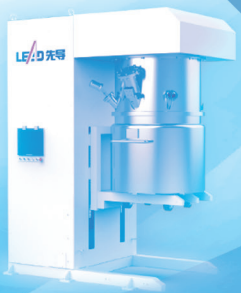
無錫先導智能裝備股份有限公司

WUXI LEAD INTELLIGENT EQUIPMENT CO., LTD.

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

Stock Code: 0470

2025 ANNUAL REPORT



CONTENTS

Definitions	2
Corporate Information	4
Chairman's Statement	6
Management Discussion and Analysis	8
Directors and Senior Management	31
Corporate Governance Report	36
Report of the Directors	58
Independent Auditor's Report	87
Consolidated Statement of Profit or Loss and Other Comprehensive Income	93
Consolidated Statement of Financial Position	95
Consolidated Statement of Changes in Equity	97
Consolidated Statement of Cash Flows	98
Notes to the Consolidated Financial Statements	100
Financial Summary	184

Definitions

"2021 Restricted Share Incentive Scheme"	the 2021 restricted share incentive scheme of the Company as adopted on October 8, 2021
"2022 Restricted Share Incentive Scheme"	the 2022 restricted share incentive scheme of the Company as adopted on October 10, 2022
"2023 Restricted Share Incentive Scheme"	the 2023 restricted share incentive scheme of the Company as adopted on October 16, 2023
"2024 Restricted Share Incentive Scheme"	the 2024 restricted share incentive scheme of the Company as adopted on October 18, 2024
"2025 Restricted Share Incentive Scheme"	the 2025 restricted share incentive scheme of the Company as adopted on October 16, 2025
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange and are traded in Renminbi
"Articles of Association" or "Articles"	the currently effective articles of association of our Company
"Board" or "Board of Directors"	the board of directors of our Company
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this annual report, excluding Hong Kong, Macau and Taiwan region
"Company" or "Lead Intelligent"	Wuxi Lead Intelligent Equipment Co., Ltd. (無錫先導智能裝備股份有限公司), a company established in the PRC on April 30, 2002, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 300450) and the H Shares of which have been listed on the Hong Kong Stock Exchange (stock code: 00470)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of our Company
"Group", "our Group" "we" or "us"	our Company and our subsidiaries
"H Share(s)"	overseas listed share(s) in the share capital of our Company with nominal value of RMB1.00 each, which is/are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange

Definitions

"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Date"	February 11, 2026, the date on which H Shares of the Company are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Restricted Share(s)"	type II restricted share(s) granted under the Restricted Share Incentive Schemes, each represents the right to subscribe for one A Share of our Company at the grant price upon vesting
"Restricted Share Incentive Scheme(s)"	the 2021 Restricted Share Incentive Scheme, the 2022 Restricted Share Incentive Scheme, the 2023 Restricted Share Incentive Scheme, the 2024 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme, each a Restricted Share Incentive Scheme and collectively the Restricted Share Incentive Schemes
"Reporting Period"	the period from January 1, 2025 to December 31, 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholders(s)"	holder(s) of the Share(s)
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

Corporate Information

Board of Directors

Executive Directors

Mr. Wang Yanqing *(Chairman of the Board and general manager)*
Mr. Wang Jianxin
Mr. You Zhiliang
Mr. Wang Lei

Independent non-executive Directors

Ms. Zhang Mingyan
Mr. Dai Jianjun
Ms. Wong Sze Wing

Audit Committee

Ms. Zhang Mingyan *(Chairperson)*
Mr. Dai Jianjun
Ms. Wong Sze Wing

Remuneration and Appraisal Committee

Ms. Wong Sze Wing *(Chairperson)*
Ms. Zhang Mingyan
Mr. Wang Jianxin

Nomination Committee

Mr. Dai Jianjun *(Chairperson)*
Mr. Wang Yanqing
Ms. Zhang Mingyan

Strategy Committee

Mr. Wang Yanqing *(Chairperson)*
Mr. You Zhiliang
Mr. Dai Jianjun

Joint Company Secretaries

Dr. Yao Yao
Ms. Ho Wing Nga *(fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*

Authorized Representatives

Mr. Wang Yanqing
Ms. Ho Wing Nga

Registered Office

No. 20 Xinxi Road
Xinwu District, Wuxi City
Jiangsu Province
PRC

Headquarters and Principal Place of Business in the PRC

No. 18 Xinzhou Road
Xinwu District, Wuxi City
Jiangsu Province
PRC

Principal Place of Business in Hong Kong

46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

H Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

Corporate Information

Legal Advisors to the Company

Hong Kong laws

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

PRC laws

Allbright Law Offices
9, 11, 12/F, Shanghai Tower
501 Yincheng Middle Road
Pudong New Area
Shanghai
PRC

Compliance Advisor

Red Solar Capital Limited
Unit 402B
4/F, China Insurance Group Building
No. 141 Des Voeux Road Central
Central
Hong Kong

Stock Code

Hong Kong Stock Exchange (H Shares): 0470
Shenzhen Stock Exchange (A Shares): 300450

Company's Website

www.leadintelligent.com

Chairman's Statement

As the seasons turn, a new chapter unfolds. In 2025, the global energy landscape underwent an accelerated restructuring, characterized by the deep integration of green, low-carbon initiatives and intelligent manufacturing. Amidst a shifting and intricate market, Lead Intelligent adhered steadfastly to its vision to "become a world-class leader in intelligent equipment". Driven by technological innovation and commitment to long-term shareholder value creation, the Company achieved concurrent enhancements in both operating results and core capabilities within the global new energy equipment sector, steadily advancing toward its goal of high-quality development.

I. Technological Pioneering: Securing Core Breakthroughs, Fortifying Global Leadership

The Company continued to focus on the core new energy equipment sector, achieving pivotal breakthroughs in both next-generation technologies and established areas of strength to further solidify its global market preeminence. In solid-state battery equipment segment, leveraged its proprietary intellectual property, the Company pioneered a complete mass-production process, achieving comprehensive coverage from turnkey solutions to core process segments, with its flagship equipment performance leading among industry peers. By continuously deepening collaborative verification with domestic and international tier-one clients on core technological processes, the Company has successfully integrated into the supply chains of leading domestic and overseas battery manufacturers and renowned automakers, securing batch deliveries and repeat orders. In dry electrode technology segment, the Company has attained global leadership. Its next-generation integrated dry-coating solution for anodes and cathodes delivers best-in-class performance, effectively reducing energy consumption and manufacturing costs while optimizing battery energy density and cycle life. Meanwhile, in conventional lithium-ion battery equipment segment, the Company continued to iterate its core technologies such as winding and slurry coating. As the world's only provider of lithium-ion turnkey solutions with 100% proprietary intellectual property, the Company has steadily expanded its global market presence while bolstering its core competitiveness.

II. Digital Intelligence: Accelerating Manufacturing Upgrades, Catalyzing New Growth Engines

By positioning AI and digital twins as its strategic levers, the Company has propelled the evolution of intelligent manufacturing from automation to full intelligence and autonomy, marking a significant milestone in its digital and intelligent transformation. Through its proprietary LEADACE Dome Series (LEADACE 穹頂系列) intelligent platforms, the Company has realized real-time data inter-connection across the entire production lines, ensuring integrated management of AI-powered vision inspection, intelligent logistics scheduling and predictive fault diagnosis. These advancements elevated product consistency and production stability to industry-leading standards. Furthermore, the Company has completed high-precision digital twin modeling for essential industrial power components, enabling a "single-development, multi-scenario reuse" model that substantially reduced the costs and cycle of digital transformation. These achievements received high recognition from global top-tier clients and have been successfully deployed at scale. Concurrently, by adhering to the strategy of platform-based technology and product diversification, the Company has successfully extended its core intelligent equipment capabilities into high-end manufacturing sectors such as 3C precision manufacturing and photovoltaic equipment. Notably, the market shares of our XBC stringer and perovskite coating equipment consistently rank first in the industry. Our global footprint continues to expand, and a robust second growth curve is rapidly taking shape.

III. Foundation Strengthening: Deepening R&D Layout, Consolidating Core Pillars

The Company's sustained breakthroughs in technological innovation were underpinned by its commitment to long-term, high-intensity R&D investment and a well-established talent development system. In 2025, the R&D expenditure of the Company reached RMB1.605 billion, representing 11.11% of its operating revenue. By maintaining an R&D intensity above 10% of the revenue, the Company has been accelerating its exploration of pioneering technologies and the optimization of core processes. Our R&D team comprises over 4,000 employees, representing 26.84% of our total headcount, which forms a well-structured and highly specialized core R&D force. During the year, the Company was granted 778 new patents, bringing its the total number of granted patents to 3,592, which has established a formidable intellectual property barrier covering core equipment, process algorithms and material compatibility. Meanwhile, the Company rigorously adhered to the principles of compliance and sustainable development. For the seventh consecutive year, the Company received the highest "A" rating for information disclosure by the Shenzhen Stock Exchange, reflecting the capital market's high recognition of our standardized operations and information disclosure transparency. Furthermore, the Company was honored as one of the "2025 Forbes China Top 50 Innovative Enterprises" (2025 福布斯中國創新力企業 50 強), and featured in S&P Global's Sustainability Yearbook (China) 2025 (《可持續發展年鑑(中國版)2025》), receiving the "Industry Best Progressive Enterprise" Award (行業最佳進步企業獎). Notably, our Wuxi second factory achieved ISO14068 carbon neutrality certification (ISO14068 碳中和工廠認證), becoming the first demonstration enterprise in the industry. Through high-standard governance and green operations, the Company fortified its foundation for long-term growth of shareholder value.

IV. Future Outlook: Aligning with Technological Trends, Co-creating Long-term Value

Looking ahead to 2026, the global transition toward a green, low-carbon economy is an irreversible trend. As the industrialization of solid-state batteries enters a critical phase, technological iteration remains the cornerstone of industry competitiveness. Leveraging technological innovation as its primary catalyst, the Company will continue to deepen R&D in next generation core technologies, such as solid state batteries and dry electrode processes, and facilitate the large-scale delivery of GWh-level turnkey solutions to reinforce its global leadership. The Company will accelerate the integration of AI and intelligent manufacturing, iteratively upgrading the LEADACE Dome Series intelligent platforms to establish world-class benchmark digital factories, and continuously enhance our intelligent manufacturing service capabilities. At the same time, the Company will fortify its technical advantages in conventional lithium-ion equipment by enhancing the efficiency, precision and reliability of its core products to expand global market presence. Furthermore, the Company will expand into diversified high-end manufacturing sectors, fostering synergistic growth across 3C and photovoltaic business. Alongside its operational development, the Company will strictly comply with domestic and international regulatory requirements, continuously enhance the transparency of its information disclosure and deepen its ESG governance practices. Through systematic low-carbon development initiatives, we will translate our sustainability commitments into concrete actions, contributing to the achievement of global "dual carbon" goals.

