SHUANGDENG GROUP CO., LTD.
雙登集團股份有限公司

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

(Stock Code: 06960)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the "**Board**") of directors (the "**Directors**") of Shuangdeng Group Co., Ltd. (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2025 (the "**Reporting Year**"), together with the audited comparative figures for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS:

	For the year ended 31 December		
	2025	2024	
	RMB million	*RMB million*	Changes
	(Audited)	(Audited)	
Revenue	**5,083.4**	4,498.5	13.0%
Gross profit	**709.2**	750.9	-5.6%
Profit for the year	**255.5**	353.3	-27.7%
Profit attributable to owners of the parent	**255.5**	353.3	-27.7%
Basic earnings per share *(RMB)*			
– Basic	**0.67**	0.99	
– Diluted	**0.67**	0.99	

MANAGEMENT DISCUSSION AND ANALYSIS

In the era of computing power, energy comes first. Shuangdeng is becoming the energy foundation for AIDC Smart Computing Center's computing infrastructure.

In 2025, with explosive demand for AI computing reshaping data center energy systems worldwide, the Group continued to upgrade its business structure and achieved key breakthroughs in business transformation, transitioning from a traditional telecom energy storage manufacturer to a global provider of AIDC smart computing center energy infrastructure solutions.

During the Reporting Year, the Company achieved steady growth in operating performance and continued to optimize its business structure. Operating revenue for the year amounted to approximately RMB5,083.4 million, representing an increase of approximately 13.0% year-on-year. In particular, revenue from lithium-ion battery products grew by approximately 31.6% year-on-year, showing significantly improved momentum. Remarkably, revenue from lithium-ion battery modules for AIDC smart computing centers soared by approximately 598.3% year-on-year. The AIDC smart computing center energy storage business has rapidly grown into the Group's second growth curve and has become the Group's largest source of revenue. At the same time, revenue from the new power energy storage business increased by approximately 97.9% year-on-year, showing strong growth momentum. This marks that the Group's business structure has evolved from being dominated by telecom energy storage to a new development landscape led by "AIDC smart computing center energy storage, with new power energy storage as a key growth driver and telecom energy storage as the foundation", highlighting the effectiveness of its transformation.

During the Reporting Year, the Group recorded a profit for the year of approximately RMB255.5 million. Due to factors such as raw material price fluctuations and product mix adjustments, short-term profitability experienced temporary fluctuations. With the gradual ramp-up of production capacity of lithium battery for AIDC smart computing center, continued optimization of product mix and release of scale effects, the Group's overall profitability is expected to improve steadily, with its long-term growth potential being gradually unlocked.

Looking ahead, as AI computing infrastructure continues to expand, AIDC smart computing center energy storage systems has become a core energy infrastructure in the computing era, with market demand set to continue its explosive growth. The Group will steadfastly advance the execution of its "AIDC-centric one core, two wings" strategy, focusing on core businesses, strengthening technological innovation, expanding global markets, and further enhancing its core global competitiveness.

INDUSTRY OVERVIEW

It has become an industry consensus that "the endgame of AI is energy". In 2025, the explosive surge in global AI computing demand fueled AIDC Smart Computing Center construction and iterative upgrade. According to Gaogong Industrial Research Institute (GGII), global AIDC smart computing center energy storage market is projected to grow from 15GWh in 2025 to 300GWh in 2030, representing a 20-fold scale growth with CAGR exceeding 60%, making it the most certain growth track in the energy storage industry.

The surge in AI computing power is significantly intensifying the demand for energy storage both domestically and abroad, especially for North America. The aging power grid in the United States struggles to carry the massive electricity loads required by data centers. The U.S. government has explicitly required technology companies to build their own power supplies and self-provided electricity for new data centers to prevent high energy from driving up residential electricity prices and triggering the risk of power supply interruptions. As the world's largest data center hub, Virginia, United States has seen the completion of over 570 data centers. The power consumption of a single large-scale project is comparable to that of a small or medium-sized city, exerting continuous and heavy pressure on the regional power grid. According to estimates by the Electric Power Research Institute (EPRI) in the United States, the electricity consumption of data centers in the United States currently accounts for 4% to 5% of the country's total power consumption, and this proportion is expected to rise to 9% to 17% by 2030, representing an exponential expansion in power demand. Driven by the dual factors of the power grid's carrying capacity approaching its limit and policy guidance toward self-provided power supply, the demand for green power facilities and energy storage systems for data centers in North America will experience an accelerated surge, opening up vast opportunities for the Group's global business expansion.

The domestic market will also accelerate. China's cumulative new-type energy storage installed capacity reached 144.7 GW in 2025 (+85% year-on-year), with new operational capacity hitting 66.43 GW/189.48 GWh (+52%/+73% year-on-year). The application structure has fundamentally shifted from user-side dominance (accounting for 35%) to standalone energy storage (accounting for 58%). Driven by the explosion in AI computing demand and the "dual carbon" goals, a multi-level policy support system for data center energy storage has been established at the national level, elevating energy storage systems from an "optional feature" to a "rigid demand" for data centers.

In 2026, "computing-electricity synergy" was officially transitioned from a local pilot initiative to a national strategic deployment, being included in the Government Work Report. This promotes the implementation of integrated "green power + energy storage + computing clusters" projects in Western China. The year 2026 also marks the beginning of China's 15th Five-Year Plan. Under the strategy to accelerate the construction of a new energy system and deepen energy transition, new energy storage has emerged as one of the six new strategic pillar industries. The sector is set for a historic turning point—shifting from scale expansion to high-quality development, from product competition to value competition, and from domestic focus to global outreach. Leading cloud providers in China are committing tens of billions in capital expenditure to AIDC construction over the next three years. The three top operators are optimizing their investment mix and are expected to increase the proportion of investment in computing power significantly in 2026, driving the large-scale deployment of smart computing centers. This is evidenced by the commissioning of China Mobile's ten-thousand-GPU smart computing centers in Hohhot and Harbin, and China Telecom's fully-liquid-cooling pool for a ten-thousand-GPU cluster. The industry is experiencing strong growth momentum.

From the perspective of the industry development cycle, the energy storage industry has completely moved past the stage of extensive expansion and has fully shifted toward competition in core system capabilities. Driven by the explosion of AI computing power, energy storage for AIDC Smart Computing Center—with its core advantages of strong essential demand, vast growth potential, and the dual support of policy and capital—is destined to become the core golden track in the global energy storage field over the next 5 to 10 years. Its long-term development prospects are extensive, and market sentiment remains consistently high.

BUSINESS REVIEW

As a globally leading new energy company focused on AIDC smart computing centers energy storage, new power energy storage and telecom energy storage, the Group further demonstrated the effectiveness of its business structure upgrade amid the rapid development of AI computing. During the Reporting Year, the Group achieved operating revenue of approximately RMB5,083.4 million, representing an increase of approximately 13.0% year-on-year growth; of which, income derived from lithium battery products contributed approximately 38.7% of the Group's revenue, whereas the revenue contribution was approximately 33.3% in 2024, reflecting structural growth. With the continued ramp-up of AIDC smart computing center energy storage business, the Group is accelerating its strategic transformation centered on AIDC smart computing center energy storage to achieve high quality business development.

1. AIDC Smart Computing Center Energy Storage Business: Second growth curve fully formed, becoming the core growth engine

The AIDC smart computing center energy storage business has become a key driver of the Group's revenue growth and structural optimization and upgrading. This marks a critical achievement in the Group's strategic transformation.

During the Reporting Year, with the accelerated construction of global AI computing infrastructure, demand for AIDC smart computing center energy storage continued to surge. Leveraging years of technical accumulation, products of superior quality and customer resources in telecom energy storage, the Group has successfully achieved a strategic extension and upgrade into the AIDC smart computing center energy storage field. In 2025, AIDC smart computing center energy storage system shipments grew steadily, generating revenue of approximately RMB1,907.0 million (approximately +37.0% year-on-year) and officially becoming the Group's largest revenue source. In particular, revenue from lithium battery for AIDC smart computing center continued to grow. Although its current proportion of revenue is relatively low, its year-on-year growth rate reached approximately 598.3% and product sales increased by approximately 531.8% year-on-year, fully demonstrating the Group's leapfrog upgrade in business structure and the comprehensive establishment of its second growth curve.

The customer structure continued to optimize, with breakthroughs achieved in both domestic and international markets. In the domestic market, the Group deepened cooperation with leading domestic internet companies and successfully entered the supply chains of multiple international data center operators and colocation service providers. During the Reporting Year, the Group delivered energy storage solutions to major customers including large internet companies such as Alibaba, ByteDance and GDS, as well as Colocation service providers. Overseas, the Group secured multiple high-voltage lithium battery orders from international data centers, achieving an important breakthrough in the overseas AIDC smart computing center energy storage market and laying the foundation for future large-scale expansion.

