

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities, guarantees, or any pending or threatened material litigation or claims against any member of the Group.

Subsequent Events

As of the date of this interim report, the Group has no material subsequent events after June 30, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of maintaining and promoting sound corporate governance. The principles of the Company's corporate governance are to promote effective internal control measures, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to the Company and its Shareholders. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Board is of the view that the Company has complied with the applicable code provisions of the CG Code throughout the period from the Listing Date to June 30, 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS AND EMPLOYEES

The Company has developed the Management System for Directors, Supervisors, Senior Management, and Employees to Hold and Trade the Company's Shares (the "Company Code") for securities transactions by the Directors, Supervisors, senior management and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Following specific enquiry by the Company, all Directors and Supervisors have confirmed they have complied with the Company Code and, therefore, with the Model Code throughout the period from the Listing Date to June 30, 2025.

COMPLIANCE WITH APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed in this interim report, the Company confirms that the current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not changed materially from the information disclosed in the Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2025, the Directors, Supervisors and chief executives of the Company had interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they were applicable to the Supervisors) as follows:

Name of Director	Nature of interest	Class of Shares ⁽¹⁾	Number of Shares	Percentage of shareholding in Unlisted Shares/H Shares ⁽²⁾	Percentage of shareholding in total share capital ⁽²⁾
Ms. Cao Fang ⁽³⁾	Interest in controlled corporations	Unlisted Shares (L)	598,319,817	55.96%	23.85%
		H Shares (L)	560,693,101	38.95%	22.35%
Mr. Chen Jicheng ⁽³⁾	Interest in controlled corporations	Unlisted Shares (L)	598,319,817	55.96%	23.85%
		H Shares (L)	560,693,101	38.95%	22.35%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of 1,069,127,364 Unlisted Shares and 1,439,372,739 H Shares in issue as at June 30, 2025.
- (3) Ms. Cao Fang and Mr. Chen Jicheng have been acting in concert with each other, and are deemed under the SFO interested in the Shares held by the management shareholders (the **"Management Shareholders"**), namely, Zenergy Investment, SINOBY VC, Nanjing Miaode, Nanjing Xuande, Zhengli No. 1, and Zhengli No. 2. For more details of Shares held by the Management Shareholders, please refer to pages 19 to 20 in this report.

Save as disclosed above, as at June 30, 2025, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under those provisions); (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code (for this purpose, the relevant provisions of the SFO will be interpreted as if they were applicable to the Supervisors).

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of the knowledge of the Company and the Directors, the following are the persons, other than the Directors, Supervisors or chief executives of the Company, who had interests or short positions in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO as of June 30, 2025.