Our journey ahead may be long and arduous. But as long as we persevere on the road ahead, there will be much to expect. As we move forward without giving up, there will be a promising future. The development of Lead Intelligent could not be sustained without the trust and support from our Shareholders. In 2026, adhering to our primary goal of maximizing shareholders' value, we will continue to pool our wisdom and strength, take pragmatic actions, and improve our core competitiveness and capabilities for global operations, aiming to bring better operating results to all shareholders and facilitate green energy transition in global markets with hardcore technology, thus creating a better tomorrow for sustainable development jointly with our business partners!

Mr. Wang Yanqing
Chairman

March 30, 2026

Principal Businesses of the Company During the Reporting Period

(I) Principal Businesses and Products

The Company specializes in the research and development ("**R&D**"), design, production and sales of high-end and non-standard intelligent equipment. With a focus on the integration of "new energy + high-end equipment", the Company is a leading global provider of new energy intelligent manufacturing solutions. Its business portfolio covers areas including lithium-ion battery intelligent equipment, solid-state battery intelligent equipment, photovoltaic (PV) intelligent equipment, 3C, automotive and energy storage intelligent equipment, intelligent logistics systems, hydrogen energy equipment, and laser precision processing equipment, enabling the Company to provide customers with comprehensive smart factory solutions integrating intelligent manufacturing + services.

1. **Lithium-ion battery intelligent equipment:** The Company is committed to building end-to-end solutions for the intelligent manufacturing of lithium-ion batteries. Its product offerings cover intelligent equipment for the entire process, including mixing, coating, rolling, slitting, winding and chemical composition, and extend into industrial-grade, high-precision inspection by introducing advanced equipment such as industrial CT, X-ray inspection and visual defect recognition systems. This achieves full life-cycle equipment support from manufacturing to final product inspection and quality traceability for prismatic and cylindrical power batteries as well as energy storage batteries, thereby fully ensuring consistency and reliability of battery products. In addition, the Company is actively developing new battery technologies, offering customized equipment solutions for emerging battery systems, such as sodium-ion batteries, to empower customers to stay at the forefront of technological innovation. In terms of turnkey solutions, Lead Intelligent leverages its self-developed dome-series intelligent manufacturing platform, LEADACE, to deeply integrate equipment interconnectivity, smart scheduling and digital factory systems. It provides "turnkey" delivery services characterized by rapid deployment, flexible production, and smart operation and maintenance, which effectively enhance production efficiency and operational intelligence, helping clients reduce costs, increase efficiency, and accelerate their transition into the next stage of smart factories.

2. **Solid-state battery intelligent equipment:** With a forward-looking layout in the R&D of key solid-state battery equipment, the Company has launched dry and wet mixing and coating equipment suitable for all-solid-state electrode preparation. It offers ultra-high precision lithium foil preparation systems and high-vacuum R2R lithium plating machines for metallic lithium anode preparation, and offers solid-state composite transfer equipment specifically designed for solid-state electrolyte membrane preparation. Also, tailored to the physical and electrochemical properties of solid-state raw materials, the Company has developed ultra-efficient integrated machines for frame-gluing, laminating, cutting, and stacking, as well as large-capacity isostatic presses to strengthen interfacial bonding. In terms of turnkey solutions, the Company offers customized turnkey solutions that cover material preparation, electrode processing and cell assembly. By integrating smart inspection and closed-loop control technologies, these solutions support flexible manufacturing for multiple product varieties to help customers accelerate the pilot testing and industrial commercialization of solid-state batteries and enable them to possess leading technical reserves and engineering capabilities.

3. **PV intelligent equipment:** The Company provides manufacturing equipment and turnkey solutions for both PV modules and PV cells. For PV modules, smart equipment includes BC/0BB/SMBB stringers, integrated laser scribing equipment, tab welding equipment, complete busbar welding equipment, as well as module turnkey solutions. For PV cells, smart equipment includes equipment for screen printing, sintering and testing/sorting processes, wet process equipment for texturing, alkaline polishing, cleaning and BSG/PSG removal, as well as turnkey solutions for PV cells across various fields, including TOPCon, HJT, XBC and perovskite.

4. **3C, automotive and energy storage intelligent equipment:** Leveraging its self-developed 3D+AI vision algorithms, precision fluid technology and integrated testing technology, Jiangsu Lead Technology Co., Ltd. (江蘇立導科技有限公司)（"**Lead Technology**"）, a subsidiary of the Company, empowers innovation in the consumer electronics, smart vehicle and digital energy industries by providing end-to-end intelligent equipment solutions. (1) Consumer electronics: its offerings include equipment for visual measurement, AI defect detection, five-axis high-speed dispensing, high-flow sealing, imaging testing, electrical testing, reliability testing and 3D printing and assembly. (2) Intelligent vehicles: focusing on Pack & CTP, intelligent electric powertrains, smart cockpits, body and chassis systems and intelligent driving, it provides intelligent equipment solutions for the entire manufacturing process. (3) Digital energy: its offerings include equipment and supporting solutions for energy storage containers, inverters and ultra-fast charging stations.

5. **Intelligent logistics systems:** With a core focus on "flexible manufacturing" and "smart manufacturing", Guangdong Beidao Intelligent Technology Co., Ltd. (廣東貝導智能科技有限公司), a subsidiary of the Company, helps customers resolve various challenges in warehousing and production logistics management by improving storage and transfer efficiency and enabling digital and intelligent operations. It provides one-stop turnkey logistics solutions that encompass consulting, design, planning, manufacturing, installation, commissioning and upgrade services. These include intelligent warehousing solution, production logistics solution, distribution center solution, and digital intelligence solution. Principal products: (1) Intelligent warehousing equipment includes: stackers, shuttle vehicles, OHT, etc. (2) Production conveyor equipment includes: belt/roller conveyor systems, high-speed circulating elevators, etc. (3) Intelligent handling equipment includes: cantilever AGVs, double-fork transfer AGVs for roll, narrow-aisle forklift AGVs, latent lift AGVs, etc. (4) Palletizing and sorting equipment includes: 4-axis and 6-axis robotic arms, gantry robots, etc. (5) Digital and intelligent software products include: intelligent warehouse management system (WMS), intelligent warehouse control system (WCS), intelligent logistics execution system (LES), intelligent flexible manufacturing system (FMS), AGV control system (ACS), digital twin system, etc.

6. **Hydrogen energy equipment:** Jiangsu Qingdao Intelligent Equipment Co., Ltd. (江蘇氫導智能裝備有限公司) ("**Qingdao Intelligent**"), a subsidiary of the Company, focuses on key technologies such as electrolyzers and fuel cells, and systematically advances the equipment adoption for core processes such as slurry coating, packaging, stacking and assembly, and high-precision testing. With a comprehensive understanding of the entire process chain from materials, processes and components to complete systems, Qingdao Intelligent has established significant technical advantages in precision control, production consistency and scalability, and thus is able to provide customers with professional equipment solutions that meet high efficiency and reliability requirements. As the global hydrogen energy industry transitions from the validation stage to commercialization, Qingdao Intelligent offers a complete delivery framework encompassing from process demonstration and laboratory lines to pilot trial and mass production lines, which helps customers efficiently advance product development, performance validation and large-scale manufacturing, thereby significantly reducing production costs and improving yields.

7. **Laser precision processing equipment:** Wuxi Guangdao Precision Technology Co., Ltd. (無錫光導精密科技有限公司) ("**Guangdao Technology**"), a subsidiary of the Company, has specialized in the "precision" sector for 20 years. With its deep integration of laser technology, it has established a comprehensive presence across the entire laser industry chain. Leveraging robust visual algorithms and software R&D capabilities, it provides customers with complete equipment and holistic solutions. Currently, centered on high-precision CNC systems, Guangdao Technology offers precision micro-processing, measurement and automated intelligent workshop solutions for related industries in the fields of semiconductor, PCB and advanced display. Semiconductors: its offerings cover semiconductor FE-BE processes, laser stealth dicing, marking, notching, and special applications such as 3D TSV/TGV. Consumer electronics: it offers comprehensive laser solutions for consumer electronics, covering traditional PCB/FPC and 3C fields. Advanced displays: it offers new laser solutions applied to LCD, OLED and Micro LED.

(II) Operating Model

The Company's products are specialized automation equipment, which vary significantly among products and require personalized design and customization tailored to specific customer requirements. The operating model of the Company is heavily influenced by the industries in which its downstream customers operate. Taking customer needs as its core, the Company has developed R&D, procurement, production and sales models in response to customer needs. The Company manages business activities including R&D, procurement, production and sales through an IT platform. By building a comprehensive digital management platform on top of its self-developed information management software, the Company continuously enhances its operational efficiency and product quality.

1. R&D model

The specialized automation equipment manufacturing industry is highly interconnected and closely tied to the development of downstream industries. Before initiating any R&D efforts, the Company first establishes a close partnership with its downstream customer, and conducts in-depth inspections of its production environment to fully understand its manufacturing processes and the technical parameters and automation requirements of related production equipment. Once the customer's needs are identified, the Company forms a dedicated project team to handle tasks from project initiation and project management to R&D, design, testing and process development. It assigns responsibilities to each team member, and outlines the specific requirements and key points for each stage to ensure the R&D process progresses smoothly. The project team holds regular meetings for in-depth discussions on issues encountered during the R&D process and to propose improvement measures and suggestions. During the final prototype trial production, team members perform targeted inspections on the implementation of each stage as required. Once the prototype meets all user specifications, the team compiles a summary of the issues encountered during the R&D process with the measures taken to address them to accumulate experience for subsequent project development.

2. Procurement model

To ensure timely procurement while keeping inventory levels in check, the Company procures materials in batches based on its production schedules, and a rigorous procurement management system has been established accordingly. For core components that have a significant impact on its product quality, the Company regularly maintains an approved brand catalog and conducts procurement either directly purchasing from the manufacturers or through agents, depending on the supply method of these brands. The core component suppliers of the Company are typically renowned domestic and international enterprises, ensuring a relatively stable supply base of core components.