2. New Power Energy Storage Business: Rapid breakthrough amid incremental market growth, unleashing growth potential

During the Reporting Year, by capturing opportunities in the industry, the Group's new power energy storage business achieved rapid growth and emerged as a key driver of revenue growth. Revenue from the power energy storage business for the year was approximately RMB892.0 million, representing an increase of approximately 97.9% year-on-year, with its contribution to the total revenue of the Group rising from approximately 10.0% in 2024 to approximately 17.5% in 2025, which was a significant improvement. In particular, revenue from power energy storage lithium battery products grew approximately 111.1% year-on-year to approximately RMB826.8 million, product sales increased by approximately 376.5% year-on-year and became the core support for the growth of power energy storage business.

The Group capitalised on opportunities in large-scale grid storage, commercial and residential energy storage, and won bids for major energy storage projects such as the Lixin Energy's 200MW/800MWh energy storage project, followed by an additional 100MW/400MWh order, with cumulative contract value exceeding RMB500 million, demonstrating the Group's core strengths in the power energy storage field. The business also expanded progressively into global markets, achieving breakthroughs in high-growth regions in new energy, such as Europe, Southeast Asia and South Asia. The Group signed GWh-level container energy storage cooperation agreements with overseas new energy developers, laying the groundwork for large-scale expansion into overseas power energy storage markets.

3. **Telecom Energy Storage Business: Robust business performance, reinforcing the foundation for growth**

During the Reporting Year, due to adjustments to the business structure of the Group (with AIDC smart computing center energy storage business and power energy storage business reporting rapid growth), revenue from the telecom energy storage business was approximately RMB1,881.7 million, with its contribution to the Group's total revenue declining from approximately 51.1% in 2024 to approximately 37.0% in 2025. Despite the decline in revenue contribution, the Group maintained its leading position and robust development in the field of telecom base station energy storage, which provided the Group with stable cash flow and profitability and strengthened the strong core foundation for the development of its AIDC smart computing center energy storage business and the expansion into overseas markets.

In domestic markets, the Group continued to strengthen its presence in the telecom energy storage field and maintained long-term stable cooperation with leading domestic telecom operators such as China Mobile, China Telecom and China Tower and telecommunications equipment providers such as Huawei, ZTE, etc.. In overseas markets, the Group actively expanded its presence by deepening strategic cooperation with leading international telecom equipment providers and operators such as Ericsson, Nokia and Vodafone, further broadened overseas market coverage and enhanced its global brand influence.

Domestic and International Production Capacity – Accelerating Global Service Capabilities

To meet the surging demand of the AIDC smart computing center energy storage market and address the influx of orders and supply shortages, the Group has closely adhered to its "China +" globalization strategy for production capacity. With China as its core manufacturing and technology hub, the Group has concurrently expanded its overseas capabilities for efficient delivery and accelerated the deployment of core production capacity and upgrading of production capability at an exceptional pace.

During the Reporting Year, the Group made efficient progress on the construction of its 2.8GWh lithium battery cell plant in Xiangyang, Hubei, with the project completed rapidly and operations commencing successfully. This swiftly established large-scale cell supply capabilities, effectively ensuring on-time delivery of key orders. Also, driven by persistently high demand for high-rate energy storage products for AIDC smart computing centers and a robust order backlog, the Group made a major production capacity investment decision promptly after its listing. This involved launching a 2.8GWh high-rate lithium battery production line in Taizhou, Jiangsu tailored for AIDC smart computing centers, which officially broke ground in October 2025. This fast-paced, high-efficiency approach to building an industry-leading cell production base tailored for AIDC will enable the Group to strengthen its production foundation, seize global computing power energy storage opportunities and consolidate market leadership.

In overseas capacity, the Group efficiently advanced the construction of its production base in Malaysia. During the Reporting Year, a technological upgrade to the advanced PACK production line was completed, enabling delivery capabilities for AIDC smart computing center energy storage systems, and obtained major international certifications such as UL and UN, satisfying global market access and compliance requirements. This base will serve as the Group's core delivery hub for the global markets, effectively shortening delivery lead times for overseas orders and providing robust capacity support for the continued scaling of global business and localized customer services.

For traditional products, the Group promoted capacity upgrades for lead-acid batteries. During the Reporting Year, the 1GWh high-rate lead-acid battery technical upgrade and expansion project was completed. The global shipments of lead-acid battery products remained at the leading level in the industry.

Research and Development and Technological Innovation

During the Reporting Year, the Group upheld the philosophy of "technology-driven development" and continuously increased its investment in research and development, with research and development expenses rising approximately 21.4% year-on-year. The focus on core technological breakthroughs and product innovation has been instrumental in supporting the Group's strategic transformation and enhancing its market competitiveness. Milestone achievements were made in the technological development, product application, and market promotion of high-rate lithium battery products. During the Reporting Year, the Group obtained 23 patent grants, including 7 invention patents; and filed 144 new patent applications, continuously strengthening technological expertise to build a robust product technology moat.

In terms of product innovation, the Group continued to drive technological upgrades. During the Reporting Year, several industry-leading innovative products and solutions were launched, including:

- AIDC Smart Computing Center Energy Storage Tailored Product Innovation: Introduced the innovative AIDC "Jinwei"（浸衛）high-voltage lithium battery system, along with customized diversified solutions for different "source-grid-load-storage integration" application scenarios of AIDC Smart Computing Center, precisely matching them to specific scenarios

- Self-Developed Battery Management System (BMS) with Continuous Iterative Upgrades: Employing a module-cluster-system three-level architecture, the system achieves full-chain closed-loop control from cell to system, enabling high-precision acquisition of key parameters such as voltage, current, and temperature. Widely applied in scenarios including smart computing centers, large-scale energy storage power stations, and overseas energy storage systems, the BMS works in deep synergy with self-developed cells and the EMS. This continuously enhances product safety, cycle life, and system reliability, delivering stable, safe, and efficient energy storage solutions to global customers.

- Energy Storage System Iteration: Released a new 5 MWh standardized energy storage system based on semi-solid-state cell technology and a 1P104S structure, achieving breakthroughs in energy density, safety and standardization, suitable for large-scale storage applications, and enhancing deployment efficiency and operational safety.

- Breakthroughs in Low-Temperature Sodium Battery Technology: This is the industry's first mass-producible, low-temperature sodium battery solution developed in collaboration with Tsinghua University, designed for telecom and extreme cold scenarios. Its core breakthroughs lie in "stable discharge at-40°C in extreme cold, normal charging at-30°C without heating, a wide operating temperature range, and low cost". It has already been widely commercialized.

- Innovation in the AI safety management system: The Group co-developed the AI smart-eye battery monitoring system with the Dalian Institute of Chemical Physics, Chinese Academy of Sciences. Built on a core technological architecture of "battery intrinsic mechanism + deep learning + digital twin", the system enables a shift from passive protection to active warning, and a comprehensive upgrade from individual cell monitoring to system optimisation. It was awarded the TOP Prize for Innovation Excellence at the 2025 International Energy Storage Innovation Competition, becoming one of the core technological competencies of the Group's energy storage products in the global market.

ESG and Sustainable Development

The Group has always integrated ESG concepts into every aspect of its corporate strategic planning, operational management, and business innovation, striving for the synergistic development of economic, environmental, and social benefits. Through concrete actions, we bring to life our vision of "Store love and green energy". In enhancing corporate governance, since listing on the Main Board of the Hong Kong Stock Exchange, the Group has further refined its corporate governance structure, strengthened the Board's leadership and oversight of ESG work, and established robust internal control and risk warning mechanisms. These measures ensure business operations are lawful and compliant, and information disclosure is timely and transparent, as the Group aspires to be a trusted value partner in the international capital market.

In environmental protection, the Group adheres to 'full lifecycle green management' as its core philosophy, continuously strengthening the foundation for green development. The Group is deeply engaged in the AIDC smart computing center energy storage, new power energy storage and telecom energy storage, actively building a comprehensive green industrial chain. Through technological innovation, the Group promotes the efficient utilization of resources, effectively reduces carbon emissions, and contributes to the achievement of the "dual carbon" goals.

In social empowerment, the Group respects the individuality of its employees and values their growth. The Group has established a platform for diversified development and growth and continuously improved its talent cultivation system to provide employees with broad opportunities for advancement. Also, the Group established the Shuangdeng Charitable Foundation(「從善如登」慈善基金會). Guided by the philosophy of "Strive for Goodness, Act with Kindness", the foundation concentrates its efforts on educational support, technological innovation, and social welfare, running programs that include scholarships and hardship assistance. Through these concrete actions, the Group demonstrates its commitment to social responsibility, delivering warmth and compassion to those in need.

In customer value creation, the Group remains steadfast in its commitment to quality, continuously researching and developing high-quality, efficient solutions that create value and support its customers in achieving sustainable development.

FUTURE OUTLOOK

Looking ahead, with the rapid advancement of AI technology, global computing demand is set to grow, and the scale of computing infrastructure will continue to expand, resulting in higher requirements for the stability and reliability of energy systems. The energy storage industry is embracing unprecedented development opportunities and competition is gradually shifting from individual product to system capability. The Group will take China as its industrial and technological base and continue to advance the "China +" globalization strategy for production capacity and services. This will support the global market expansion of its AIDC smart computing center energy storage, new power energy storage, and telecom energy storage businesses. The Group has defined 2026 as a year of comprehensive capability enhancement, focusing on technological innovation, capacity construction and global layout in its strategy implementation.