Name of Shareholder	Nature of Interest	Class of Shares ⁽¹⁾	Number of Shares	Percentage of shareholding in Unlisted Shares/ H Shares ⁽²⁾	Percentage of shareholding in total issued share capital ⁽²⁾
Zenergy Investment ⁽³⁾	Beneficial interest	Unlisted Shares (L)	322,483,380	30.16%	12.86%
		H Shares (L)	138,207,163	9.60%	5.51%
SINOGY VC ⁽³⁾	Beneficial interest	Unlisted Shares (L)	271,362,931	25.38%	10.82%
		H Shares (L)	110,682,345	7.69%	4.41%
Zhengli Consulting ⁽³⁾	Interest in controlled corporations	Unlisted Shares (L)	3,621,006	0.34%	0.14%
		H Shares (L)	289,194,833	20.09%	11.53%
Nanjing Miaode ⁽³⁾	Beneficial interest	H Shares (L)	237,152,124	16.48%	9.45%
Fujian Financial Investment Co., Ltd. (福建省金融投資有限責任公司) ⁽⁴⁾	Interest in a controlled corporation	Unlisted Shares (L)	137,144,662	12.83%	5.47%
		H Shares (L)	136,935,158	9.51%	5.46%
Huafu Securities Co., Ltd. (華福證券有限責任公司) ⁽⁴⁾	Interest in a controlled corporation	Unlisted Shares (L)	137,144,662	12.83%	5.47%
		H Shares (L)	136,935,158	9.51%	5.46%
Huafu Growth Investment Co., Ltd. (華福成長投資有限公司) ("Huafu Investment") ⁽⁴⁾	Beneficial interest	Unlisted Shares (L)	137,144,662	12.83%	5.47%
		H Shares (L)	28,544,347	1.98%	1.14%
	Interest in a controlled corporation	H Shares (L)	108,390,811	7.53%	4.32%
Lin Yongzhong (林永忠) ⁽⁵⁾	Interest in a controlled corporation	H Shares (L)	108,390,811	7.53%	4.32%
Zhongjin (Fujian) Venture Capital Co., Ltd. (中金(福建)創業投資有限責任公司) ⁽⁵⁾	Interest in a controlled corporation	H Shares (L)	108,390,811	7.53%	4.32%
Ningbo Meishan Free Trade Port Xingsi Shenglian Investment Partnership (L.P.) (寧波梅山保稅港區興思勝聯投資合夥企業(有限合夥)) ("Xingsi Shenglian") ⁽⁵⁾	Beneficial interest	H Shares (L)	108,390,811	7.53%	4.32%
Changshu Hi-Tech Holding Co., Ltd. (常熟市高新控股有限公司) ⁽⁵⁾	Interest in a controlled corporation	Unlisted Shares (L)	151,680,247	14.19%	6.05%
		H Shares (L)	109,512,397	7.61%	4.37%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of Interest	Class of Shares ⁽¹⁾	Number of Shares	Percentage of shareholding in Unlisted Shares/ H Shares ⁽²⁾	Percentage of shareholding in total issued share capital ⁽²⁾
Changshu Southeast Investment Holding Co., Ltd. (常熟市東南投資控股有限公司) ("Southeast Investment Holding") ⁽⁵⁾	Beneficial interest	Unlisted Shares (L)	78,624,750	7.35%	3.13%
	Interest in a controlled corporation	Unlisted Shares (L)	73,055,497	6.83%	2.91%
		H Shares (L)	109,512,397	7.61%	4.37%
Changshu Southeast Industrial Investment Co., Ltd. (常熟東南產業投資有限公司) ("Southeast Investment") ⁽⁵⁾	Beneficial interest	Unlisted Shares (L)	59,951,372	5.61%	2.39%
		H Shares (L)	59,951,372	4.17%	2.39%
	Interest in a controlled corporation	Unlisted Shares (L)	13,104,125	1.23%	0.52%
		H Shares (L)	13,104,125	0.91%	0.52%
Wang Zhengdong (王正東) ⁽⁵⁾	Interest in a controlled corporation	H Shares (L)	103,397,862	7.18%	4.12%
Shanghai Royalsea Capital Management Ltd. (上海正海資產管理有限公司) ⁽⁵⁾	Interest in controlled corporations	H Shares (L)	103,397,862	7.18%	4.12%
Wuxi Zhenghai Jinxi Venture Capital Partnership (L.P.) (無錫正海錦璽創業投資合夥企業(有限合夥)) ("Wuxi Zhenghai") ⁽⁵⁾	Beneficial interest	H Shares (L)	90,293,737	6.27%	3.60%

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of 1,069,127,364 Unlisted Shares and 1,439,372,739 H Shares in issue as at June 30, 2025.

(3) Please refer to Note (3) on page 18 in this report.

(4) The general partner of Xingsi Shenglian is Zhongjin (Fujian) Venture Capital Co., Ltd. (中金(福建)創業投資有限責任公司), which is held as to 80% by Lin Yongzhong (林永忠). Xingsi Shenglian is also held as to 99.9990% by Huaifu Investment as its limited partner.

Huaifu Investment is a wholly-owned subsidiary of Huaifu Securities Co., Ltd. (華福證券有限責任公司), which is in turn held as to 46.72% by Fujian Financial Investment Co., Ltd. (福建省金融投資有限責任公司). Fujian Financial Investment Co., Ltd. is wholly owned by the Fujian Provincial Department of Finance (福建省財政廳). Therefore, by virtue of the SFO, each of Zhongjin (Fujian) Venture Capital Co., Ltd. and Lin Yongzhong is deemed to be interested in the Shares held by Xingsi Shenglian, and each of Huaifu Securities Co., Ltd. and Fujian Financial Investment Co., Ltd. is deemed to be interested in the Shares held by Huaifu Investment and Xingsi Shenglian.

(5) Southeast Investment holds 99.01% of Southeast Xinneng as its limited partner. Southeast Investment is held as to 99.96% by Southeast Investment Holding, which is a wholly-owned subsidiary of Changshu Hi-Tech Holding Co., Ltd. (常熟市高新控股有限公司), which is in turn wholly owned by the Changshu Finance Bureau (State-owned Assets Supervision and Administration Office of Changshu Municipal Government) (常熟市財政局(常熟市政府國有資產監督管理辦公室)). Therefore, by virtue of the SFO: (i) Southeast Investment is deemed to be interested in the Shares held by Southeast Xinneng; (ii) Southeast Investment Holding is deemed to be interested in the Shares held by Southeast Xinneng and Southeast Investment; and (iii) Changshu Hi-Tech Holding Co., Ltd. is deemed to be interested in the Shares held by Southeast Xinneng, Southeast Investment and Southeast Investment Holding.

Save as disclosed above, as at June 30, 2025, no other persons (other than the Directors, Supervisors and chief executives of the Company) had any interests or short positions in the Shares or underlying Shares of the Company which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EMPLOYEES AND REMUNERATION

As of June 30, 2025, the Group had 5,224 full-time employees. As at June 30, 2025, a substantial majority of the Group's employees are based in China.