3. Production model

The Company's principal products are specialized automation equipment, which vary significantly among products and require personalized design and customization tailored to specific customer requirements. As such, this requires the Company to adopt a make-to-order production management model for manufacturing. Once the sales department secures an order or supply contract from a customer, it issues a production schedule to the production department based on the contract requirements. The production department then collaborates with the R&D department to map out a production timeline in accordance with the contract terms and the capacities of each workshop, and delegates the tasks accordingly. To reduce production costs, the Company consistently pushes for product standardization by increasing the standardization level of equipment on the basis of fulfilling customized customer needs, i.e., evolving towards a design where the equipment manufactured by the Company integrates "standard components" with "custom non-standard components". For some equipment with high market demand, the Company appropriately increases the material input for the production of standard components upon receipt of customer orders. This allows for the mass production of standard components, which not only lowers procurement costs and production costs but also boosts the Company's production efficiency and enables faster delivery to customers.

4. Sales model

The sales model of the Company relies primarily on a direct-to-order model. The equipment manufactured by the Company is applied to the production of lithium-ion batteries, PV cells and modules, new energy vehicles (NEVs) and fuel cells, as well as industrial intelligence fields such as visual measurement and general assembly for consumer electronics products. Given the highly specialized nature of its equipment, the Company has built a strong reputation across downstream industries and secures orders primarily through direct customer engagement. In addition, the Company also actively participates in professional exhibitions both domestically and internationally to expand its customer base. The Company has established a sales department responsible for engaging with customers, developing sales strategies, tracking customer dynamics, and identifying further customer needs.

(III) Market Position

Since its inception, Lead Intelligent has remained dedicated to the high-end equipment manufacturing sector. Through continuous dedication and technological breakthroughs, the Company has now evolved into a leading global provider of new energy intelligent manufacturing solutions. It even stands as the only provider of lithium-ion battery turnkey solutions in the world that possesses full and independent intellectual property rights. With an industry-leading operational scope, the Company operates across multiple key sectors, including lithium-ion battery intelligent equipment, PV intelligent equipment, 3C intelligent equipment, intelligent logistics systems, and hydrogen energy equipment. Its products are exported to over 20 countries and regions. Backed by exceptional technical expertise and superior service quality, the Company has become a preferred partner for core equipment and customized solutions for top-tier global corporations such as CATL, BMW, Tesla and LG. In 2025, driven by its industry-leading technological foundation and robust momentum for R&D innovation, the Company was awarded a number of prestigious honors. These include the "Hurun China Enterprises Top 500", "National Advanced Collectives in the Industrial and Information Technology System", "Outstanding Contribution Enterprise in Industry", "2025 Industry Contribution Award (Enterprise Category)" and "2025 Top 10 Energy Brands".

Situation of the Industry in Which the Company Operated During the Reporting Period

The Company specializes in the R&D, design, production and sales of high-end and non-standard intelligent equipment. The industry in which it operates is the intelligent equipment manufacturing industry, with principal activities in equipment manufacturing for sectors including lithium-ion batteries, PV, 3C and hydrogen energy. In accordance with the Guidelines on Industry Classification of Listed Companies issued by the China Securities Regulatory Commission (the "**CSRC**") in October 2012, the Company is classified under "C35 Special Equipment Manufacturing Industry".

(I) Lithium-ion Battery Equipment Industry

Lithium-ion batteries are divided into three categories: power, energy storage and digital. The lithium-ion battery equipment industry provides specialized equipment for downstream lithium-ion battery production. The industry's performance is highly correlated with downstream market demand.

1. Power batteries:

In 2025, the global NEV market continued to recover, driving rapid growth in the demand for power batteries. According to CPCA, global NEV sales in 2025 reached 22.71 million units, representing a year-on-year increase of 27% and accounting for a market share of 23.5%. According to CAAM, China's NEV production and sales reached 16.626 million units and 16.49 million units, representing a year-on-year increase of 29% and 28.2%, respectively. This marked the 11th consecutive year that China ranked first globally, directly spurring leading lithium-ion battery manufacturers to expand their production capacities. In terms of installed capacity, statistics from the China Automotive Battery Innovation Alliance indicate that China's power battery installations in 2025 reached 769.7 GWh, representing a year-on-year increase of 40.4%. SNE Research data reveals that global power battery installations in 2025 reached 1,187 GWh, representing a year-on-year increase of 31.7%. Both domestic and international markets maintained robust growth momentum. Meanwhile, industry regulations have been continuously tightened, with industrial upgrades driven by regulatory documents and stricter entry criteria, which have accelerated the phasing out of outdated production capacity and further shifted industry concentration towards companies with technological and scale advantages.

In the medium to long term, the ongoing expansion of the NEV market will provide stable support for power battery demand. As industry supply and demand has gradually reached an equilibrium, companies with technological and cost advantages will be well-positioned to enhance quality and efficiency. By virtue of their high energy density and enhanced safety, solid-state batteries have emerged as a core development direction for NEVs, low-altitude aircraft and humanoid robots. Major global automakers and leading battery manufacturers have established clear timelines for their commercialization. As commercialization accelerates, solid-state battery production equipment will undergo comprehensive innovation, with the pace of technological iteration continuing to speed up. According to GGII, global solid-state battery installations were approximately 5.3 GWh in 2024, expected to grow to 17.3 GWh in 2025 and further to 47.5 GWh by 2027. In China, the solid-state battery market was estimated at RMB1.7 billion in 2025 and is forecast to exceed RMB5 billion by 2027, with a CAGR of 65.8%. In addition, due to their resource advantages and superior safety profile, sodium-ion batteries have attracted significant investment and R&D resources. They present market opportunities in applications such as micro-cars, two-wheeled vehicles, starter batteries, PHEVs and commercial vehicles. According to research data from SPIR, global shipments of sodium-ion batteries reached 9 GWh in 2025, representing a year-on-year increase of 150%. According to forecasts by GGII, by 2030, sodium-ion batteries are expected to reach a production scale of hundreds of GWh.

2. ***Energy storage batteries:***

Against the backdrop of carbon neutrality, building a new power system dominated by renewable energy has become a global consensus. As the core pillar for smoothing out new energy fluctuations, ensuring grid stability and balancing power supply and demand, new energy storage has propelled the industry into a new phase of high-quality development driven by both policy and the market. Compounded by the current complex international environment, the demand for a stable global energy supply has risen. With overseas power grids under pressure and a growing desire for regional energy autonomy, the need for global energy storage deployment has been further stimulated. Meanwhile, the rapid development of the AI industry has led to the explosive expansion of AIDC intelligent computing centers. The rigid demand for high-power and zero-interruption power supply has made energy storage a core supporting facility for data centers, opening up increments in energy storage demand. At the national level, the policy framework has been continuously refined. The government has successively issued major documents, including the Guiding Opinions on Accelerating the Development of New Energy Storage, the Implementation Plan for the Development of New Energy Storage during the 14th Five-Year Plan Period, and the Special Action Plan for the Large-Scale Development of New Energy Storage (2025-2027). These documents clarify the industry's goals for large-scale development, proposing to achieve a total capacity of new energy storage nationwide exceeding 180 million kW by the end of 2027 and to facilitate direct investment of approximately RMB250 billion. Local supporting regulations have been implemented at an accelerated pace. Measures such as optimizing peak-valley tariff differences and refining the requirements for coupling new energy with storage have further consolidated the foundation for industry development, driving the industry's transition from being policy-driven to market-led.

In terms of market size, new energy storage installations experienced explosive growth. According to data disclosed by CNESA DataLink and Xinhuanet, China's cumulative installed capacity for new energy storage reached 144.7 GW by the end of 2025, representing a year-on-year increase of 85%, which secured China's position as the global leader. In 2025, newly commissioned capacity was 66.43 GW/189.48 GWh, representing a year-on-year increase of 52% and 73% in power and energy capacities, respectively. New installations exceeded 100 GW for the first time, underscoring a prominent scale effect. The application structure continued to optimize, with independent energy storage emerging as the mainstream, accounting for 58% of market share in 2025. Energy storage has officially integrated into power system dispatching as an independent regulation resource, marking steady progress in the improvement of its market-oriented operational capabilities.

Downstream demand has been fully unleashed. In 2025, domestic C&I energy storage increased by 10.5 GWh, representing a year-on-year increase of 40%, supported by substantial peak-valley tariff differences that reinforced the industry's economic viability. Grid-forming energy storage recorded commissioned capacities of 7.3 GW/25.2 GWh, with energy capacity nearly tripling year-on-year. In the AIDC data center sector, surging AI computing loads and upgraded power supply standards have driven rapid growth in energy storage demand, emerging as a highly promising growth area within the industry. The CAGR for global AIDC-related energy storage demand remains high, further propelling shipments of energy storage lithium-ion batteries. In 2025, China's energy storage lithium-ion battery shipments reached 630 GWh, representing a year-on-year increase of 85%, prompting related equipment to upgrade towards greater efficiency and intelligence.

3. Consumer batteries:

In 2025, supported by a mild recovery in consumer electronics, device iterations and the mass rollout of AI hardware, the consumer lithium-ion battery sector showed an overall trend of steady recovery and structural optimization, which positioned the sector as a stable pillar for the lithium-ion battery equipment industry. Traditional consumer electronics devices gradually picked up, with accelerated upgrade and replacement cycles for smartphones, laptops and other devices. Growing market penetration of foldable screens and high-end models drove battery upgrades towards high energy density, ultra-thin and unconventional shapes, and fast-charging capabilities. Coupled with the demand for replacing existing devices, this solidified the industry's foundation.

Emerging device applications continue to expand, with the accelerated adoption of wearables, AR/VR, AIPC and intelligent medical equipment. The concentrated launch of AI devices in 2025 fuelled demand for customized and miniaturized lithium-ion batteries, making these batteries the primary driver of industry growth. Meanwhile, stricter industry regulations and elevated safety standards, combined with intensifying market competition, accelerated the phasing out of small and medium-sized production capacities, thereby shifting industry concentration towards leading enterprises.

Overall, the consumer battery market made steady progress in 2025. Driven by both device innovation and technological iteration, the industry demonstrated strong resilience. According to forecasts by SPIR, global 3C battery shipments exceeded 70 GWh in 2025, representing a year-on-year increase of 5.8%, which pushed consumer lithium-ion battery equipment to upgrade towards higher precision, automation and flexibility.