In terms of production capacity, the Group plans to establish new production capacity for large-capacity semi-solid state energy storage cells domestically while continuously expanding the scale of high-rate lithium battery cells. Simultaneously, the Group will construct high-rate lithium battery cell production lines in Southeast Asia tailored for AIDC smart computing centers, aiming to further enhance its global delivery capabilities and meet the growing demand in both domestic and international markets. As global market continues to expand, the Group will also gradually transition from "sales of single product" to "comprehensive solution export" and continuously enhance its global competitiveness through integrated "technology + product + service" capabilities.

In terms of market expansion, the Group will continue to extend its collaboration with domestic AIDC smart computing center customers, and provide AIDC smart computing center energy storage solutions to leading domestic internet customers, such as Alibaba and ByteDance, to keep pace with their overseas expansion, so as to achieve "domestic cooperation and global synergy". Also, the Group will strategically target the explosive growth opportunities in overseas AIDC smart computing center energy storage markets. This involves establishing localized sales platforms, exploring global leading cloud manufacturers and smart computing center operators, focusing on long-duration energy storage products tailored to international market demands. The Group is initiating its market expansion strategy and leveraging its product technology advantages to secure orders in overseas colocation scenarios.

In terms of business development, the Group will continue to advance its "one core, two wings" business strategy, with AIDC smart computing center energy storage business as the core growth engine; new power energy storage business and telecom energy storage business as the two major supporting pillars, jointly building a stable structure for business growth.

- AIDC smart computing center energy storage sector: In the backup power market, the Group will focus on promoting core products such as high-rate lithium battery systems and immersed lithium iron phosphate battery modules, and leverage the demonstrative effect of large domestic AIDC projects to continuously expand market share. In the energy storage market, the Group will prioritise promoting the application of semi-solid-state batteries and sodium-ion batteries in AIDC smart computing center scenarios, enhance energy density and cycle life of storage systems, further optimise "green power direct connection + energy storage" solutions, and help AIDC smart computing centers achieve zero-carbon targets.

- New power energy storage sector: The Group will focus on domestic market scenarios including grid-side frequency regulation and peak shaving, new energy supporting energy storage, and shared energy storage. It will accelerate the implementation of GWh-level large-scale energy storage projects and enhance the supply capability of large-capacity, long-life, high-safety energy storage systems to support the construction of new power systems. Concurrently, the Group will accelerate progress on large-scale overseas energy storage projects, deepen cooperation with international new energy investors and power companies, establish benchmark overseas projects, and increase its international market share.

- Telecom energy storage sector: The Group will continuously upgrade the capacity, cycle life, and environmental adaptability of telecom lithium battery products, gradually reduce the proportion of traditional lead-acid products, and expand the application of high-rate lithium batteries and lithium iron phosphate batteries.

In terms of technological innovation, the Group will persistently increase investment in research and development, drive product technology upgrades based on market demands, and adopt a forward-looking approach in the research and development of new battery technologies, push forward technological breakthroughs in areas such as solid-state batteries, aqueous batteries, and long-duration energy storage, so as to gradually build technological barriers. The Group will make parallel efforts in product development and standard setting by improving in both the quality and quantity of patent applications as well as participating in the formulation of industry standards, in order to continuously enhance its technological innovation capabilities and industry influence. In the future, the Group will focus on advancing the application of the following core technologies and products:

- AIDC Smart computing center lithium battery container system: Launched for large-scale internet customers, and centered on "modular integration, high power density, full-chain safety, and intelligent management", the system comprehensively meets internet giants' core requirements for 7×24-hour stable power supply, peak power output, rapid deployment, and low TCO. It has become the standard energy storage solution for data centers of leading enterprises such as Alibaba.

- AI system development: The Group will continuously strengthen the research and development and application of the AI intelligent management system, construct a full-chain digital and intelligent system covering cell status monitoring, safety warning, life management, and intelligent operation and maintenance. Related technologies will be widely promoted across multiple fields including AIDC smart computing center energy storage, new power energy storage, and telecom energy storage, so as to achieve intelligent management and efficiency enhancement across scenarios and throughout the entire lifecycle

- Next-generation intrinsically safe complete solid-state battery technology: Centered on sulfide solid electrolyte technology, breakthroughs in solid-solid interface impedance, and the AI smart-eye safety closed-loop, this technology aims to construct a system that is intrinsically safe from cell to system, to address the pain point of thermal runaway in energy storage while achieving high energy density, ultra-long life, and a wide operating temperature range. This represents a next-generation core technological pathway for AIDC smart computing centers, long-duration power energy storage, and high-end overseas scenarios

- Sodium-ion battery industrialization: The Group will continuously advance the research and development and industrialization of sodium-ion battery technology, focusing on core requirements in energy storage scenarios. This involves overcoming key technical challenges such as wide temperature range and long cycle life, striving to create high-safety, low-cost, resource-independent sodium-ion energy storage solutions to provide diversified technological support for scenarios including telecom energy storage and energy storage in extreme environments

- Aqueous energy storage battery technology: Featuring intrinsic safety, low cost, long life, wide temperature range, and easy recyclability, this technology serves as a crucial technological foundation for long-duration power energy storage, telecom backup power, and high-cost-performance overseas scenarios, forming a complementary full technology matrix with solid-state and lithium batteries.

"Climbing never stops". The Group will always steadfastly uphold its core responsibilities, embrace the trends of the AI era, and bravely undertake the missions of the energy storage era. With unremitting spirit, the Group will continuously enhance its global competitiveness through "technology + product + service" integrated solutions, and actively seize the industrial opportunities presented by the AI computing era to evolve from a manufacturer of traditional telecom energy storage products into a global provider of energy infrastructure solutions for AIDC smart computing centers.

OPERATING RESULTS AND ANALYSIS

Revenue

Revenue for the year ended 31 December 2025 increased by approximately 13.0% year-on-year to approximately RMB5,083.4 million.

The following table sets forth the Group's revenue by product and application for the year ended 31 December 2025 and the year ended 31 December 2024:

	Year ended December 31		
	2025	2024	
	RMB' 000	*RMB' 000*	Year-on-year change
	(Audited)	(Audited)	
By product			
Sales of lithium-ion battery	**1,968,928**	1,495,978	31.6%
Sales of lead-acid battery products	**2,974,170**	2,907,232	2.3%
Others[(2)]	**140,347**	95,312	47.3%
Total	**5,083,445**	4,498,522	13.0%
By application scenario			
AIDC data center energy storage	**1,907,010**	1,391,898	37.0%
Telecom energy storage	**1,881,742**	2,299,367	-18.2%
Electrical energy storage (including household)	**891,987**	450,840	97.9%
Other application scenarios[(1)]	**262,359**	261,105	0.5%
Others[(2)]	**140,347**	95,312	47.3%
Total	**5,083,445**	4,498,522	13.0%

Notes:

(1) Mainly includes uninterruptible power supply batteries and start-stop batteries, etc.

(2) Mainly includes the sales of waste materials such as lead slag and scrap.

For the year ended 31 December 2025, revenue from the lithium-ion battery business grew by approximately 31.6% year-on-year, primarily due to increased lithium-ion battery production capacity, the Group's strategy to strengthen the development of lithium-ion battery for AIDC smart computing centers, and growth in the power energy storage business. During the year ended 31 December 2025, revenue from the lead-acid battery business increased by approximately 2.3% year-on-year, maintaining stable development momentum.

Cost of sales

The Group's cost of sales increased by approximately 16.7% from approximately RMB3,747.6 million for the year ended 31 December 2024 to approximately RMB4,374.2 million for the year ended 31 December 2025, primarily due to increased sales of the Group's products and and rising raw materials prices.

Gross profit and gross profit margin

The following table sets forth a breakdown of the Group's gross profit and gross profit margin by product use during the years indicated:

	Year ended December 31			
	2025		2024	
	RMB' 000	***%***	*RMB' 000*	*%*
	(Audited)	**(Audited)**	(Audited)	(Audited)
Lithium-ion battery	**307,923**	**15.6%**	307,693	20.6%
Lead-acid battery products	**398,334**	**13.4%**	440,394	15.1%
Others [(1)]	**2,954**	**2.1%**	2,796	2.9%
Total	**709,211**	**14.0%**	750,883	16.7%

Note:

(1) Others primarily include sales of waste including lead slag, used batteries, etc.

Gross profit decreased by approximately 5.6% from approximately RMB750.9 million for the year ended 31 December 2024 to approximately RMB709.2 million for the year ended 31 December 2025.

Gross profit margin decreased by approximately 16.2% from approximately 16.7% in the year ended 31 December 2024 to approximately 14.0% for the year ended 31 December 2025. This is due to adjustments in export tax rebate policy and rising prices of raw materials.