In compliance with the CG Code, the Remuneration and Evaluation Committee was set up for formulating individual remuneration plans for the Directors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies.

The Company offers the Directors, Supervisors and senior management with remuneration in the form of fees, salaries, allowances and benefits in kind, performance related bonuses, share-based payment expenses, pension scheme contributions and other benefits in kind subject to applicable laws, regulations and rules. In the first half of 2025, total remuneration of our employees amounted to approximately RMB388.5 million (the first half of 2024: approximately RMB312.3 million).

The Company believes that its long-term growth depends on the expertise, experience and development of its employees. The Company's human resources department is responsible for recruiting, managing and training employees. The Company recruits employees primarily through referrals, headhunting companies, recruitment websites and on-campus recruitment. The Company provides training programs to employees, including new hire training for new employees and continuing technical training for the Company's production and R&D personnel to enhance their skills and knowledge. The Company takes measures to promote equal opportunities, anti-discrimination, and diversity among employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

From the Listing Date to June 30, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including the sale of treasury shares) of the Company. As at June 30, 2025, the Company did not hold any treasury shares.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three Directors, namely Mr. Gong Zhengliang, Ms. Xiao Min and Mr. Zhang Li. Currently, Mr. Gong Zhengliang is the chairperson of the Audit Committee, and he has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the interim report including the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and has confirmed that it has complied with all applicable accounting principles, standards and requirements and that adequate disclosures have been made. The Audit Committee has also discussed auditing and financial reporting matters. The auditor of the Company has not reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025.

EQUITY INCENTIVE PLAN

In recognition of the contributions of our employees and to incentivize them to further promote our development, we adopted (i) the share option plan (the **"Share Option Plan"**) approved on January 20, 2023 and effective from December 31, 2021, as amended from time to time, with Nanjing Xuande, Nanjing Mude, Nanjing Chengde, Nanjing Gande and Nanjing Yinde as the Equity Incentive Platforms; and (ii) the share incentive plan (the **"Share Incentive Plan"**, together with the Share Option Plan, **"Pre-IPO Equity Incentive Plan"**) on February 24, 2022, as amended from time to time, with Zhengli No. 1, Zhengli No. 2, Zhengli No. 3, Zhengli No. 4, Zhengli No. 5, Zhengli No. 6, Zhengli No. 7, Zhengli No. 8 and Zhengli No. 9 as the Equity Incentive Platforms.

The terms of the Pre-IPO Equity Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as each of the Pre-IPO Equity Incentive Plans does not involve the grant of new options or awards by our Company after the Listing. The Pre-IPO Equity Incentive Plans will not cause any dilution of the shareholding of our Shareholders after the Listing given all underlying Shares of the options and awards granted under the Pre-IPO Equity Incentive Plans have been issued to the Equity Incentive Platforms.

For further details on the Share Option Plan and the Share Incentive Plan, as well as the structure of our Equity Incentive Platforms, please refer to "Statutory and General Information – Pre-IPO Equity Incentive Plans" in the Prospectus.

CHANGES TO THE BIOGRAPHICAL INFORMATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There has been no change in the information of the Directors, Supervisors and senior management that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Prospectus up to the date of this interim report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF NET PROCEEDS FROM LISTING

The Company's H Shares were listed on the Stock Exchange on April 14, 2025. The Company has received net proceeds of approximately HK\$927.5 million from the Global Offering. As of June 30, 2025, the Company has not utilized any of the net proceeds from the Global Offering. The table below sets forth a detailed breakdown of the net proceeds from the Global Offering and a description of their allocation and proposed purposes.

Use of proceeds		Approximate percentage of total net proceeds	Allocation of net proceeds (HK\$ million)	Proposed timeline for utilizing unutilized net proceeds
1.	Expansion of our production capacity and construction of intelligent manufacturing facilities and flexible manufacturing lines	80.0%	741.9	
(1)	Construction, equipment purchases and preparation costs in relation to the construction of Phase I of the new production facility in Changshu	44.0%	408.1	Before December 31, 2027
(2)	Construction, equipment purchases and preparation costs in relation to the construction of Phase II of the new Changshu production facility	36.0%	333.8	Before December 31, 2027
2.	Various R&D activities	10.0%	92.8	
(1)	Exploring various new battery electrochemistries and advanced materials	5.0%	46.4	Before December 31, 2027
(2)	Optimizing the next-generation intelligent manufacturing capabilities to improve manufacturing efficiency and product quality, such as root cause analysis system, contactless vision system, quality system for winding and coating, and multi-layer coating technology	1.5%	13.9	Before December 31, 2027
(3)	Development of high-power battery cells and battery systems for application in low-altitude economy scenarios and related industries	1.5%	13.9	Before December 31, 2027
(4)	Further developing semi-solid-state and solid-state battery products and technologies, which improves thermal stability and battery safety	1.0%	9.3	Before December 31, 2027
(5)	Development of high energy density ultra-fast charging battery products and technologies, focusing on the standardized battery cells, platformed battery packs and diversified electrochemistries and advanced materials to improve battery performance in terms of charging speed	1.0%	9.3	Before December 31, 2027
3.	Providing funding for working capital and other general corporate purposes	10.0%	92.8	Before December 31, 2027