(II) PV Equipment Industry

The PV equipment industry provides specialized equipment for PV cells and PV modules production, serving as a core upstream sector of the PV supply chain. The industry's performance is closely tied to downstream demand for PV installations, industry supply and demand dynamics, policy directions, and the pace of technological iteration. The year 2025 marked a pivotal year for the quality enhancement, upgrading and transformational development of China's PV industry. Guided by regulatory policies and driven by market structure optimization as well as breakthroughs in cutting-edge technologies, the industry experienced steady growth. Throughout the year, the industry exhibited a development trend characterized by steady growth in installation size, continuous optimization of production capacity structure, an increasingly refined policy framework, and the accelerated application of technological innovations.

1. Industry supply and demand dynamics

In 2025, the supply and demand dynamics of the PV industry experienced a phased divergence, in which demand maintained steady growth, while supply entered a period of optimization and adjustment. As the global energy transition continued to deepen, PV – as a core clean energy category – enjoyed solid support for downstream installation demand. On the supply side, influenced by the pace of previous production capacity expansions, the industry's overall production capacity remained large, with production capacity utilization in certain segments at relatively low levels amid intense market competition. This has ushered the industry into a critical phase of production capacity optimization and structural adjustment.

Demand-side data showed impressive performance. According to authoritative figures from the National Energy Administration (NEA), China's newly installed PV capacity in 2025 reached 317 million kW, representing a year-on-year increase of 14%. China's cumulative grid-connected wind and solar capacity reached 1.84 billion kW, historically surpassing thermal power in installed capacity and accounting for 47% of total national installed power capacity. This clearly highlighted the ongoing substitution effect of clean energy. On the supply side, ongoing optimization and upgrades continued, with outdated capacity phased out in a gradual and orderly manner, while supply chain resources and market share increasingly concentrated among leading enterprises with technological, scale and cost advantages, leading to a steady increase in industry concentration.

2. Industry policies and technological development

Industry policies focused on regulating the development order, facilitating improvements in quality and efficiency and encouraging technological innovation, thereby providing a solid foundation for the high-quality development of the PV industry. Several government authorities introduced policies to regulate market competition and guide the sector towards rational planning and orderly growth. NEA issued the Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation, which clarified the classification and management standards for distributed PV, streamlined the project filing process, and promoted the diversified, multi-scenario integration and application of distributed PV systems.

Meanwhile, the full integration of grid-connected new energy into market-based electricity trading ended the era of fixed tariffs. This shift prompted the industry to enhance project operational efficiency and power consumption and adaptability capabilities. Policymakers continued to support PV technological innovation by accelerating the industrialization of cutting-edge technologies, such as perovskite, to help the industry transition from homogeneous competition to technology-driven competition. According to the China Business Industry Research Institute, China's newly added perovskite cell capacity reached 4GW in 2025, with a market size of RMB3.75 billion, doubling the figures from 2024. The accelerated industrialization of these advanced technologies simultaneously facilitated the PV equipment industry to upgrade and evolve towards high-end and intelligent directions.

(III) 3C Equipment Industry

The 3C equipment industry primarily provides specialized intelligent equipment, including those for visual measurement, AI defect detection, precision fluid control, 3D precision assembly and imaging testing, to downstream sectors such as consumer electronics and intelligent vehicles. It is a core upstream equipment sector supporting high-end manufacturing and the quality enhancement and upgrading of end products. The industry's development is closely tied to downstream demand for product innovation, production capacity upgrades and intelligent manufacturing transformations. In 2025, driven by the recovery of the downstream consumer electronics sector, the deep integration of AI technology and the synergistic growth of the intelligent vehicle industry, the 3C equipment industry overall showed a development trend of rising prosperity with a steady release of demand. The industry's structure continued to optimize, with a growing proportion of demand for high-end and intelligent equipment.

In 2025, the downstream consumer electronics sector benefited from a combination of favorable factors that facilitated a structural recovery in the industry. Global digital transformation solidified the rigid demand for smart devices. The explosive penetration of AI technology promoted the intelligent upgrade of traditional devices and accelerated the commercialization of new hardware. Domestic consumer subsidy policies stimulated end-user consumption, leading to a rebound in the sales of mainstream consumer electronics. This, in turn, triggered a simultaneous demand release for production line upgrades and equipment renewals. Cross-sector demand from the intelligent vehicle industry emerged as a new growth driver, with rising needs for the precision manufacturing and inspection of components such as automotive intelligent hardware. Leveraging shared technological foundations, 3C equipment manufacturers expanded into the automotive operations. Coupled with high downstream requirements for product precision and high yield rates, the industry was prompted to upgrade towards high automation, great flexibility and AI empowerment, underscoring the sustained prominence of leading enterprises in technological and customized service advantages.

According to Statista, the global consumer electronics market was projected to reach US$1.15 trillion in 2025. The steady expansion of this downstream market, combined with the equipment demand arising from production line intelligent transformation and mass production of new products, created a highly favorable environment for the 3C equipment industry, presenting the industry with development opportunities for quality enhancement and capacity expansion in general.

(IV) Hydrogen Energy Equipment Industry

The hydrogen energy equipment industry primarily provides specialized equipment for fuel cells, electrolyzer production, hydrogen testing and the entire hydrogen energy chain spanning production, storage, transportation and refuelling. It is a core upstream sector supporting the large-scale development of the hydrogen energy industry and the development of a zero-carbon energy system. The industry's growth is driven by top-level policy guidance, the implementation of industrial pilot projects, and technological breakthroughs. Its strategic position continues to elevate with robust development momentum.

Since 2025, domestic hydrogen policies have achieved a leapfrog improvement, establishing a clear policy promotion logic that laid a solid foundation for industry development. In June 2025, NEA issued a notice on the hydrogen energy pilot program, ushering the industry into a full-chain pilot phase and accelerating standardized development. In February 2026, Qiushi Journal published a key article that mentioned the integration of hydrogen energy development into the top-level planning for national economy, officially elevating hydrogen energy to a major new national growth driver. During the "15th Five-Year Plan" period, various government departments will continue to strengthen planning guidance, boost policy support and tackle core technological challenges, further consolidating the certainty of the industry's development.

Spurred by favorable policies, the domestic hydrogen energy industry has achieved notable progress in practical implementation, with green hydrogen scaling up rapidly. As disclosed by NEA in January 2026, cumulative green hydrogen capacity exceeded 250,000 tonnes per year as of the end of 2025, doubling year-on-year. Major projects, such as those in Kuqa, Xinjiang and Ningdong, Ningxia, have successfully integrated the entire industry chain. Meanwhile, fuel cell vehicle demonstration programs advanced steadily, with over 540 hydrogen refuelling stations built nationwide and approximately 24,000 vehicles rolled out, accompanied by ongoing expansion of application scenarios.

The global hydrogen energy industry is also gaining momentum, with multiple countries rolling out policies to ramp up their positioning. The European Union introduced the "Hydrogen Bank" initiative, intending to invest EUR3 billion in market development and set targets for green hydrogen production and imports by 2030. The United States is leveraging CCUS technology to develop its blue hydrogen sector, with large-scale blue hydrogen projects advancing steadily. This global wave of hydrogen energy development has created a highly favorable external environment for domestic industry while pushing the hydrogen energy equipment industry towards high-end and large-scale upgrades.

Analysis of Core Competitiveness

The Company's core competitiveness lies in the deep synergy and organic integration of six major dimensions, which together form a systematic and sustainable comprehensive advantage. The details are as follows:

(I) A Leading International Presence Establishes a Solid Global Market Foundation

As a pioneer in the globalization of China's new energy intelligent equipment sector, the Company launched its globalization strategy in 2018. It has established 19 overseas branches and subsidiaries across 16 countries and regions. In Europe, the Company set up a technical competence center, a delivery center and a central logistics warehouse, which created a comprehensive system for "global R&D, global delivery and global service". Leveraging its leading technological capabilities and an efficient global supply chain network, the Company has established deep partnerships with world-renowned enterprises such as Volkswagen, BMW, Toyota, Tesla, Porsche, LG and SK. It successfully delivered numerous benchmark projects that earned a high degree of recognition and trust. Meanwhile, in light of the trend of domestic new energy manufacturers expanding abroad, the Company has leveraged its strong ties with leading domestic customers to become a core partner in their overseas expansion. This has further solidified its first-mover advantage and leading position in international markets.

(II) Diversified Platform Layout Expands Room for Growth

Since its inception, the Company has remained dedicated to the intelligent equipment sector, accumulating substantial technical advantages in foundational areas such as high-speed automation, digital control and precision processing. These technical advantages can be transferred and replicated across industries, enabling the Company to efficiently and precisely overcome technical bottlenecks in intelligent equipment across various fields. Also, the Company has established synergistic advantages across multiple business segments within its R&D, supply chain and service operations. In terms of R&D, the Company has achieved comprehensive sharing of foundational, pioneering and common technologies. It has also established a mechanism for optimizing the allocation of technical resources across different business segments to facilitate the smooth transfer of technical capabilities among these segments. In terms of macro-supply chain management, the Company fully realizes resource synergies for products across different fields throughout all stages, including planning, procurement, production, quality management, installation and commissioning, thereby ensuring low-cost, high-efficiency product delivery across all areas. In terms of services, the Company has further standardized its service methods and execution capabilities, and established and shared standardized service resources to enhance the customer experience across all areas. As a result, the Company is well-positioned to continuously capture growth opportunities in various industries, benefit from diversified growth curves and build resilience against cyclical fluctuations in any single industry.

(III) Industry-Leading Technical Strength Builds Strong Core Barriers

The Company is committed to the dual drive of independent R&D innovation and production. It possesses multiple high-level R&D platforms, including a National Enterprise Technology Center, a National Postdoctoral Research Station and the Jiangsu Provincial Lithium-ion Battery Equipment Engineering Center. It serves as a Key High-Tech Enterprise of the National Torch Program, a Single Champion Product Enterprise and a Benchmark Factory for the Industrial Internet in Jiangsu Province. It was also recognized as a National Technological Innovation Demonstration Enterprise by the Ministry of Industry and Information Technology (MIIT). In recent years, the annual R&D investment of the Company accounted for more than 10% of its revenue. It assembled an experienced R&D team, which established significant advantages in the core technologies, key processes and system integration of intelligent equipment. During the Reporting Period, the Company and its wholly-owned subsidiaries were granted a total of 778 patents, including 182 invention patents, 573 utility model patents and 23 design patents. As of the end of the Reporting Period, the Company and its wholly-owned subsidiaries were granted a total of 3,592 nationally authorized patents. With years of practical experience, the Company has conquered numerous key core technologies in fields such as intelligent lithium-ion battery equipment, and has built strong core technical barriers, emerging as a turnkey solution provider for lithium-ion batteries with 100% independent intellectual property rights.