Other income and gains

Other income and gains decreased by approximately 25.3% from approximately RMB115.6 million in the year ended 31 December 2024 to approximately RMB86.4 million for the year ended 31 December 2025. This is mainly due to adjustments in government incentive policies.

Selling and marketing expenses

Selling and marketing expenses increased by approximately 7.5% from approximately RMB138.0 million in the year ended 31 December 2024 to approximately RMB148.4 million for the year ended 31 December 2025. As a percentage of sales, these expenses decreased from 3.1% for the year ended 31 December 2024 to 2.9% for the year ended 31 December 2025, reflecting steady control over selling and marketing expenses.

Administrative expenses

Administrative expenses decreased by approximately 14.8% from approximately RMB156.5 million for the year ended 31 December 2024 to approximately RMB133.4 million for the year ended 31 December 2025, accounting for approximately 3.5% of sales revenue for the year ended 31 December 2024, which decreased to approximately 2.6% for the year ended 31 December 2025, primarily due to the enhancement in operational efficiency of administrative functions of the Group.

Remuneration of administrative staff decreased by approximately 12.2% from approximately RMB66.3 million for the year ended 31 December 2024 to approximately RMB58.2 million for the year ended 31 December 2025, primarily due to a decrease in the performance bonus of administrative staff.

Research and development expenses

Research and development expenses increased by approximately 21.4% from approximately RMB110.5 million in the year ended 31 December 2024 to approximately RMB134.2 million in the year ended 31 December 2025. This was primarily due to increased investment in the development of new products, including high-rate lithium-ion battery cells for AIDC smart computing centers and immersed lithium iron phosphate lithium-ion battery and system.

Impairment losses on financial and contract assets, net

Impairment losses on financial and contract assets, net decreased by approximately 45.3% from approximately RMB19.2 million for the year ended 31 December 2024 to approximately RMB10.5 million for the year ended 31 December 2025, which was primarily due to the Group's continued efforts to strengthen credit control measures and optimize its accounts receivable collection mechanism, which led to an improvement in the credit risk profile of related financial and contract assets, resulting in a year-on-year decrease in impairment losses.

Other expenses

Other expenses increased by approximately 103.0% from approximately RMB20.2 million for the year ended 31 December 2024 to approximately RMB41.0 million for the year ended 31 December 2025, primarily due to an increase in the corresponding property tax and land use tax payable on newly included assets during the period, as well as the impact of foreign exchange losses.

Finance costs

Finance costs increased by approximately 41.4% from approximately RMB19.8 million for the year ended 31 December 2024 to approximately RMB28.0 million for the year ended 31 December 2025, primarily due to the capitalization of interest on certain project loans for the year ended 2024 and an increase in working capital loan for the year ended 2025.

Share of profits and losses of an associate

Share of profits and losses of an associate decreased by approximately 104.7% from a gain of approximately RMB0.43 million for the year ended 31 December 2024 to a loss of approximately RMB0.02 million for the year ended 31 December 2025, primarily due to the loss incurred by an affiliated company as a result of market conditions.

Profit before tax

As a result of the above factors, the Group recorded a decrease in profit before tax by approximately 25.5% from approximately RMB402.7 million for the year ended 31 December 2024 to approximately RMB300.2 million for the year ended 31 December 2025.

Income tax expenses

Income tax expenses decreased by approximately 9.7% from approximately RMB49.4 million for the year ended 31 December 2024 to approximately RMB44.6 million for the year ended 31 December 2025, primarily due to the decrease in the Group's assessable profit for the year.

Profit for the year

As a result of the above factors, the Group recorded a decrease in profit by approximately 27.7% from approximately RMB353.3 million for the year ended 31 December 2024 to approximately RMB255.5 million for the year ended 31 December 2025, of which the Group recorded a profit attributable to owners of the parent of approximately RMB255.5 million (for the year ended 31 December 2024: approximately RMB353.3 million).

Liquidity, Capital Structure and financial resources

Cash and cash equivalents

As at 31 December 2025, the cash and cash equivalents increased by approximately 222.4%, amounted to approximately RMB1,274.2 million, compared to approximately RMB395.2 million as at 31 December 2024. The increase in cash and cash equivalents was mainly due to the proceeds from the issuance of new shares by the Company on the Hong Kong Stock Exchange. As at 31 December 2025, approximately RMB1,222.8 million of the cash and cash equivalents were denominated in RMB, compared to approximately RMB341.4 million as at 31 December 2024. The net cash generated from operating activities was approximately RMB1,043.0 million for the Reporting Year, compared to approximately RMB261.4 million for the year ended 31 December 2024, which was primarily driven by the Group's effective management of collection processes.

The Group's cash is mainly used for the fulfillment of its business operation requirements. The Group's capital needs are satisfied by cash generated from operating activities, the proceeds from the Listing and other financings.

Capital Structure

As at 31 December 2025, the Group had bank borrowings of approximately RMB942.8 million (31 December 2024: approximately RMB928.7 million), all of which were interest-bearing and most of bank borrowings are at fixed interest rates. Except for borrowings of approximately RMB212.6 million which mature after one year, all bank borrowings of the Group are repayable within one year.

The Group continues to adopt a prudent financial policy and has been regularly and closely monitoring its funding costs and loan maturity profile so as to facilitate refinancing whenever appropriate.

Total equity

The total equity increased by approximately 43.7% to approximately RMB3,431.9 million as at 31 December 2025, compared to approximately RMB2,387.5 million as at 31 December 2024, primarily due to the net profit incurred and capital increase through listing and share issuance during the Reporting Year.

	As at 31 December	
	2025	2024
Current ratio (times)[(1)]	**1.8**	1.6
Gearing ratio [(2)]	**28.1%**	39.6%
Debt to equity ratio (times)[(3)]	**0.3**	0.4

Notes:

1. Current ratio is the current assets divided by the current liabilities at the end of each financial period.

2. Gearing ratio is debt divided by total owner's equity at the end of each financial period.

3. Debt to equity ratio is total borrowings plus lease liabilities divided by total equity at the end of each financial period.

Current Ratio

The current ratio increased to 1.8 as at 31 December 2025, compared to 1.6 as at 31 December 2024, mainly due to effective management of collection processes and sufficient cash generated from the Listing.

Gearing Ratio

The gearing ratio decreased to approximately 28.1% as at 31 December 2025, compared to approximately 39.6% as at 31 December 2024, mainly due to the equity increase resulting from the Listing.

Debt to Equity Ratio

The debt-to-equity ratio decreased to 0.3 as at 31 December 2025, compared to 0.4 as at 31 December 2024.

CAPITAL COMMITMENT

The total amount of capital commitment during the Reporting Year was approximately RMB50.8 million as compared to approximately RMB160.4 million during the year ended 31 December 2024.

For details, please refer to note 19 to the consolidated financial statements contained in this announcement.

EXCHANGE RATE FLUCTUATION RISKS

The Group's principal transactions in China are carried out in Renminbi (RMB). For operations in other countries, the Group's principal business transactions are conducted in US dollars. However, as the Group's revenue is denominated in RMB, the conversion of revenue into foreign currencies for payment of related expenses is subject to regulatory restrictions on the currency conversion in China. The value of Renminbi against US dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The Group's product sales adopt a price linkage mechanism, which largely transfers the risk of currency fluctuations to customers. However, the Group's trade receivables denominated in foreign currencies may still be subject to this risk during the credit period.

During the Reporting Year, the Group did not conduct any foreign exchange hedging related activity. The Group's management, upon continuously supervising foreign exchange risk, will consider adopting appropriate hedging strategies when necessary.

Details of the currencies in which cash and cash equivalents are held and in which trade receivables are made are set out in note 15 and 12 to the consolidated financial statements contained in this announcement, respectively.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

PLEDGE OF ASSETS

As at 31 December 2025, certain property, plant and equipment of the Group were pledged to secure bank loan(s). For details, please refer to note 20 to these financial statements contained in this announcement.

SIGNIFICANT INVESTMENT

As at 31 December 2025, the Group had no significant investments with a value of 5% or more of the Group's total assets.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not conduct any material acquisition or disposal of subsidiaries, associated companies or joint ventures during the Reporting Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets.

USE OF PROCEEDS FROM LISTING

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 26 August 2025 and the net proceeds raised during the IPO amounted to approximately HK$886.09 million (equivalent to RMB776.3 million). There was no change in the intended use of net proceeds as previously disclosed in the Company's prospectus dated 18 August 2025 (the "**Prospectus**"). As at 31 December 2025, the Group had utilised the proceeds as set out in the table below:

	Percentage	**Net proceeds from the IPO**	**Utilization during the Reporting Year**	**Unutilized amount as at 31 December 2025**	**Remaining amount**	**Expected timetable for the fully utilizing of unutilized proceeds**[1]
	%	*(HK$ in millions)*	*(HK$ in millions)*	*(HK$ in millions)*	*(HK$ in millions)*	
Construction of a lithium-ion batteries production facility in Southeast Asia (construction costs of the main production plant(s) and ancillary infrastructures, purchase and installation of production equipment and software, recruitment of employees, and trial productions and other early-stage expenses)	40.0	354.44	–	354.44	354.44	By December 2027
Establishment of a new research and development center (construction of the R&D center, acquisition of equipment and software, recruitment of R&D staff, and execution of research projects)	35.0	310.13	–	310.13	310.13	By December 2027
Strengthen the overseas sales and marketing (rent for overseas offices, recruitment of sales and marketing staff, and promotional activities)	15.0	132.91	–	132.91	132.91	By December 2027
Provide funding for working capital and other general corporate purposes	10.0	88.61	–	88.61	88.61	By December 2027
Total	100.0	886.09	–	886.09	886.09	

Note:

1. The expected timeline for the utilization of unutilized net proceeds set out in the table above represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments.