The Group will utilize the net proceeds from the Global Offering for the proposed purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	3,172,028	1,844,800
Cost of sales:			
Cost of sales of goods	5	(2,581,469)	(1,640,608)
Impairment losses on inventories	5	(21,875)	(21,050)
Gross profit		568,684	183,142
Other income and gains	4	27,267	22,245
Selling and marketing expenses		(16,404)	(16,578)
Administrative expenses		(172,723)	(134,885)
Research and development expenses		(252,858)	(260,327)
Impairment losses on financial assets and contract assets, net	5	(5,182)	921
Other expenses		(27,331)	(1,013)
Finance costs		(68,223)	(63,792)
Share of profits of joint ventures		160,250	133,763
PROFIT/(LOSS) BEFORE TAX	5	213,480	(136,524)
Income tax credit	6	6,945	6,490
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		220,425	(130,034)
Profit/(loss) attributable to:			
Owners of the parent		220,425	(130,034)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	0.09	(0.06)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	As at June 30, 2025 (Unaudited) RMB'000	As at December 31, 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,257,525	5,704,152
Right-of-use assets	10	550,375	226,422
Goodwill		1,277	1,277
Other intangible assets	11	389,063	423,079
Investments in joint ventures	12	3,310,955	3,467,173
Contract assets		1,996	–
Prepayments, other receivables and other assets		139,450	39,812
Total non-current assets		10,650,641	9,861,915
CURRENT ASSETS			
Inventories		912,923	678,712
Trade and bills receivables	13	1,752,203	1,623,305
Bills receivable at fair value through other comprehensive income		242,724	92,936
Contract assets		1,858	5,144
Prepayments, other receivables and other assets		111,526	73,361
Restricted bank balances		924,146	957,804
Time deposits		102,835	101,982
Cash and cash equivalents		2,548,697	2,199,072
Total current assets		6,596,912	5,732,316
CURRENT LIABILITIES			
Trade and bills payables	14	3,540,482	3,742,586
Other payables and accruals	15	1,119,202	1,427,848
Contract liabilities		38,979	14,756
Interest-bearing bank and other borrowings		1,682,414	1,245,825
Lease liabilities		30,259	30,397
Tax payable		–	266
Provision		48,099	35,003
Total current liabilities		6,459,435	6,496,681
NET CURRENT ASSETS/(LIABILITIES)		137,477	(764,365)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,788,118	9,097,550

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at June 30, 2025 (Unaudited) RMB'000	As at December 31, 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		3,286,438	2,768,659
Lease liabilities		143,896	146,034
Provision		268,429	227,741
Deferred tax liabilities		50,974	57,994
Total non-current liabilities		3,749,737	3,200,428
Net assets		7,038,381	5,897,122
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	2,508,500	2,386,976
Reserves		4,529,881	3,510,146
Total equity		7,038,381	5,897,122

Chen Jicheng
General Manager

Liang Wangchun
Chief Financial Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

	Attributable to owners of the parent							
	Share-based							Total equity RMB'000
	Share capital	Capital premium*	Other reserve*	payment reserve*	Merger reserve*	Special reserve*	Accumulated losses*	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(Note 16)							
As at January 1, 2025	2,386,976	4,152,772	11,392	223,040	1,713,687	3,135	(2,593,880)	5,897,122
Profit and total comprehensive income for the period	-	-	-	-	-	-	220,425	220,425
Share-based payments	-	-	-	21,316	-	-	-	21,316
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	121,524	777,994	-	-	-	-	-	899,518
Safety fund appropriation to special reserve	-	-	-	-	-	1,165	(1,165)	-
As at June 30, 2025 (unaudited)	2,508,500	4,930,766	11,392	244,356	1,713,687	4,300	(2,374,620)	7,038,381

	Attributable to owners of the parent							
	Share-based							Total equity RMB'000
	Share capital/ Paid-in capital	Capital premium*	Other reserve*	payment reserve*	Merger reserve*	Special reserve*	Accumulated losses*	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(Note 16)							
As at January 1, 2024	2,255,935	5,321,173	11,392	164,165	1,713,687	2,323	(4,721,442)	4,747,233
Loss and total comprehensive income for the period	-	-	-	-	-	-	(130,034)	(130,034)
Conversion into a joint stock company	-	(2,037,360)	-	-	-	-	2,037,360	-
Share-based payments	-	-	-	22,674	-	-	-	22,674
Safety fund appropriation to special reserve	-	-	-	-	-	1,411	(1,411)	-
As at June 30, 2024 (unaudited)	2,255,935	3,283,813	11,392	186,839	1,713,687	3,734	(2,815,527)	4,639,873