(IV) Efficient and Intelligent Customized Service Model Deepens Customer Engagement

Guided by its commitment to fully serving customer needs in R&D, the Company has built a flexible and comprehensive R&D system. It tailors exclusive solutions based on specific customer requirements, offering end-to-end planning, design and optimization services – from initial concept to final implementation – that cover every stage of battery production. Rooted in the core principles of high efficiency and adaptability, its proprietary modular R&D approach ensures that the system can quickly accommodate adjustments and upgrades, which in turn significantly shortens the changeover cycle for production lines and enables customers to respond nimbly to shifting market conditions. This approach realizes effective cost control and efficiency gains, helping customers achieve highly efficient operations and sustainable development for their production lines.

(V) Cost Advantages Driven by Economies of Scale Strengthen Market Competitiveness

The Company is dedicated to technological innovation. By continuously improving production processes, optimizing turnkey solutions and promoting the integration of digital intelligence, the Company spearheads a comprehensive upgrade of production workflows to reduce costs and enhance efficiency. In terms of production processes, drawing on its long-term research into battery manufacturing workflows and parameters, it applies numerous innovative technologies to optimize process flows and layouts. This enhances equipment productivity, lowers overall costs for customers and ensures the stability of end products. In terms of turnkey solutions, it iteratively refines production processes and manufacturing technologies. By streamlining and integrating workflows, it enhances overall efficiency, generating higher returns for customers while reducing energy consumption and management costs, which in turn drives a dual enhancement in both production efficiency and product quality. In terms of digital and intelligent integration, it actively incorporates advanced technologies such as intelligent manufacturing systems, the Internet of Things (IoT) and big data. It has independently developed the LEADACE platform, as well as PHM (Prognostics and Health Management), PQM (Production Quality Management) and PEM (Production Execution Management) systems. By making the production process digital, intelligent and transparent, it achieves equipment failure alert, closed-loop quality control and increased production efficiency. This not only improves manufacturing flexibility but also lowers production costs and energy consumption, creating greater value for enterprises.

(VI) Flat and IT-Driven Management Processes Ensure Operational Efficiency

The Company's core management team remains stable. Built upon a business unit model, the Company has established a flat and efficient operational management structure, enabling highly effective collaboration among different business units and functional departments. The Company advocates the values of being "customer-centric, hardworking, honest and pragmatic, selflessly accountable, comprehensively innovative, focused, striving for perfection, reputation-driven, and fast" to foster a practical and highly efficient work style. The workforce features a well-balanced distribution of knowledge and age, ensuring robust execution and organizational capabilities. Meanwhile, the Company continuously leverages information technology to optimize workflows, maximizing management efficiency and providing solid support for smooth and highly efficient business operations.

Analysis of Principal Businesses

In 2025, the global power battery market continued to pick up, and demand in the energy storage sector experienced robust growth. As overall industry demand continued to rebound, leading domestic battery manufacturers witnessed increased utilization rates and an orderly acceleration in production capacity expansion. During the Reporting Period, the Company seized the opportunities of industry recovery and stayed focus on the core goal of high-quality development. It deeply advanced its dual strategies of international and platform development, focusing on four key areas of technological innovation, market expansion, operational efficiency enhancement and green development. The Company built strong core barriers through technological innovation, cultivated domestic and international markets through customer collaboration, enhanced operational efficiency through digital transformation, and fulfilled its social responsibilities through green and low-carbon practices. Over the year, the Company's operating performance and order volume bottomed out and returned to a path of rapid growth. The pace of order delivery and project acceptance accelerated accordingly, and the overall profitability increased significantly. Core financial indicators continued to improve, further consolidating the Company's leading position in the new energy intelligent equipment sector and continuously strengthening its operational resilience and sustainable development capabilities.

The Company generated revenue of RMB14,358.0 million in 2025, representing a year-on-year increase of 22.0%. Net profit amounted to RMB1,559.8 million, representing a year-on-year increase of 482.0%. Cash flow from operating activities significantly improved from a net outflow of RMB1,567.1 million in 2024 to a net inflow of RMB4,949.3 million for the year. Cash collection improved significantly, with profitability and capital operation efficiency optimized accordingly. By business segment, the principal business of lithium-ion battery intelligent equipment resumed rapid growth, which generated revenue of RMB9,450.7 million during the year, representing a year-on-year increase of 22.9%, with its industry-leading advantage continuing to enhance. In terms of segments outside lithium-ion battery operations, the PV intelligent equipment operations generated revenue of RMB1,122.6 million, representing a year-on-year increase of 29.5% with its revenue share rising to 7.8%. The automotive intelligent production line operations generated revenue of RMB899.6 million, representing a year-on-year increase of 615.6%. These results demonstrated the gradual success of the Company's platform development strategy. In addition, 3C, intelligent logistics and hydrogen energy operations also made positive progress in securing orders and developing new products. Other business segments of the Company, such as operations and maintenance services, continued to grow their contribution to both revenue and profitability. Meanwhile, the Company's overseas operations maintained continuous growth despite the complex international landscape, and generated revenue of RMB3,128.6 million during the year, representing a year-on-year increase of 10.5% with a revenue share of 21.8%. Gross margin improved to 40.7% year on year. The Company continued to deepen its overseas presence, marking a shift towards high-quality advancement in its globalization efforts.

During the Reporting Period, the Company made solid progress in its business operations by focusing on four core directions, as detailed below:

(I) Accelerated Technological Innovation and Product Iteration to Strengthen Leadership in High-End Equipment

In 2025, committed to a dual focus on independent innovation and process development, the Company continued to increase its R&D investments. It deeply cultivated its core segment in high-end new energy equipment, and focused on achieving critical breakthroughs in areas such as solid-state batteries, sodium-ion batteries, energy storage and cutting-edge PV equipment. By building strong technical barriers and securing a commanding position in the industry, it successfully promote the efficient industrialization of its technological achievements. In the solid-state battery equipment sector, leveraging its fully independent intellectual property rights, the Company streamlined the entire mass production process. This enabled the Company to provide comprehensive coverage for both turnkey and core manufacturing stages, and deliver industry-leading core equipment performance. The Company continuously deepened collaborative validation with multiple leading domestic and international customers across core process stages, including dry electrodes, isostatic pressing, solid-state stacking, insulating frames and high-voltage formation, and successfully integrated into the supply chains of top-tier domestic and international battery manufacturers and renowned automakers. It completed batch deliveries and secured repeat orders, establishing itself as the core equipment backbone for the industrialization of solid-state batteries. In the sodium-ion battery equipment sector, the Company's production lines completed batch deliveries. In the energy storage equipment sector, it assisted multiple global leading enterprises in delivering GWh-scale energy storage projects, with cumulative order volume leading the industry. In the PV equipment sector, the Company pioneered a GW-scale TOPCon smart factory solution and achieved breakthroughs in TOPCon 3.0 technology, boosting mass production efficiency to ≥26.5% and increasing overall line efficiency by nearly 0.8%. With a comprehensive portfolio of perovskite laboratories, pilot lines and production-level solutions, the Company successfully assisted multiple customers in advancing their perovskite mass production processes. Its independently developed XBC string welding machine ranked first globally in terms of shipment volume, which significantly accelerated the mass production of BC battery modules.

(II) Deepened Cooperation with Leading Global Customers with Significant Achievements in Overseas Expansion

In 2025, the Company steadfastly advanced its globalization strategy. Taking the principles of "deepening presence in core markets, expanding into emerging regions, deepening customer collaboration, and enhancing local operations" as its drivers, the Company continuously enhanced its global business framework. Its efforts in overseas market expansion and customer collaboration yielded remarkable results, further solidifying its core global competitiveness. On the one hand, the Company optimized its global market footprint. While consolidating its core competitive advantages in the European market, it also ramped up expansion efforts in other key overseas regions. By establishing a marketing and service network that covers the world's major new energy industrial clusters, it achieved targeted penetration into overseas markets. On the other hand, the Company deepened strategic partnerships with leading global customers. By focusing on the production capacity upgrades and technological iteration needs of its international customers, it provided customized turnkey solutions and full-lifecycle services. This approach supported the mass export of its core equipment for solid-state batteries and lithium-ion batteries, which enabled the Company to successfully integrate into the leading supply chains of leading overseas battery manufacturers and renowned automakers, with its products and services earning high recognition from customers. During the Reporting Period, the size of the Company's overseas operations grew steadily, and profitability continued to improve. The counter-cyclical advantages of the global footprint were fully demonstrated, injecting robust international momentum into the Company's long-term development.

(III) Strengthened Intelligent Manufacturing and Digitalization to Support High-Quality Development of the Company

In 2025, the Company seized the opportunities of intelligent manufacturing and digital transformation. Leveraging technological integration with an aim to improve quality and efficiency, the Company systematically advanced its digital and intelligent upgrades. By building an end-to-end intelligent manufacturing system, the Company not only enhanced its own operational efficiency but also empowered and delivered added value to downstream customers. The Company deeply integrated cutting-edge digital technologies, such as AI, digital twins and the IoT, to build an intelligent manufacturing IoT cloud platform. This initiative supported the comprehensive cloud migration of sub-domains of its principal businesses, and effectively shortened product development cycles, improved equipment production consistency and lowered defect rates, thereby solidifying the foundation of internal digital operations. Building on this and leveraging years of technical expertise, the Company developed the highly customizable intelligent manufacturing system, LEADACE, which enabled standardized and intelligent management across the entire process – from raw material control, production scheduling and workshop manufacturing to finished product packaging and logistics delivery – providing customers with a closed-loop, comprehensive information-based solution. As of the end of the Reporting Period, digital applications such as ultrasonic welding anomaly detection, closed-loop liquid injection control and predictive equipment maintenance were deployed at large scale, which effectively improved production line yields and reduced operational and maintenance costs. These advancements supported downstream new energy manufacturers in achieving lean production, cost reduction and efficiency enhancement, advancing the industry's intelligent manufacturing standards to the next level.