The Company has placed the unutilized net proceeds in short-term interest-bearing accounts of licensed commercial banks or other authorised financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). The Company will comply with the laws of China in relation to foreign exchange registration and remittance of the proceeds.

For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Proposed Distribution of the 2025 Final Dividend

The Board has recommended the payment of a final dividend for the year ended 31 December 2025 of RMB0.12 per Share. Subject to shareholders' approval at the annual general meeting to be held on Tuesday, 26 May 2026, the final dividend are expected to be paid to the H Shareholders whose names appear on the register of members of the Company on Wednesday, 10 June 2026 (record date). Further announcement containing the information in relation to the expected date of dividend payment in accordance with the Listing Rules will be published by the Company in due course.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	**2025** *RMB'000*	2024 *RMB'000*
REVENUE	*4*	**5,083,445**	4,498,522
Cost of sales		**(4,374,234)**	(3,747,639)
Gross profit		**709,211**	750,883
Other income and gains	*4*	**86,416**	115,584
Selling and marketing expenses		**(148,425)**	(138,043)
Administrative expenses		**(133,440)**	(156,470)
Research and development costs		**(134,207)**	(110,478)
Impairment losses on financial and contract assets, net		**(10,473)**	(19,181)
Other expenses		**(40,956)**	(20,169)
Finance costs	*6*	**(27,951)**	(19,842)
Share of profits and losses of associates		**(19)**	428
PROFIT BEFORE TAX	*5*	**300,156**	402,712
Income tax expense	*7*	**(44,632)**	(49,381)
PROFIT FOR THE YEAR		**255,524**	353,331
Attributable to:			
Owners of the parent		**255,524**	353,331
Non-controlling interests		**–**	–
		255,524	353,331
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted:			
– For profit for the year *(RMB)*	*9*	**0.67**	0.99

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2025	2024
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**255,524**	353,331
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(54)**	233
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(54)**	233
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(54)**	233
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**255,470**	353,564
Attributable to:		
Owners of the parent	**255,470**	353,564
Non-controlling interests	**–**	–
	255,470	353,564

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	**2025** **RMB'000**	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,144,502**	1,217,124
Right-of-use assets		**191,082**	165,108
Other intangible assets		**7,582**	8,321
Investments in associates		**16,765**	16,766
Prepayments, other receivables and other assets	*10*	**1,376**	2,358
Financial assets at fair value through profit or loss	*13*	**94,050**	–
Contract assets		**13,093**	13,154
Deferred tax assets		**65,124**	74,113
Restricted cash		**37,038**	23,567
Total non-current assets		**1,570,612**	1,520,511
CURRENT ASSETS			
Inventories	*11*	**784,967**	513,506
Trade and bills receivables	*12*	**2,617,171**	2,318,281
Contract assets		**5,087**	546
Prepayments, other receivables and other assets	*10*	**146,502**	85,290
Financial assets at fair value through profit or loss	*13*	**–**	86,000
Derivative financial instruments		**43**	3,355
Due from a related party		**617**	–
Debt investments at fair value through other comprehensive income	*14*	**22,534**	3,073
Restricted cash	*15*	**172,307**	235,134
Cash and cash equivalents	*15*	**1,274,234**	395,234
Total current assets		**5,023,462**	3,640,419

	Notes	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	*16*	**1,413,685**	973,979
Other payables and accruals	*17*	**480,964**	558,678
Derivative financial instruments		**–**	842
Contract liabilities		**82,496**	39,640
Interest-bearing bank and other borrowings	*18*	**730,188**	673,333
Deferred government grants		**21,876**	20,878
Lease liabilities		**10,447**	8,017
Tax payable		**3,583**	27,908
Due to related parties		**3,523**	5,720
Provisions		**8,486**	7,158
Total current liabilities		**2,755,248**	2,316,153
NET CURRENT ASSETS		**2,268,214**	1,324,266
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,838,826**	2,844,777
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*18*	**212,643**	255,404
Deferred government grants		**146,878**	161,621
Lease liabilities		**11,531**	8,597
Provisions		**35,866**	31,694
Total non-current liabilities		**406,918**	457,316
Net assets		**3,431,908**	2,387,461
EQUITY			
Equity attributable to owners of the parent			
Share capital		**425,610**	358,269
Reserves		**3,006,298**	2,029,192
		3,431,908	2,387,461
Total equity		**3,431,908**	2,387,461

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Notes	Share capital RMB'000	Capital reserve* RMB'000	Share–based compensation reserve* RMB'000	Reserve funds* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total equity RMB'000
		Attributable to owners of the parent						
At 1 January 2025		358,269	420,692	72,576	186,522	(568)	1,349,970	2,387,461
Profit for the year		–	–	–	–	–	255,524	255,524
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations		–	–	–	–	(54)	–	(54)
Total comprehensive income for the year		–	–	–	–	(54)	255,524	255,470
Issue of shares		67,341	820,692	–	–	–	–	888,033
Share issue expenses		–	(55,226)		–	–	–	(55,226)
Share incentive plan expense		–	–	17,076	–	–	–	17,076
Dividend	*8*	–	–	–	–	–	(60,906)	(60,906)
Appropriation to reserves funds		–	–	–	21,097	–	21,097	–
At 31 December 2025		425,610	1,186,158	89,652	207,619	(622)	1,523,491	3,431,908

	Notes	Share capital RMB'000	Capital reserve* RMB'000	Share–based compensation reserve* RMB'000	Reserve funds* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total equity RMB'000
		Attributable to owners of the parent						
At 1 January 2024		358,269	420,692	50,037	156,552	(801)	1,100,412	2,085,161
Profit for the year		–	–	–	–	–	353,331	353,331
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations		–	–	–	–	233	–	233
Total comprehensive income for the year		–	–	–	–	233	353,331	353,564
Share incentive plan expense		–	–	22,539	–	–	–	22,539
Dividend	*8*	–	–	–	–	–	(73,803)	(73,803)
Appropriation to reserves funds		–	–	–	29,970	–	(29,970)	–
At 31 December 2024		358,269	420,692	72,576	186,522	(568)	1,349,970	2,387,461

* *These reserve accounts comprise the reserves of RMB3,006,298,000 (2024: RMB2,029,192,000) in the consolidated statement of financial position.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	**2025**	2024
		RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**300,156**	402,712
Adjustments for:			
Finance costs	*6*	**27,951**	19,842
Share of profits and losses of associates		**(19)**	(428)
Interest income	*4*	**(25,671)**	(14,814)
Loss/(gain) on disposal of items of property, plant and equipment		**17**	(15)
Gain on disposal of right-of-use assets		**(22)**	–
Loss on disposal of a subsidiary		**–**	147
Gain on financial assets at fair value through profit or loss		**(914)**	–
(Gain)/loss on derivative financial instruments		**(3,485)**	2,748
Fair value loss/(gain) on derivative financial instruments	*13*	**2,471**	(2,513)
Depreciation of items of property, plant and equipment		**154,621**	126,283
Depreciation of right-of-use assets		**14,656**	12,925
Amortisation of other intangible assets		**3,219**	3,623
Amortisation of deferred government grants		**(22,745)**	(18,521)
Provision for trade and bill receivables and contract assets, net		**8,559**	18,185
Provision for prepayments, other receivables and other assets, net		**1,914**	996
Impairment of inventories	*11*	**(16,690)**	(22,338)
Foreign exchange differences, net		**15,816**	(10,626)
Share incentive plan expense		**17,076**	22,539
		476,910	540,745

	Notes	**2025**	2024
		RMB'000	*RMB'000*
Increase in trade and bills receivables and contract assets		**(331,390)**	(712,836)
Increase in prepayments, other receivables and other assets		**(68,458)**	(13,093)
Increase in an amount due from a related party		**(617)**	–
(Increase)/decrease in amounts due to related parties		**(2,599)**	1,949
Increase in inventories		**(254,771)**	(31,934)
Increase in trade and bills payables		**1,096,615**	449,989
Increase in other payables and accruals		**63,901**	14,010
Increase/(decrease) in provision		**5,500**	(1,011)
Increase/(decrease) in contract liabilities		**42,856**	(23,374)
Decrease in restricted cash		**49,356**	80,188
Cash flows generated from operating activities		**1,077,303**	304,633
Interest received		**25,671**	14,814
Income taxes paid		**(59,968)**	(58,068)
Net cash flows generated from operating activities		**1,043,006**	261,379