* These reserve accounts represent the total consolidated reserves of RMB4,529,881,000 in the interim condensed consolidated statements of financial position as at June 30, 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	213,480	(136,524)
Adjustments for:		
Depreciation of property, plant and equipment	298,751	224,345
Depreciation of right-of-use assets	17,000	16,176
Amortisation of other intangible assets	42,330	40,164
Share-based payment expenses	21,316	22,674
Share of profits of joint ventures	(160,250)	(133,763)
Impairment losses on financial assets and contract assets, net	5,182	(921)
Impairment losses on inventories	21,875	21,050
Finance costs	68,223	63,792
Interest income	(14,962)	(19,683)
Losses on disposal of items of property, plant and equipment and other intangible assets, net	11,105	–
	524,050	97,310
Increase in inventories	(256,086)	(180,566)
Decrease/(increase) in restricted bank balances	33,658	(86,969)
Increase in time deposits with original maturity of more than three months to one year when acquired	(853)	–
Increase in trade and bills receivables	(131,888)	(99,126)
Increase in contract assets	(25)	–
Increase in bills receivable at fair value through other comprehensive income	(149,788)	–
(Increase)/decrease in prepayments, other receivables and other assets	(79,911)	29,715
Decrease in other payables and accruals	(47,833)	(28,898)
Decrease in trade and bills payables	(109,702)	(371,587)
Increase in contract liabilities	24,223	281,561
Increase in provision	53,784	33,442
Cash used in operations	(140,371)	(325,118)
Interest received	14,962	19,683
Income tax paid	(341)	–
Net cash flows used in operating activities	(125,750)	(305,435)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from joint ventures	295,644	186,224
Proceeds from disposal of items of property, plant and equipment	178	439
Purchases of items of property, plant and equipment, right-of-use assets and other intangible assets	(1,598,358)	(279,275)
Investment in a joint venture	–	(346,000)
Net cash flows used in investing activities	(1,302,536)	(438,612)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of listing expenses	(1,084)	(1,816)
Proceeds from issuance of ordinary shares relating to the initial public offering	903,258	–
Lease payments	(6,481)	(5,436)
New interest-bearing bank and other borrowings	1,596,303	904,142
Repayment of interest-bearing bank and other borrowings	(629,327)	(601,000)
Interest paid	(78,939)	(61,848)
Net cash flows from financing activities	1,783,730	234,042
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	355,444	(510,005)
Cash and cash equivalents at beginning of period	2,199,072	2,034,279
Effect of foreign exchange rate changes, net	(5,819)	121
Cash and cash equivalents at end of period	2,548,697	1,524,395

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the People's Republic of China ("PRC") with limited liability on February 26, 2019 and was converted into a joint stock company on July 17, 2024. The registered office of the Company is located at No. 68 Xin'anjiang Road, Dongnan Community, Changshu, Jiangsu Province, PRC.

The Company and its subsidiaries primarily focus on the R&D, production and sales of EV battery products, ESS battery products, and aviation battery products.

2.1 BASIS OF PRESENTATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for financial information in the current period.

Amendments to IAS 21

Lack of Exchangeability

The nature and the impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies in which the Group conducts transactions were exchangeable, the amendments have no impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION AND REVENUE

The Group is principally engaged in developing a multi-pathway portfolio of market-driven and technology-fueled battery products. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

Almost all the non-current assets of the Group are physically located in the Mainland China. The geographical location of customers is based on the location at which the customers operate, and almost all of the revenue of the Group was derived from operations in the Mainland China during the period.

Information about major customers

For the six months ended June 30, 2025, revenue of approximately RMB2,823,013,000 (June 30, 2024: RMB1,514,735,000) was generated from sales to customers which individually amounted to more than 10% of the Group's total revenue, including sales to a group of entities which are known to be under common control with such customers.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. REVENUE, OTHER INCOME AND GAINS

Disaggregation of the Group's revenue from contracts with customers is as follows:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods		
Power battery	2,985,306	1,641,029
Energy storage system and others*	186,722	203,771
Total revenue from contracts with customers	3,172,028	1,844,800
Timing of revenue recognition		
Goods and services transferred at a point in time	3,172,028	1,844,800

* Others primarily include sales of down-grade products and waste materials and provision of technical services.

Geographical markets

Since almost all of the revenue of the Group was derived from operations in Mainland China during the six months ended June 30, 2025 and 2024, revenue from the overseas markets of the Group was assessed as not material.