(IV) Reinforced ESG and Low-Carbon Practices to Lead the Industry's Green Development

During the Reporting Period, the Company continued to deepen its efforts in the ESG field, promoting the industry's green transformation through systematic practices.

As the first company in China's new energy equipment industry to publish a White Paper on Climate Efforts, the Company comprehensively disclosed its climate action achievements based on the international TCFD framework. This provided a replicable "pioneering solution" for the low-carbon transition of the global new energy industry. The Company made a solemn commitment in the white paper: to reach peak carbon emissions in its core operations (Scope 1 and 2) by 2030, and to achieve carbon neutrality in its core operations by 2035. It also established a three-tier climate governance structure led by the Board to reinforce emission reduction responsibilities across the entire workforce. Meanwhile, the Company's green manufacturing practices set new records once again. In April 2025, its Wuxi Plant II obtained the ISO 14068 carbon-neutral factory certification, making it the first company in this domestic sector to receive such certification. By implementing measures such as clean production, intelligent energy management and prudent carbon offsetting, the Company achieved carbon neutrality in its factory operations, offering a verifiable implementation path for the low-carbon transition in the new energy equipment sector. During the Reporting Period, the Company's ESG performance earned multiple authoritative recognitions, including a "B" rating in both the CDP climate change and water security questionnaires, inclusion in the S&P Global Sustainability Yearbook 2025 (China Edition), receipt of the "Industry Mover Award" and a Wind ESG AA rating, as well as a spot on the "2025 Global Energy ESG Top 100 List".

Outlook on the Company's Future Development

(I) Development Trends in the New Energy Industry

As the global energy transition deepens and the "dual carbon" goals are steadily implemented, lithium-ion batteries and PV, as the core segments of the new energy industry, are both entering a new phase of high-quality development. Overall, they present a common trend of positive long-term demand, accelerated technological iteration and a concentrated industry landscape, providing abundant momentum for long-term growth.

In the lithium-ion battery sector, demand is driven jointly by power batteries and energy storage batteries. The growth rate of energy storage batteries is leading the way and is expected to gradually become the largest sub-sector for demand. Coupled with the expansion into emerging scenarios such as electric ships and eVTOL, the room for growth continues to expand. The industrialization of solid-state batteries is accelerating, breaking through the bottlenecks of traditional lithium-ion batteries with their high energy density and enhanced safety, making them the primary direction for technological innovation. The industry's Matthew effect is becoming more pronounced as the phasing out of small- and medium-sized production capacities is speeding up, and resources are concentrating among leading enterprises, which in turn drives the upstream equipment industry to upgrade and improve in quality. In the PV sector, the sector is undergoing short-term structural optimization and adjustment, with a slight pullback in newly installed capacity. However, medium- to long-term demand remains rigid, and the sector is expected to resume high growth during the "15th Five-Year Plan" period. Technological iteration continues to accelerate, with the practical application of intelligent PV and the integration of solar, wind and energy storage. Cutting-edge technologies such as XBC, 0BB and perovskite are gradually entering mass production, consistently driving down the cost per kilowatt-hour. Driven by the rigid global demand for clean energy substitution, PV will continue to reinforce its core position in the energy transition, prompting a steady release of demand for high-end equipment.

(II) Development Strategy of the Company

In response to new opportunities and challenges brought by the transformation of the global new energy industry, the Company will remain committed to its principal business of high-end equipment manufacturing. With a focus on key sectors including lithium batteries, PV and hydrogen energy, it will devote its efforts to three core strategies of "operational excellence, steady growth and adaptive innovation" to reinforce its core competitiveness, build long-term growth momentum and continuously consolidate its position as a global leader in new energy equipment.

First, the Company will reinforce operational excellence to build a solid foundation for development. With product quality as the core, it will strictly implement lean management across the entire value chain. By deeply optimizing its cost structure, production processes and supply chain systems, it ensures superior product performance, efficient delivery and manageable costs. Adhering to a customer-centric approach, the Company will focus on customers' core needs and strengthen its three core advantages in technology, cost and delivery through an integrated product development system, thereby improving customer service quality and response efficiency, and increasing customer loyalty and market recognition.

Second, the Company will maintain steady growth to achieve sustainable development. Rooted in strengthening core competitiveness, it will consolidate its advantages in the core businesses of lithium-ion batteries and PV, optimize its business layout and improve the quality of its products and services. Guided by the principles of market orientation, resource synergy and steady progress, the Company will prudently pursue diversified business expansion by rationally tapping into emerging sectors in order to smooth out cyclical industry fluctuations, broaden revenue streams, reduce operational risks, and achieve steady growth in both revenue and profit.

Third, the Company will promote agile innovation to seize development opportunities early on. It will focus on the R&D of high-tech and high-value-added products and align with the industry's future direction through a forward-looking approach to cutting-edge technologies and emerging markets, such as solid-state batteries, sodium-ion batteries, perovskite and hydrogen energy equipment. Relying on its professional and efficient R&D and operations teams, the Company will respond swiftly to market changes and customer needs, concentrate resources to overcome core technological bottlenecks and accelerate the industrialization of innovative achievements to facilitate product upgrades and business expansion through technological innovation, thus continuously consolidating its leading global industry position.

(III) Potential Risks and Measures to be Taken

1. Risks of macroeconomic and industry policy changes

Demand for the Company's products is highly correlated with the capacity expansion of downstream sectors, such as lithium-ion batteries, PV and 3C. The industry's performance is heavily influenced by fixed-asset investment and production capacity expansion cycles. Any significant adverse changes in the external economic environment or industry support policies may have an adverse impact on the Company's intelligent equipment operations.

Measures to be taken: The Company will maintain close monitoring of changes in the macro-economy, industry policies and market demand, and actively respond to national strategic directives. It will maintain a customer-centric approach, and consistently enhance product performance and service quality. It will increase R&D investment in new technologies, new products and new processes focused on the frontiers of new energy equipment, while actively developing emerging growth drivers in sectors such as solid-state battery equipment and sodium-ion smart equipment. It will continue to deepen lean operations and internal management reforms by implementing multiple measures to reduce costs and enhance efficiency, thereby continuously strengthening the Company's overall resilience against risks of macroeconomic and policy changes.

2. Accounts receivable collection risks

As of the end of the Reporting Period, the Company's accounts receivable balance was relatively large, which might have a certain impact on the Company's cash flow, capital utilization efficiency and daily operations. Any adverse changes in the macroeconomic environment and industry outlook, or significant operational difficulties encountered by customers leading to overdue or defaulted payments, may expose the Company to risks of bad debts on accounts receivable.

Measures to be taken: Adhering strictly to the principle of prudence, the Company will make reasonable provisions for bad debts based on the actual status of accounts receivable, in accordance with the Accounting Standards for Business Enterprises and the accounting policies of the Company, for a fair representation of asset values. Meanwhile, it will continue to strengthen the customer credit management system by refining customer rating, credit approval and credit limit control mechanisms to optimize the full-process management of accounts receivable. The Company will enhance information sharing and collaboration between business and finance functions. By stepping up efforts into the daily tracking, analysis and collection of receivables, it may take timely targeted actions on defaulted payments, and, when necessary, resort to legal actions to safeguard the Company's legitimate rights and interests.

3. *Inventory write-down risks*

The Company's inventory primarily consists of raw materials, work-in-progress, finished goods and goods delivered. As of the end of the Reporting Period, the inventory balance was relatively large, with goods delivered accounting for a high percentage. The Company's products are primarily specialized automation equipment, which requires a relatively long commissioning and acceptance period after delivery, resulting in relatively slow inventory turnover. A large inventory base may affect the efficiency of capital utilization. Any adverse changes in market conditions may hinder the smooth sale of inventory or lead to price declines, which in turn may expose the Company to inventory write-down risks.

Measures to be taken: The Company will make prudent provisions for inventory write-downs in accordance with the Accounting Standards for Business Enterprises and accounting policies for an objective representation of inventory values. Meanwhile, it will maintain an order-based production and procurement model, strictly enforce procurement management protocols, and reasonably control purchasing volumes to prevent overstocking. The Company will enhance full-lifecycle inventory management by conducting regular inventory counts and aging analyses to minimize backlogs. It will strengthen the tracking management of goods delivered and expedite the installation, commissioning and acceptance processes to improve inventory turnover and mitigate inventory write-down risks.

4. *Foreign exchange fluctuation risks*

As the Company continues to advance its internationalization strategy, the size and revenue share of its overseas operations continue to increase. The Company's export activities are primarily denominated and settled in foreign currencies such as the US dollar and the Euro. Exchange gains or losses arising from exchange rate fluctuations may have a certain impact on the Company's business performance.

Measures to be taken: The Company will employ a combination of methods, including natural hedging and foreign exchange hedging, to manage foreign exchange risks. The relevant foreign exchange hedging activities have been considered and approved by the Board. Meanwhile, the Company will deepen research and analysis of international foreign exchange markets by closely monitoring exchange rate trends and changes in the international macro environment. It will conduct rational structuring of its foreign currency assets and liabilities and adjust operational and settlement strategies in a timely manner to minimize the impact of foreign exchange fluctuations on the Company's business performance.

5. *New product R&D risks*

The new energy equipment industry is characterized by rapid technological iteration. If domestic or international competitors take the lead in achieving breakthroughs in key technologies and launching more competitive products, the returns on the Company's R&D investments may fall short of expectations, which in turn may affect the successful execution of our R&D plans.

Measures to be taken: The Company will closely monitor technological trends of the industry, changes in downstream demand and competitor dynamics to continuously enhance its R&D direction and project planning. It will accelerate the development of ongoing projects and the commercialization of research outcomes to facilitate the swift application of new technologies and products. The Company will timely adjust R&D strategies and implementation paths in response to changes in the external environment. When necessary, it will integrate external resources through M&A, joint ventures and strategic partnerships to address technological gaps, thus safeguarding the Company's core technological competitiveness and the fulfillment of long-term strategic objectives.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from RMB11,773.4 million for the year ended December 31, 2024 to RMB14,358.0 million for the year ended December 31, 2025, representing an increase of 22.0%.