	Notes	**2025**	2024
		RMB'000	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(223,240)**	(155,639)
Proceeds from disposal of items of property, plant and equipment		**613**	5,057
Purchase of right-of-use assets		**(23,672)**	(6,520)
Purchase of other intangible assets		**(2,480)**	(4,795)
Receipt of government grants for property, plant and equipment		**9,000**	64,897
Investment in an associate		**20**	–
Disposal of a subsidiary		**–**	5,640
Purchase of items of financial assets at fair value through profit or loss		**(94,050)**	(86,000)
Purchase of derivative financial instruments		**–**	(12,251)
Proceeds from disposal of items of derivative financial instruments		**2,322**	–
Proceeds from disposal of financial assets at fair value through profit or loss		**86,913**	–
Recovery of value-added tax attributable to the acquisition of property, plant, and equipment		**–**	35,127
Net cash flows used in investing activities		**(244,574)**	(154,484)

	Notes	**2025**	2024
		RMB'000	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**888,033**	–
New bank loans		**306,734**	358,172
Repayment of bank loans		**(948,719)**	(452,251)
Dividends paid		**(60,906)**	(73,803)
Interest paid		**(27,328)**	(19,311)
Payment of listing expenses		**(47,749)**	(7,477)
Principal portion of lease payments		**(11,204)**	(8,582)
Interest paid for lease payments		**(623)**	(531)
Net cash flows generated from/(used in) financing activities		**98,238**	(203,783)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**896,670**	(96,888)
Cash and cash equivalents at beginning of year		**395,234**	479,582
Effect of foreign exchange rate changes, net		**(17,670)**	12,540
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,274,234**	395,234
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,274,234**	395,234
Cash and cash equivalents as stated in the statements of financial position	*15*	**1,274,234**	395,234
Cash and cash equivalents as stated in the statements of cash flows		**1,274,234**	395,234

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

SHUANGDENG GROUP Co., Ltd. (the "**Company**") was a joint stock company with limited liability established in the People's Republic of China ("**PRC**") on 28 December 2011 by Mr. Yang Shanji (楊善基), Mr. Qian Shan'gao (錢善高), Mr. Zhu Shiping (祝士平), Mr. Zhou Yuezhang (周躍章), Mr. Zhou Ping (周平), Mr. Zhou Weigang (周偉鋼) and Mr. Zhai Lifeng (翟立鋒). The registered office of the Company is located at No. 999, Tianmu West Road, Jiangyan Economic Development Zone, Taizhou, Jiangsu Province, PRC.

During the year, the Company and its subsidiaries (together, the "**Group**") are principally engaged in the research and development, manufacture and sale of lead-acid energy storage battery products and lithium-ion energy storage battery products.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on August 26, 2025.

2. ACCOUNTING POLICIES

2.1 Basis Of Preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth management products, bills receivable classified as the financial assets at fair value through other comprehensive income and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2.2 Changes In Accounting Policies And Disclosures

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and the amendments did not have any impact on the Group's financial statements.

2.3 Issued But Not Yet Effective IFRS Accounting Standards

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2, 3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1, 3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

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

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

3 No mandatory effective date yet determined but available for adoption

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

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IAASB. However, the amendments are available for adoption now.

Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of lead-acid energy storage battery products and lithium-ion energy storage battery products. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies to the financial statements. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

(a) Revenue from external customers

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**4,298,197**	3,608,974
Overseas	**785,248**	889,548
Total revenue	**5,083,445**	4,498,522

The revenue information above is based on the locations of the direct customers who signed the sales agreements with the Group.

(b) Non-current assets

	2025	2024
	RMB'000	*RMB'000*
Chinese mainland	**1,341,457**	1,388,481
Overseas	**18,474**	18,838
Total non-current assets	**1,359,931**	1,407,319

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

Information about major customers

Revenue from a single customer, including group of entities which are known to be under common control, accounting for over 10% of the Group's total revenue during the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
	RMB'000	*RMB'000*
Customer A	**N/A**	589,642

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**5,083,445**	4,498,522

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025	2024
	RMB'000	*RMB'000*
Types of goods		
Sales of lithium-Ion battery products	**1,968,928**	1,495,978
Sales of lead-acid battery products	**2,974,170**	2,907,232
Others (a)	**140,347**	95,312
Total	**5,083,445**	4,498,522
Timing of revenue recognition		
Goods transferred at a point in time	**5,083,445**	4,498,522

(a) The amounts mainly include revenue from sales of waste including lead slag, used batteries.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous years:

	2025	2024
	RMB'000	*RMB'000*
Sales of goods	**39,640**	63,014

(ii) Performance obligations

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

Sales of goods

The performance obligation is satisfied upon the acceptance of the lead-acid battery products, lithium-Ion battery products and other products by the customers and payment is generally due within 30 to 120 days from delivery.

The amount of transaction price allocated to the performance obligations (unsatisfied or partially unsatisfied) as at the end of the reporting period is as follows:

	2025	2024
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**82,496**	39,640

Other income and gains

An analysis of other income and gains is as follows:

	2025	2024
	RMB'000	*RMB'000*
Government grants related to		
– Assets (i)	**22,745**	18,521
– Income	**14,020**	20,850
Additional VAT deduction (ii)	**14,163**	40,556
Interest income	**25,671**	14,814
Foreign exchange gains, net	**–**	10,626
Compensation income	**2,127**	359
Rental income	**2,187**	2,794
Others	**5,503**	7,064
Total	**86,416**	115,584

(i) The Group has received certain government grants related to assets for investments in equipment and plant. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

(ii) According to the regulations of Ministry of Finance and the State Administration of Taxation, certain entities within the Group can enjoy an additional 5% deduction calculated based on the input value-added tax ("**VAT**") from the VAT payable since 1 January 2023. The amount of additional deduction was recognised in profit or loss when the entities declared and enjoyed the additional 5% deduction calculated based on the deductible input VAT amount from the VAT payable.

5. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Cost of inventories sold	**4,374,234**	3,747,639
Depreciation of property, plant and equipment	**154,621**	126,283
Depreciation of right-of-use assets	**14,656**	12,925
Amortisation of other intangible assets	**3,219**	3,623
Research and development costs*	**57,522**	33,953
Lease payments not included in the measurement of lease liabilities	**5,978**	5,817
Auditor's remuneration	**1,612**	2,219
Listing expenses	**18,743**	17,993
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**301,527**	311,649
Pension scheme contributions	**33,169**	34,281
Share incentive plan expense	**8,584**	16,206
Foreign exchange differences, net	**15,816**	(10,626)
Impairment losses on financial and contract assets, net:		
Impairment of trade and bills receivables, net	**5,948**	17,526
Impairment of contract assets, net	**2,611**	659
Impairment of financial assets included in prepayments, other receivables and other assets	**1,914**	996
Provision for product warranty	**60,230**	38,436
Reversal of write-down of inventories to net realisable value	**(16,690)**	(22,338)
Interest income	**(25,671)**	(14,814)

* Research and development costs do not include expenses relating to employee benefit expense, depreciation and amortisation expenses, which are included in the respective total amounts disclosed separately above for each of these types of expenses.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**27,328**	23,191
Interest on lease liabilities	**623**	531
Total interest expense on financial liabilities not at fair value through profit or loss	**27,951**	23,722
Less: Interest capitalised	**–**	(3,880)
Total	**27,951**	19,842

7. INCOME TAX

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below:

The Company was renewed as a High and New Technology Enterprise in 2025 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Shuangdeng Front was renewed as a High and New Technology Enterprise in 2024 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Shuangdeng Runyoung was renewed as a High and New Technology Enterprise in 2025 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Huifeng Juneng was qualified as a High and New Technology Enterprise in 2024 and is entitled to a preferential tax rate of 15% (2024: 15%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Shuangdeng Energy Storage was qualified as a High and New Technology Enterprise in 2025 and is entitled to a preferential tax rate of 15% (2024: 25%). This qualification is subject to review by the relevant tax authority in the PRC for every three years.

	2025	2024
	RMB'000	*RMB'000*
Current income tax – Chinese mainland	**35,473**	56,239
Current income tax – Overseas	**170**	67
Deferred income tax	**8,989**	(6,925)
Income tax charge for the year	**44,632**	49,381

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the countries or jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the applicable tax rate is as follows:

	2025	2024
	RMB'000	*RMB'000*
Profit before tax	**300,156**	402,712
Tax at the tax rate of 15%	**45,023**	60,407
Effect of different tax rates of the subsidiaries	**(649)**	(4,337)
Expenses not deductible for tax	**4,591**	4,511
Additional deductible allowance for research and development costs	**(17,431)**	(14,982)
Adjustments in respect of current tax of previous periods	**1,117**	–
Temporary difference and tax losses not recognised	**2,148**	3,782
Tax charge at the Group's effective rate	**44,632**	49,381

8. DIVIDENDS

	2025	2024
	RMB'000	*RMB'000*
Dividends	**60,906**	73,803

The Board of Directors declared the payment of a final dividend of RMB0.170 per ordinary (2024: RMB0.206 per ordinary) share during the year ended 31 December 2025.