An analysis of other income and gains is as follows:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income		
Government grants	11,218	524
Interest income	14,962	19,683
Others	1,087	1,275
Total other income	27,267	21,482
Gains		
Foreign exchange gains, net	–	763
Total gains	–	763
Total other income and gains	27,267	22,245

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. PROFIT/LOSS BEFORE TAX

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

	Six months ended June 30,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of sales of goods	2,581,469	1,640,608
Impairment losses on financial assets and contract assets, net	5,182	(921)
Impairment losses on inventories	21,875	21,050
Foreign exchange differences, net	15,966	(763)

6. INCOME TAX

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

Mainland China

The subsidiaries established in Mainland China are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law.

The Company was qualified as a High and New Technology Enterprise in 2022 and was entitled to a preferential tax rate of 15% during the six months ended June 30, 2025 (six months ended June 30, 2024: 15%).

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

	Six months ended June 30,	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax	75	—
Deferred tax	(7,020)	(6,490)
Income tax expenses reported in the statement of profit or loss	(6,945)	(6,490)

7. DIVIDENDS

During the six months ended June 30, 2025, no dividends have been paid or declared by the Company (six months ended June 30, 2024: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

8. PROFIT/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The basic profit/loss per share is calculated by dividing the profit/loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The Group had no potentially dilutive ordinary shares in issue during the period.

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Profit/loss attributable to owners of the parent (RMB'000)	220,425	(130,034)
Weighted average number of ordinary shares outstanding	2,439,248,241	2,255,935,152
Basic and diluted profit/loss per share (expressed in RMB per share)	0.09	(0.06)

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2025, the Group purchased property, plant and equipment at a cost of RMB871,700,000 (six months ended June 30, 2024: RMB193,170,000).

Property, plant and equipment with a net book value of RMB19,576,000 were disposed of by the Group during the six months ended June 30, 2025 (six months ended June 30, 2024: RMB389,000), resulting in a net loss from disposal of RMB11,105,000 (six months ended June 30, 2024: Nil).

10. RIGHT-OF-USE ASSETS

During the six months ended June 30, 2025, the Group acquired a land use right of RMB344,397,000 (six months ended June 30, 2024: Nil).

11. OTHER INTANGIBLE ASSETS

During the six months ended June 30, 2025, the Group purchased intangible assets of RMB8,314,000 (six months ended June 30, 2024: RMB389,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. INVESTMENTS IN JOINT VENTURES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Share of net assets	428,749	584,967
Goodwill on acquisition	2,882,206	2,882,206
Total	3,310,955	3,467,173

13. TRADE AND BILLS RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Trade receivables	2,255,012	1,860,218
Commercial acceptance bills receivable	10,732	2,003
Bank acceptance bills receivable	113,514	385,149
Total	2,379,258	2,247,370
Less: Impairment losses	627,055	624,065
Net carrying amount	1,752,203	1,623,305

An ageing analysis of the Group's trade and bills receivables, based on recognition date and net of loss allowance, is as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Within 3 months	1,738,205	1,412,318
3 to 6 months	6,400	196,026
6 months to 1 year	2,168	7,753
1 to 2 years	5,430	7,208
Total	1,752,203	1,623,305

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables, based on recognition date, is as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Within 1 year	3,539,059	3,741,138
1 to 2 years	1,423	1,394
2 to 3 years	–	54
Total	3,540,482	3,742,586

15. OTHER PAYABLES AND ACCRUALS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Payables for purchase of property, plant and equipment	932,153	1,160,950
Payroll and welfare payable	77,412	63,117
Accrued listing expenses	–	11,569
Accrued expenses	47,453	45,251
Other tax payables	27,942	10,409
Other payables	33,873	27,985
Due to related parties	369	108,567
Total	1,119,202	1,427,848

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. SHARE CAPITAL

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Issued and fully paid: Share capital	2,508,500	2,386,976

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

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
At the beginning of the period/year	2,386,976	2,255,935
Shareholders' capital contribution	–	131,041
Issuance of ordinary shares related to the initial public offering	121,524	–
At the end of the period/year	2,508,500	2,386,976

In July 2024, the Company issued 131,041,251 share capital with a value of RMB7.63 each to 5 investors (collectively, the "Series B Investors") for a cash consideration with an aggregate amount of RMB1,000,000,000. The total proceeds were received in 2024, with approximately RMB131,041,251 and RMB868,958,749 credited to the Company's share capital and share premium, respectively.

In connection with the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), 121,523,700 ordinary shares of RMB1.00 each were issued at a price of HKD8.27 per share for a total cash consideration, before expenses, of approximately HKD1,005,000,000 (equivalent to RMB934,100,000). Dealings in the shares of the Company on the Stock Exchange commenced on April 14, 2025.