Disaggregation of revenue from contracts with customers

	2025		2024	
	Revenue RMB'000	**Proportion of revenue (%)**	Revenue RMB'000	Proportion of revenue (%)
Types of goods or services				
Sales of intelligent equipment				
– Lithium-ion battery intelligent equipment	**9,450,653**	**65.8**	7,688,549	65.3
– Photovoltaic intelligent equipment	**1,122,569**	**7.8**	866,993	7.4
– 3C Intelligent equipment	**606,694**	**4.2**	688,767	5.8
– Intelligent logistics equipment	**1,155,067**	**8.1**	1,867,332	15.9
– Automotive intelligent production line	**899,614**	**6.3**	125,722	1.1
– Others	**1,123,419**	**7.8**	535,987	4.5
Total	**14,358,016**	**100**	11,773,350	100

During the Reporting Period, revenue generated from the Group's sales of lithium-ion battery intelligent equipment increased from RMB7,688.5 million for the year ended December 31, 2024 to RMB9,450.7 million for the year ended December 31, 2025, representing an increase of 22.9%. The year-on-year increase of revenue generated from the sales of lithium-ion battery intelligent equipment was primarily due to the increase in the demand from the downstream new energy industries and the revival of the energy storage market, leading to an increase in the number of orders and acceptance.

During the Reporting Period, revenue generated from the Group's sales of photovoltaic intelligent equipment increased from RMB867.0 million for the year ended December 31, 2024 to RMB1,122.6 million for the year ended December 31, 2025, representing an increase of 29.5%. The increase was primarily due to the completion of acceptance of photovoltaic intelligent equipment delivered previously by the Company during the period, leading to an increase in revenue.

During the Reporting Period, revenue generated from the Group's sales of intelligent logistics equipment decreased from RMB1,867.3 million for the year ended December 31, 2024 to RMB1,155.1 million for the year ended December 31, 2025, representing a decrease of 38.1%. The decrease in sales of intelligent logistics equipment was primarily affected by our customer acceptance cycle. The volume of the projects in hand delivered during the period was substantial but the revenue recognition conditions had not yet been met.

Cost of Sales

The Group's cost of sales increased from RMB8,235.8 million for the year ended December 31, 2024 to RMB9,950.5 million for the year ended December 31, 2025 mainly due to cost and revenue growing in tandem.

Gross Profit and Gross Profit Margin

The Group's gross profit increased from RMB3,537.5 million for the year ended December 31, 2024 to RMB4,407.5 million for the year ended December 31, 2025, representing an increase of 24.6%. Its gross profit margin increased from 30.0% for the year ended December 31, 2024 to 30.7% for the year ended December 31, 2025.

Other Income and Expenses

Other income and expenses primarily comprised value-added tax refund and additional deduction, government grants and interest income. The Group's other income and expenses increased from RMB330.3 million for the year ended December 31, 2024 to RMB332.5 million for the year ended December 31, 2025.

Other Gains and Losses

Other gains and losses primarily comprised gains from changes in fair value of financial assets measured at FVTPL, losses on derecognition of bills receivables at FVTOCI, losses on disposals of property, plant and equipment, and net foreign exchange gains. The Group's other gains and losses increased from RMB14.6 million for the year ended December 31, 2024 to RMB22.3 million for the year ended December 31, 2025, mainly due to the increase in gains from structural deposit and wealth management products compared to the previous period. At the same time, the decline in the business scale of discounted bills during the period resulted in a corresponding decrease in discounting fees, leading to an increase in the net gain for that item.

Impairment Losses (Including Reversals of Impairment Losses or Gains) on Financial Assets

In 2025, the Group reversed RMB108.7 million of impairment losses on financial assets, while it recognized RMB555.2 million of impairment losses on financial assets in 2024. This was primarily due to the impairment losses reversed on trade receivables, as well as the battery industry recovering and resuming production, which significantly improved customers' ability to make payments. The specific impairment losses on assets are as follows:

	2025	2024
	RMB'000	RMB'000
Impairment losses (reversed) recognized on:		
– trade receivables	**(115,569)**	594,183
– contract assets	**9,318**	(44,300)
– other receivables	**(2,439)**	5,287
	(108,690)	555,170

Selling and Marketing Expenses

The Group's selling and marketing expenses mainly represent traveling and business related expenses, staff cost related to sales and office expense. They decreased by 2.5% from RMB362.4 million for the year ended December 31, 2024 to RMB353.5 million for the year ended December 31, 2025, primarily due to the Company's tightening control over expenses, resulting in a slight reduction in expenditures such as business entertainment expenses.

Administrative Expenses

The Group's administrative expenses mainly represent staff costs related to administration, profession service fees, depreciation and amortization expenses, and office expenses. They decreased by 1.7% from RMB1,119.7 million for the year ended December 31, 2024 to RMB1,100.8 million for the year ended December 31, 2025, primarily due to the Company's tightening control over expenses, resulting in a slight reduction in expenditures such as business entertainment expenses and traveling expenses.

Research and Development Expenses

The Group's research and development expenses mainly represent staff costs related to research and development, raw materials costs, and depreciation and amortization expenses. They decreased by 3.9% from RMB1,670.7 million for the year ended December 31, 2024 to RMB1,605.1 million for the year ended December 31, 2025, primarily due to the completion of material investment for some ongoing research projects during the Reporting Period, while the material investment for new research and development projects had not yet reached its peak.

Income Tax (Expenses)/Credit

The Group recognized income tax expenses of RMB129.0 million in 2025 as compared to income tax credit of RMB155.8 million recognized in 2024, primarily due to an increase in profit before tax and a decrease in the amount of impairment losses recognized during the period, resulting in a corresponding increase in income tax expenses.

Net Profit

The Group's net profit for the year increased significantly from RMB268.0 million for the year ended December 31, 2024 to RMB1,559.8 million for the year ended December 31, 2025, representing a year-on-year increase in net profit of RMB1,291.8 million or 482.0%.

Inventories

The Group's inventories primarily comprise raw materials (such as controllers, electrical components, cylinders and sensors), work in progress and goods delivered. Inventories increased from RMB13,580.0 million as of December 31, 2024 to RMB14,956.7 million as of December 31, 2025 primarily due to improved demand from the downstream market. The Company had sufficient new orders, and the scale of product delivery increased significantly compared to the same period last year. As a result, the balance of goods shipped but not yet accepted at the end of the period rose accordingly.

	2025	2024
	RMB'000	RMB'000
Raw materials	**670,139**	502,921
Work in progress	**3,631,050**	4,050,507
Goods delivered	**10,655,501**	9,026,593
	14,956,690	13,580,021

Liquidity and Financial Resources

For the year ended December 31, 2025, the Group's operating cash inflows amounted to RMB4,949.3 million, as compared to operating cash outflows of RMB1,567.1 million for the year ended December 31, 2024. The increase in net cash inflows was primarily due to higher cash collections from sales of goods during the Reporting Period.

As at December 31, 2025, the Group's bank and cash balances (including time deposits and restricted bank deposits) amounted to approximately RMB6,056.7 million, which increased by RMB1,720.9 million as compared to the balance of RMB4,335.8 million as at December 31, 2024.

As at December 31, 2025, bank borrowings of the Group amounted to RMB3,047.4 million, of which RMB1,230.8 million was due within one year, and the remaining bank borrowings were due within two to five years. The balance of bank borrowings for the current year decreased by RMB1,215.4 million as compared to the balance as at December 31, 2024, which was primarily due to the repayment of bank borrowings using idle funds during the Reporting Period.

Capital Structure

The financial management department of the Group is responsible for its financial risk management, aiming to ensure that the liquidity structure of the assets, liabilities and other commitments of the Group can meet its funding needs on an ongoing basis. The borrowings of the Group are mainly settled in RMB, while its cash and cash equivalents are mainly held in RMB, U.S. dollars and Euro. The Group planned to maintain an appropriate portfolio of equity and debt during the period to ensure an effective capital structure. As at December 31, 2025, the outstanding loans of the Group were RMB-denominated loans with approximately 36.8% of these outstanding loans bearing interest at fixed rates and the remainder at floating rates. The Group monitored the capital structure by using the gearing ratio (i.e. total liabilities divided by total assets) and the debt-to-equity ratio (i.e. net debt divided by equity), with its policies to maintain financial stability and support the sustainable, healthy and rapid development of the Group's business. Net debt includes borrowings and lease liabilities, net of cash and cash equivalents, and equity includes share capital, reserves and retained profits. The gearing ratio of the Group as at December 31, 2025 was 66.3% (December 31, 2024: 67.9%). The Group maintained its financial stability.

Foreign Exchange Risk

Certain entities of the Group have sales and purchases, cash and cash equivalents, trade receivables and trade payables denominated in foreign currencies such as U.S. dollars and Euro. The Group did not experience any material difficulties or impact on its operations or liquidity as a result of fluctuations in currency exchange rates. The Group believes that it will have sufficient foreign currencies to meet its foreign exchange needs and will take effective measures to prevent foreign exchange risks.

Pledge of Assets

As at December 31, 2025, the Group had restricted assets with a total carrying amount of RMB884.8 million, which were used to issue bills payables or place structured bank deposits. These assets included restricted bank deposits of RMB808.8 million and time deposits of RMB76.0 million.

Significant Investments

As at December 31, 2025, the Group had no significant investments (including any investments in an investee with a value of 5% or more of the Group's total assets).

Future Plans for Material Investments and Capital Assets

As at December 31, 2025, the Group had no plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group had no material acquisitions or disposals of its subsidiaries, associates or joint ventures.

Contingent Liabilities

As at December 31, 2025, the Group had no material contingent liabilities.

Employees, Training and Remuneration Policy

1. Employees

The Company adheres to a talent philosophy of "being people-oriented, utilizing everyone's strengths, and maximizing their potential", and places great emphasis on the protection of employees' rights and career development. The Company strictly complies with laws and regulations, while fully implementing national requirements and standards in areas such as labor employment, workplace safety and hygiene, social security and occupational health to effectively safeguard its employees' fundamental rights and interests. The Company insists on equal employment and equal pay for equal work, and opposes any form of discrimination to provide a fair, open and inclusive development platform for employees regardless of gender, age, nationality and race. Meanwhile, the Company continuously refines its internal management systems and employee care mechanisms to build harmonious and stable labor relations, thereby supporting employees in their growth and development while enabling mutual progress and shared success between employees and the Company. As of December 31, 2025, the Group had 15,173 employees (December 31, 2024: 15,025 employees). In 2025, the Group's total employee costs amounted to approximately RMB3,596.8 million (2024: approximately RMB3,704.3 million).