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

The basic earnings per share is calculated based on the profit attributable to the owners of the parent and the weighted average number of ordinary shares outstanding during the year. The Group had no potentially dilutive ordinary shares in issue during the year.

The calculation of basic earnings per share is based on:

	2025	2024
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculations	**255,524**	353,331
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculations	**381,001,937**	358,269,000

10. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		2025	2024
	Notes	***RMB'000***	*RMB'000*
Current			
Prepayments		**100,970**	40,921
Prepaid value-added tax	*(i)*	**20,864**	5,478
Deposits and other receivables	*(ii)*	**23,112**	38,891
Tax recoverable		**1,556**	–
		146,052	85,290
Non-current			
Deposits and other receivables	*(ii)*	**1,376**	2,358
Total		**1,376**	2,358

(i) The Group's domestic sales of goods and rendering of services are subject to PRC VAT. Input VAT on purchases can be deducted from output VAT payable.

(ii) The financial assets included in the above balances relate to deposits and other receivables which were categorised in stage 1 at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking factors and information. During the year, the deposits and other receivables had no recent history of default and past due amounts. As at 31 December 2025, the loss allowance was assessed to be minimal.

(iii) As at 31 December 2025, the Group's deposits and other receivables of RMB117,000 (2024: RMB5,108,000) were pledged for future guarantee.

11. INVENTORIES

	2025	2024
	RMB'000	*RMB'000*
Raw materials	**101,376**	62,501
Work in progress	**354,456**	260,227
Goods in transit	**39,135**	30,426
Finished goods	**304,793**	191,835
	799,760	544,989
Impairment allowance	**(14,793)**	(31,483)
Total	**784,967**	513,506

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

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**31,483**	53,821
Provision for impairment losses, net	**(16,690)**	(22,338)
At the end of the year	**14,793**	31,483

12. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**2,554,477**	2,303,208
Bills receivables	**161,054**	108,186
Impairment	**(98,360)**	(93,113)
Total	**2,617,171**	2,318,281
Denominated in RMB	**2,349,522**	2,075,333
Denominated in USD	**266,092**	239,128
Denominated in EUR	**1,557**	3,820
Total	**2,617,171**	2,318,281

The Group's trading terms with its customers are mainly on credit. The credit term is generally one to six months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control process to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's bills receivable were all aged within six months and were not past due.

As at 31 December 2025, certain of the bills receivable with net carrying amounts of nil (2024: RMB236,000) were pledged to secure certain of interest-bearing bank borrowings of the Group (note 18).

As at 31 December 2025, certain of the trade receivables with net carrying amounts of RMB148,873,000 (2024:RMB116,553,000) were pledged to secure certain of the interest-bearing bank borrowings of the Group (note 18).

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

	2025	2024
	RMB'000	*RMB'000*
Within 6 months	**2,163,357**	2,002,842
7 to 12 months	**331,919**	207,905
1 to 2 years	**108,500**	100,448
2 to 3 years	**13,292**	6,132
3 to 4 years	**103**	954
Total	**2,617,171**	2,318,281

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

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**93,113**	76,249
Impairment losses, net	**5,948**	17,526
Amount written off as uncollectible	**(701)**	(662)
At the end of the year	**98,360**	93,113

The Group applies the simplified approach in calculating ECLs for trade and bills receivables. Trade and bills receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and bills receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management's approval.

During the year, there was no significant fluctuation for the overall expected credit loss rates, so the Group adopted similar expected credit loss rate to prior year.

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

As at 31 December 2025

	Expected credit loss rate (%)	**Gross carrying amount** *RMB'000*	**Expected credit loss** *RMB'000*	**Net carrying amount** *RMB'000*
Provision on an individual basis	**100.00**	**8,597**	**8,597**	**–**
Provision on a collective basis				
Aged less than 6 months	**2.00**	**2,204,819**	**41,462**	**2,163,357**
Aged 7 to 12 months	**5.00**	**349,388**	**17,469**	**331,919**
Aged 1 to 2 years	**15.00**	**127,647**	**19,147**	**108,500**
Aged 2 to 3 years	**30.00**	**18,990**	**5,698**	**13,292**
Aged 3 to 4 years	**80.00**	**515**	**412**	**103**
Aged over 4 years	**100.00**	**5,575**	**5,575**	**–**
Total		**2,715,531**	**98,360**	**2,617,171**

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Net carrying amount *RMB'000*
Provision on an individual basis	100.00	15,483	15,483	–
Provision on a collective basis				
Aged less than 6 months	2.00	2,041,930	39,088	2,002,842
Aged 7 to 12 months	5.00	218,847	10,942	207,905
Aged 1 to 2 years	15.00	118,174	17,726	100,448
Aged 2 to 3 years	30.00	8,760	2,628	6,132
Aged 3 to 4 years	80.00	4,770	3,816	954
Aged over 4 years	100.00	3,430	3,430	–
Total		2,411,394	93,113	2,318,281

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND DERIVATIVE FINANCIAL INSTRUMENTS

	Notes	2025 RMB'000	2024 RMB'000
Current asset			
wealth management products	*(i)*	**–**	86,000
Forward currency contracts		**43**	3,355
Non-current asset			
Unlisted equity investments, at fair value	*(ii)*	**94,050**	–
Current liability			
Derivative financial instruments	*(iii)*	**–**	842

(i) The unlisted investments were wealth management products issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

(ii) The Group designated investments in unlisted equity shares as a financial asset at fair value through profit or loss upon initial recognition. The unlisted equity shares were measured at fair value and were classified as Level 2 fair value measurement.

(iii) The derivative financial instruments were non-deliverable commodity derivative contracts. Commodity derivative contracts utilised by the Group are mainly standardised lead futures contracts on the Shanghai Futures Exchange ("**SHFE**").

14. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Current		
Bills receivables	**22,534**	3,073

Certain of the Group's bills receivables are held within a business model with the objective of both holding to collect contractual cash flows and selling.

15. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Notes	**2025** **RMB'000**	2024 *RMB'000*
Cash and bank balances		**661,084**	426,566
Time deposits		**822,495**	227,369
Total		**1,483,579**	653,935
Less:			
Restricted bank deposits:			
Pledged for issuance of bills	*(i)*	**415**	388
Pledged for issuance of letters of guarantee	*(ii)*	**68,159**	27,245
Pledged for a future guarantee	*(iii)*	**12,456**	-
Pledged for litigation	*(iv)*	**6,535**	3,700
Restricted time deposits:			
Pledged for issuance of bills	*(i)*	**49,122**	91,121
Pledged for issuance of letters of guarantee	*(ii)*	**72,658**	136,247
Restricted cash:		**209,345**	258,701
Current portion		**172,307**	235,134
Non-current portion		**37,038**	23,567
Cash and cash equivalents		**1,274,234**	395,234
Denominated in USD		**246,014**	306,612
Denominated in RMB		**1,221,804**	341,421
Denominated in EUR		**15,594**	5,752
Denominated in MYR		**167**	150
Total		**1,483,579**	653,935

(i) As at 31 December 2025, the deposits of RMB49,537,000 (2024: RMB91,509,000) were pledged for issuance of bills payable.

(ii) As at 31 December 2025, the deposits of RMB140,817,000 (2024: RMB163,492,000) were pledged for issuance of the letters of guarantee in banks to provide guarantees in respect of purchase contracts signed with suppliers.

(iii) As at 31 December 2025, the bank deposits of RMB12,456,000 (2024: nil) were pledged for future guarantee.

(iv) As at 31 December 2025, the bank deposits of RMB6,535,000 (2024: RMB3,700,000) were pledged for litigation.