17. COMMITMENTS

The Group had the following capital commitments at the end of the Reporting Period/year:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Property, plant and equipment	1,862,150	109,225

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS**(a) Transactions with related parties:**

In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Shareholder:		
Reception of rental services		
Nanjing Lukou Konggang Investment Development Co., Ltd.	416	502
A joint venture:		
Reception of rental services		
Jiangsu Aiev New Energy Technologies Co., Ltd.	1,959	1,959
Reception of labor dispatch services		
Jiangsu Aiev New Energy Technologies Co., Ltd.	–	160

(b) Compensation of key management personnel of the Group

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	4,704	5,137
Share-based payment expenses	3,386	3,575
Social insurance and housing provident fund contributions	461	376
Total compensation paid to key management personnel	8,551	9,088

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair value	
	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Financial assets				
Bills receivable at fair value through other comprehensive income	242,724	92,936	242,724	92,936

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.

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

The fair values of bills receivable at fair value through other comprehensive income have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The changes in fair values as a result of the Group for bills receivable at fair value through other comprehensive income as at June 30, 2025 were assessed to be insignificant.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Assets measured at fair value:

As at June 30, 2025

	Fair value measurement using			
	Quoted prices in	Significant	Significant	
	active markets	observable	unobservable	
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bills receivable at fair value through other comprehensive income	–	242,724	–	242,724

As at December 31, 2024

	Fair value measurement using			
	Quoted prices in	Significant	Significant	
	active markets	observable	unobservable	
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)
Bills receivable at fair value through other comprehensive income	–	92,936	–	92,936

As of June 30, 2025 and December 31, 2024, the Group had no financial liabilities measured at fair value.

During the Reporting Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

20. APPROVAL OF THE UNAUDITED INTERIM FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on August 28, 2025.

DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CABIA”	China Automotive Battery Innovation Alliance
“CG Code” or “Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules in force during the Reporting Period
“China” or “PRC”	the People’s Republic of China, for the purposes of this interim report and for geographical reference only, unless otherwise indicated, excluding Taiwan Region, Macau Special Administrative Region of the PRC and Hong Kong
“Company” or “the Company”	Jiangsu Zenergy Battery Technologies Group Co., Ltd. (江蘇正力新能電池技術股份有限公司), a limited liability company incorporated in the PRC on February 26, 2019 as Jiangsu Zenergy Battery Technology Company Limited (江蘇正力新能電池技術有限公司) and converted into a joint stock company with limited liability on July 17, 2024
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Ms. Cao Fang and Mr. Chen Jicheng, together with their close associates, namely Zhengli Consulting, Zenergy Investment, SINOXY VC, Nanjing Miaode, Nanjing Xuande, Zhengli No. 1 and Zhengli No. 2
“Director(s)”	the director(s) of the Company
“Equity Incentive Platforms”	the pre-IPO equity incentive platforms of the Group, namely Nanjing Xuande, Nanjing Mude, Nanjing Chengde, Nanjing Gande, Nanjing Yinde, Zhengli No. 1, Zhengli No. 2, Zhengli No. 3, Zhengli No. 4, Zhengli No. 5, Zhengli No. 6, Zhengli No. 7, Zhengli No. 8 and Zhengli No. 9
“ESS”	energy storage system, a device that can store and output power, consisting of multiple subsystems such as battery system and energy management system
“EV” or “electric vehicle”	new energy vehicles, mainly comprising battery electric vehicles and plug-in hybrid electric vehicles

DEFINITIONS

“Global Offering”	the offer of the Shares for subscription as described in the section headed “Structure of the Global Offering” in the Prospectus
“Group” or “we” or “our” or “us”	the Company and its subsidiaries
“GWh”	a unit of electricity, 1 GWh=1,000,000 KWh
“H Share(s)”	listed ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	the International Financial Reporting Standards
“installed capacity” or “installation”	the volume of battery products installed in EVs or ESSs, usually expressed in electricity unit of GWh, MWh, or KWh
“LFP”	a lithium-ion battery that uses lithium iron phosphate (LiFePO ₄) as the cathode material
“LISA”	interconnected land, sea and air application scenarios for our battery products
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	April 14, 2025, the date on which the H Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“lithium”	a metal chemical element, of which the element symbol is Li, and the atomic number is 3
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