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

16. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**1,413,685**	973,979

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

17. OTHER PAYABLES AND ACCRUALS

	2025	2024
	RMB'000	*RMB'000*
Salary payables	**115,807**	126,165
Payable for purchase of property, plant and equipment	**101,171**	223,088
Deposit received	**83,325**	52,685
Other tax payables	**25,350**	28,497
Unexpired endorsement transfers	**111,536**	77,127
Other payables and accruals	**43,775**	51,116
Total	**480,964**	558,678

Other payables are unsecured and non-interest-bearing, repayable within 1 year. The fair values of other payables at the end of the reporting period approximated to their corresponding carrying amounts.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

		As at 31 December 2025			As at 31 December 2024		
	Notes	Effective interest rate (%)	Maturity	*RMB'000*	Effective interest rate (%)	Maturity	*RMB'000*
Current							
Bank loans – pledged	*(b)*	2.11-2.15	2026	92,526	2.40–4.55	2025	108,348
Bank loans – guaranteed	*(c)*	2.11-3.67	2026	68,115	2.40–4.80	2025	67,598
Bank loans – unsecured		2.10-2.99	2026	436,487	2.30–2.54	2025	389,764
Current portion of long term bank loans – pledged and guaranteed	*(a)*	2.80-3.10	2026	73,016	3.15–3.50	2025	38,516
Current portion of long term bank loans – pledged	*(b)*	–	–	–	2.60	2025	20,017
Current portion of long term bank loans – guaranteed	*(c)*	2.55	2026	60,044	2.60–2.70	2025	49,090
Total – current				730,188			673,333
Non-current							
Bank loans – pledged and guaranteed	*(a)*	2.80-3.10	2027–2029	212,643	2.40–4.80	2026–2029	195,404
Bank loans – guaranteed	*(c)*	–	–	–	2.55	2026	60,000
Total – non-current				212,643			255,404
Total				942,831			928,737

	2025	2024
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**730,188**	673,333
In the second year	**72,765**	109,809
In the third to fifth years, inclusive	**139,878**	145,595
Total	**942,831**	928,737

(a) As at 31 December 2025, certain of the Group's bank borrowings with the amounts of RMB285,659,000 (2024: RMB233,920,000) were secured by:

(i) the pledge of certain of the Group's leasehold land with carrying amounts of RMB23,596,000 (2024: RMB24,097,000); and

(ii) the pledge of certain of the Group's property, plant and equipment with carrying amounts of RMB285,743,000 (2024: nil);

(b) As at 31 December 2025, certain of the Group's bank borrowings with amounts of RMB92,526,000 (2024: RMB128,365,000) were secured by:

   (i) the pledge of certain of the Group's leasehold land with carrying amounts of nil (2024: RMB72,790,000);

   (ii) the pledge of certain of the Group's property, plant and equipment with carrying amounts of RMB29,602,000 (2024: RMB125,114,000);

   (iii) the pledge of certain of the Group's bills receivables with carrying amounts of nil (2024: RMB236,000);

   (iv) the pledge of certain of the accounts receivable of the Group, with carrying amounts of RMB148,873,000 (2024: RMB116,553,000).

(c) As at 31 December 2025, certain of the Group's bank borrowings with amounts of RMB128,159,000 (2024: RMB176,688,000) were guaranteed by the Company.

The financial liabilities that are part of the Group's supplier finance arrangements included in interest-bearing bank and other borrowings are normally settled on 240 to 360 days following the due date of comparable trade payable. The range of payment due dates for comparable trade payables is 30 to 90 days after invoice date.

The Group has established supplier finance arrangements that are offered to the related parties in group or some of the Group's key suppliers in the Chinese mainland with the banks. The Group has the right to choose suppliers and initiate the financial arrangement. Suppliers that participate in the supplier finance arrangements will receive payments at the original due dates on invoices sent to the Group from the banks. For the banks to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. The Group provides the security to the banks and the supplier finance arrangements use the group's utility in the bank. The Group takes the interest. Upon the maturity date of the debt, the Group must make unconditional payment to the banks and the banks have the right to deduct the payment from the Group's bank account directly.

All financial liabilities that are part of the supplier finance arrangements are included in interest-bearing bank and other borrowings in the statement of financial position and within the current portion of unsecured bank loans.

	2025	2024
	RMB'000	*RMB'000*
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:		
Interest-bearing bank and other borrowings of which suppliers have received payments	**453,903**	332,753

19. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Purchase of items of property, plant and equipment	**50,784**	160,414

20. PLEDGE OF ASSETS

Details of the Group's restricted time deposits and bank deposits pledged for issuance of the Group's bills payables to suppliers, letters of guarantee and future guarantee are included in note 15 to the financial statements.

Details of the Group's property, plant and equipment pledged for the Group's bank borrowings are included in note 18 to the financial statements.

Details of the Group's leasehold land pledged for the Group's bank borrowings are included in note 18 to the financial statements.

Details of the Group's bills receivable pledged for the Group's bank borrowings are included in note 12 and note 18 to the financial statements.

Details of the Group's trade receivables pledged for the Group's bank borrowings are included in note 12 and note 18 to the financial statements.

Details of the Group's other receivables pledged for the Group's future guarantee are included in note 10 to the financial statements.

21. EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 31 December 2025.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2025, the Group had 2,318 employees. During the Reporting Year, employee benefit expenses (including Directors' remuneration), consisting of salaries and wages, bonuses, equity-settled share option expenses, and pension scheme contributions, totalled approximately RMB351.8 million (for the year ended 31 December 2024: approximately RMB379.4 million). The level of salaries and benefits was determined by the Group for its employees with reference to industry, regional and national regulations. The Group continued to improve employee promotion policy and career development channels, and provide staff with fair career development opportunities, to motivate internal driving force and accelerate talent growth.

The Group has established a share option scheme for selected participants to encourage and reward their contributions to the Group. The Group also operates the Mandatory Provident Fund scheme and a local retirement benefit scheme. The Group encourages employees to pursue training to enhance their work skills and personal development. The Group also provides workshops of varying levels to enhance their occupational safety knowledge and foster team spirit. Employee rewards are determined by the Group's overall results and performance and individual performance and contributions of employees.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company ("**Shareholders**") and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange to the extent applicable.

As the Company's shares have not been listed on the Stock Exchange as of 30 June 2025, the CG Code was not applicable to the Company prior to the date of Listing.

From the date of Listing up to the date of this announcement, except as stated below, the Company has complied with all code provisions of the CG Code to the extent applicable.

Separation of the Roles of Chairman of the Board and Chief Executive Officer ("CEO")

Dr. Yang Rui ("**Dr. Yang**") currently serves as the Chairman of the Board and CEO of the Group. He is responsible for the Company's overall strategic planning and decision-making, execution, operations, and management. While this deviates from Code Provision C.2.1 of Part 2 of the CG Code, the Board believes that Dr. Yang's concurrent roles as the Chairman of the Board and the CEO will help ensure consistent leadership and more effective and efficient overall strategic planning for the Group. The Board, supervisors, and senior management are composed of experienced and diverse individuals, ensuring a balance of power and authority. The Board currently consists of three executive Directors, one non-executive Director, and three independent non-executive Directors. Therefore, the Board has strong independence in its composition.

Further information of the corporate governance practice of the Company is set out in the corporate governance report in the annual report of the Company for the Reporting Year.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

THE MODEL CODE FOR SECURITIES TRANSACTIONS

After the date of Listing, the Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, after making specific enquiries to the Directors that they have complied with the standards as set out in the Model Code since the date of Listing up to the date of this announcement.

EVENT OCCURRING AFTER THE REPORTING YEAR

From 1 January 2026 to the date of this announcement, there was no important event or transaction affecting the Group which is required to be disclosed by the Company to its Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) since the date of Listing and up to the date of this announcement. As at 31 December 2025, the Group did not hold or sell any treasury shares.

ANNUAL GENERAL MEETING

The annual general meeting (the "**Annual General Meeting**") is scheduled to be held on Tuesday, 26 May 2026. A notice convening the Annual General Meeting will be published and disseminated to the Shareholders in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 20, May 2026 (Wednesday) to 26, May 2026 (Tuesday), both dates inclusive, during which period no transfer of shares will be registered. H Shareholders whose names appear on the register of members of the Company on 26 May 2026 (Tuesday) are entitled to attend the Annual General Meeting. In order to be eligible to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 19 May 2026 (Tuesday).

For determining the entitlement to the proposed final dividends, the register of members of the Company will be closed from 5, June 2026 (Friday) to 10, June 2026 (Wednesday), both dates inclusive, during which period no transfer of shares will be registered. The record date on which the H Shareholders are qualified to receive the proposed final dividends 10, June 2026 (Wednesday). In order to be qualified for the proposed final dividends, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 4, June 2026 (Thursday).

AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**"), with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee (the "**Audit Committee**"), comprising two independent non-executive Directors, i.e., Dr. YIN Junming (殷俊明) (chairman) and Dr. WANG Jin (王進), and one non-executive Director, i.e., Mr. QIAN Shan'gao (錢善高). The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process, and performing other duties and responsibilities as assigned by the Board.

Scope of Work of the Auditor

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2025, but represents an extract from the consolidated financial statements for the year ended 31 December 2025 which have been audited by the auditors of the Company, Ernst & Young, in accordance with International Standards on Auditing as issued by the International Auditing and Assurance Standards Board. The financial information has been reviewed by the Audit Committee and approved by the Board.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE 2025 ANNUAL REPORT OF THE GROUP ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.shuangdeng.com.cn), and the 2025 annual report containing all information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
SHUANGDENG GROUP CO., LTD.
(雙登集團股份有限公司)
Dr. Yang Rui
Chairman of the Board, Executive Director and
Chief Executive Officer

Hong Kong, 25 March 2026

As at the date of this announcement, the Board of the Company comprises Dr. YANG Rui (楊銳), Dr. YANG Baofeng (楊寶峰) and Ms. HE Rong (賀蓉) as executive directors, Mr. QIAN Shan'gao (錢善高) as non-executive director, and Dr. YIN Junming (殷俊明), Dr. WANG Jin (王進) and Dr. WANG Xi (王熹) as independent non-executive directors.