DEFINITIONS

“MWh”	a unit of electricity, 1MWh=1,000KWh
“Nanjing Chengde”	Nanjing Chengde Enterprise Management Consulting Partnership (Limited Partnership) (南京澄德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“Nanjing Gande”	Nanjing Gande Enterprise Management Consulting Partnership (Limited Partnership) (南京淦德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“Nanjing Miaode”	Nanjing Miaode Enterprise Management Consulting Partnership (Limited Partnership) (南京淼德企業管理顧問合夥企業(有限合夥)), a limited partnership established in the PRC on July 7, 2017, and one of our Controlling Shareholders
“Nanjing Mude”	Nanjing Mude Enterprise Management Consulting Partnership (Limited Partnership) (南京沐德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“Nanjing Xuande”	Nanjing Xuande Enterprise Management Consulting Partnership (Limited Partnership) (南京洙德企業管理顧問合夥企業(有限合夥)), a limited partnership established in the PRC on July 7, 2017, which is an Equity Incentive Platform and one of our Controlling Shareholders
“Nanjing Yinde”	Nanjing Yinde Enterprise Management Consulting Partnership (Limited Partnership) (南京胤德企業管理顧問合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 3, 2018, which is an Equity Incentive Platform
“NCM”	a type of lithium-ion battery chemistry that uses a combination of Nickel (Ni), Cobalt (Co), and Manganese (Mn) as key materials in the cathode. Given different ratios of nickel, cobalt, and manganese, it can be classified into NCM523, NCM613, NCM811, etc.
“OEM”	automotive original equipment manufacturer
“Prospectus”	the prospectus of the Company dated April 3, 2025
“R&D”	research and development
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the period commencing from January 1, 2025 and ending on June 30, 2025

DEFINITIONS

“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary Share(s) of the Company with a nominal value of RMB1.00 each, comprising H Share(s) and Unlisted Share(s)
“Share Incentive Plan”	the pre-IPO share incentive plan of the Company approved and adopted on February 24, 2022, as amended from time to time
“SINOGY VC”	Changshu SINOGY Venture Capital Co., Ltd. (常熟新中源創業投資有限公司), a limited liability company incorporated in the PRC on March 15, 2013, and one of our Controlling Shareholders
“STAES”	Sinogy Toyota Automotive Energy System Co., Ltd. (新中源豐田汽車能源系統有限公司), a limited liability company incorporated in the PRC on November 12, 2013, owned by (i) the Company as to 50%; (ii) Toyota Motor Corporation (a company listed on Tokyo Stock Exchange and Nagoya Stock Exchange (stock code: 7203), on New York Stock Exchange (ticker: TM) and on London Stock Exchange (stock code: TYT)) as to 35%; (iii) Toyota Battery Co., Ltd. (豐田電池有限公司) (formerly known as Primearth EV Energy 株式会社) as to 10%; and (iv) Toyota Motor (China) Investment Co., Ltd. (豐田汽車(中國)投資有限公司) as to 5%
“subsidiary(ies)”	has the meaning ascribed to it under Schedule 1 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company
“Unlisted Shares”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“United States” or “U.S.”	the United States of America and its territories
“Zenergy Investment”	Changshu Zenergy Investment Co., Ltd. (常熟正力投資有限公司), a limited liability company incorporated in the PRC on August 10, 2016 and held as to 46%, 42% and 12% by Mr. Chen Jicheng, Ms. Cao Fang and SINOGY VC, respectively, and one of our Controlling Shareholders
“Zhengli Consulting”	Changshu Zhengli Management Consulting Co., Ltd. (常熟正力管理諮詢有限公司), a limited liability company incorporated in the PRC on October 28, 2021 and held by each of Ms. Cao and Mr. Chen as to 50%, respectively, and one of our Controlling Shareholders
“Zhengli No. 1”	Changshu Zhengli No. 1 Management Consulting Partnership (Limited Partnership) (常熟正力壹號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 25, 2022, which is an Equity Incentive Platform and one of our Controlling Shareholders

DEFINITIONS

"Zhengli No. 2"	Changshu Zhengli No. 2 Management Consulting Partnership (Limited Partnership) (常熟正力貳號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on April 29, 2022, which is an Equity Incentive Platform and one of our Controlling Shareholders
"Zhengli No. 3"	Changshu Zhengli No. 3 Management Consulting Partnership (Limited Partnership) (常熟正力叁號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 4"	Changshu Zhengli No. 4 Management Consulting Partnership (Limited Partnership) (常熟正力肆號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 5"	Changshu Zhengli No. 5 Management Consulting Partnership (Limited Partnership) (常熟正力伍號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 6"	Changshu Zhengli No. 6 Management Consulting Partnership (Limited Partnership) (常熟正力陸號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 7"	Changshu Zhengli No. 7 Management Consulting Partnership (Limited Partnership) (常熟正力柒號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"Zhengli No. 8"	Changshu Zhengli No. 8 Management Consulting Partnership (Limited Partnership) (常熟正力捌號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 31, 2022, which is an Equity Incentive Platform
"Zhengli No. 9"	Changshu Zhengli No. 9 Management Consulting Partnership (Limited Partnership) (常熟正力玖號管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC on March 26, 2022, which is an Equity Incentive Platform
"%"	per cent