2. Training

During the Reporting Period, to support the execution of its globalization strategy and develop as a learning-oriented organization, the Company established a systematic training system that covers all employees throughout their entire career lifecycles. The Company developed and implemented multi-tiered talent development programs, encompassing onboarding training for new employees, general and professional capability enhancement. and leadership development for management teams. The Company actively facilitated the digital transformation of its talent development initiatives. By continuously enhancing the "Lead e-Learning" online learning platform and adopting a blended learning model integrating "online + offline" approaches, the Company expanded training coverage, enhanced accessibility, and boosted employees' initiative in participation, and thus fostered a comprehensive upgrade of the training system.

In 2025, the Company continued to increase investment in training, and organized numerous training sessions of various types, achieving 100% employee participation in training. Overall training engagement, learning activity and average learning hours per employee remained at high levels. Online learning has become a core scenario for employees to upskill, providing a solid foundation for the Company to cultivate a highly qualified, professional workforce and sustain high-quality growth over the long term.

3. Remuneration Policy

During the Reporting Period, the Company continued to optimize its employee remuneration system., refined role-based responsibility and performance evaluation mechanisms, and established comprehensive mechanisms for job competition, incentives and exits. These efforts continuously improved internal mobility and organizational vitality, fully ignited employee initiative and creativity, and provided employees with broad career development opportunities and a stable platform for growth.

Guided by its mission, vision and values, the Company closely aligned performance management with its strategic goals, striving to build a highly performance-driven corporate culture and organizational structure. The Company adopted a standardized management model that combines annual and semi-annual performance evaluations with monthly performance tracking. Through clear goal setting and process management, the Company effectively guided employees to maximize their personal value, fostering coordinated development and mutual success between employees and the Company.

Meanwhile, the Company continued to reinforce the role of performance-based incentives. By empowering managers through authorization, recognizing and rewarding outstanding employees, and refining incentive and constraint mechanisms, the Company consistently attracted, cultivated and retained top talents, and thus further elevated organizational efficiency and core competitiveness.

Executive Directors

Mr. Wang Yanqing (王燕清), aged 60, is our executive Director, chairman of the Board and general manager. Mr. Wang is primarily responsible for the overall strategic planning, business development and management of our Group, and serving as the chairperson of the Strategy Committee and a member of the Nomination Committee.

Mr. Wang has extensive experience in the field of equipment manufacturing industry. Mr. Wang founded our Company in April 2002 and has served as a Director, chairman of the Board and general manager of our Company since then. Prior to founding our Group in 2002, Mr. Wang had served as an assistant equipment engineer at a radio factory in Wuxi and worked at a condenser equipment factory. Mr. Wang completed the courses of New Era Entrepreneur Development Program (新時代民營企業家培養計劃) at Tsinghua University (清華大學) in November 2020, and graduated from Changzhou Radio Industrial School (常州無線電工業學校) majoring in mold design and manufacturing in July 1986.

Mr. Wang Jianxin (王建新), aged 58, is our executive Director. Mr. Wang Jianxin is responsible for the overall strategic planning and management of our Group, and serving as a member of the Remuneration and Appraisal Committee.

Mr. Wang Jianxin joined our Group as the manager of procurement department of our Company in April 2002 and was appointed as our Director in December 2011. He currently also serves as supervisors in certain of our subsidiaries. He also served as our deputy general manager from December 2011 to February 2021.

Prior to joining our Group, Mr. Wang Jianxin worked at Wuxi Electric Power Capacitor Factory (無錫電力電容器廠). He also worked at Wuxi Industrial Boiler Factory (無錫工業鍋爐廠) from January 1992 to February 2002. Mr. Wang Jianxin obtained his bachelor's degree in thermal energy engineering from Jiangsu Institute of Technology (江蘇工學院) in the PRC in July 1990.

Mr. You Zhiliang (尤志良), aged 59, is our executive Director and employee representative Director. Mr. You is primarily responsible for the overall strategic planning and management of our Group, and serving as a member of the Strategy Committee.

Mr. You joined our Group in April 2006 and was appointed as our Director in December 2011. He currently also serves as a supervisor at Jiangsu Lead Huineng Technology Research Co., Ltd. (江蘇先導匯能技術研究有限公司), a subsidiary of our Company. He also served as our deputy general manager from April 2006 to February 2018. Prior to joining our Group, Mr. You worked at Wuxi Tongrong Electronics Co., Ltd. (無錫通容電子有限公司) from August 1988 to March 2006.

Mr. You obtained a technical secondary school diploma in electronic components from Huaiyin Electronic Industrial School (淮陰電子工業學校) in the PRC in July 1988.

Mr. Wang Lei (王磊), aged 33, is our executive Director. Mr. Wang Lei is primarily responsible for the overall strategic planning and management of our Group.

Mr. Wang Lei joined our Group and was appointed as our Director in February 2018. Mr. Wang Lei has served as the chairman of the board of directors at Jiangsu Leadmicro Nano Technology Co., Ltd. (江蘇微導納米科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688147), since October 2018. Mr. Wang Lei worked at Jiangsu Hengyuntai Information Technology Co., Ltd. (江蘇恒雲太信息科技有限公司) from September 2017 to February 2018 and CKD (China) Co., Ltd. (喜開理(中國)有限公司) from June 2017 to September 2017.

Mr. Wang Lei obtained his bachelor's degree from Rutgers, The State University of New Jersey in the United States in January 2017.

Independent Non-executive Directors

Ms. Zhang Mingyan (張明燕), aged 70, is our independent non-executive Director. Ms. Zhang is primarily responsible for supervising and providing independent opinion and judgment to the Board, and serving as the chairperson of the Audit Committee and a member of the Remuneration and Appraisal Committee and the Nomination Committee.

Ms. Zhang joined our Group and was appointed as our independent Director in February 2021. She served as an independent director at Xinyaqiang Silicon Chemistry Co., Ltd. (新亞強硅化學股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603155), from November 2018 to January 2025.

Ms. Zhang worked at Nanjing University of Science and Technology (南京理工大學), Taizhou Institute of Science and Technology of Nanjing University of Science and Technology (南京理工大學泰州科技學院), Pujiang Institute of Nanjing University of Technology (南京工業大學浦江學院), Suzhou Gaobo Software Vocational and Technical College (蘇州高博軟件職業技術學院), and Nanjing Audit University Jinshen College (南京審計大學金審學院).

Ms. Zhang also held positions at several companies listed on the Shanghai Stock Exchange, including an independent director at Nanjing Xixia Construction Co., Ltd. (南京棲霞建設股份有限公司) (stock code: 600533), from October 2012 to October 2018, an independent director at Nanjing Canatal Data Centre Environmental Tech Co., Ltd. (南京佳力圖機房環境技術股份有限公司) (stock code: 603912), from October 2015 to October 2021, and an independent director at North Electro-Optic Co., Ltd. (北方光電股份有限公司) (stock code: 600184) from March 2016 to May 2023. Ms. Zhang also served as a director at Everbright Sun Life Insurance Co., Ltd. (光大永明人壽保險有限公司) and an independent director at Anshun Holdings Co., Ltd. (安順控股股份有限公司).

Ms. Zhang obtained her bachelor's degree in accounting from Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 1982.

Mr. Dai Jianjun (戴建軍), aged 56, is our independent non-executive Director. Mr. Dai is primarily responsible for supervising and providing independent opinion and judgment to the Board, and serving as the chairperson of the Nomination Committee and a member of the Strategy Committee and the Audit Committee.

Mr. Dai joined our Group and was appointed as our independent Director in May 2022. Mr. Dai currently serves as a senior partner at Jiangsu Zhibang Law Firm (江蘇致邦律師事務所), where he has served as a practicing lawyer since October 1996. He has also served as a supervisor at Nanjing Sample Technology Co., Ltd. (南京三寶科技股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 01708), since August 2003. Additionally, he also served as an independent director at Nanjing Canatal Data-Centre Environmental Tech Co., Ltd. (南京佳力圖機房環境技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603912) from October 2015 to October 2021, and served as an independent non-executive director at Nanjing Sample Technology Co., Ltd. from October 2006 to October 2012. Mr. Dai also worked at Southeast University (東南大學).

Mr. Dai received his bachelor's degree in economic administration from Party School of C.P.C. Jiangsu Committee (中共江蘇省委黨校) in the PRC in July 2010. Mr. Dai qualified as a practicing lawyer in the PRC in 1996.

Ms. Wong Sze Wing (黃斯穎), aged 48, is our independent non-executive Director. Ms. Wong is primarily responsible for supervising and providing independent opinion and judgment to the Board, and serving as the chairperson of the Remuneration and Appraisal Committee and a member of the Audit Committee.

Ms. Wong has served as the joint president of Hangzhou Yingde Gases Company Limited (杭州盈德氣體有限公司) (formerly known as Yingde Gases Group Company Limited (盈德氣體集團有限公司) which previously listed on the Main Board of the Stock Exchange) since August 1, 2025, she joined the company since February 2009, and has since served as the joint company secretary and the chief financial officer. Prior to that, she served as the chief financial officer of Orange Sky Entertainment Group (International) Holding Company Limited (橙天娛樂集團(國際)控股有限公司) from August 2007 to July 2008, and worked at PricewaterhouseCoopers from September 2001 to October 2006 with last position as a manager.

Ms. Wong also currently serves as independent non-executive director at several companies listed on the Main Board of the Stock Exchange, including CNGR Advanced Material Co., Ltd. (中偉新材料股份有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 2579) and the Shenzhen Stock Exchange (stock code: 300919)) since November 2025, REPT BATTERO Energy Co., Ltd. (瑞浦蘭鈞能源股份有限公司) (stock code: 00666) since November 2022, Giant Biogene Holding Co., Ltd. (巨子生物控股有限公司) (stock code: 02367) since April 2022, Rici Healthcare Holdings Limited (瑞慈醫療服務控股有限公司) (stock code: 01526) since June 2016 and Orange Sky Golden Harvest Entertainment (Holdings) Limited (橙天嘉禾娛樂集團(國際)控股有限公司) (stock code: 01132) since April 2010. Ms. Wong also served as an independent non-executive director at Ganfeng Lithium Co., Ltd. (江西贛鋒鋰業股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 01772) and the Shenzhen Stock Exchange (stock code: 002460), from July 2018 to April 2024, an independent director at Zhejiang Dahua Technology Co., Ltd. (浙江大華技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002236), from May 2017 to August 2020, an independent director at Wangsu Science and Technology Co., Ltd. (網宿科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 300017), from April 2017 to June 2023, and an independent non-executive director of Xinjiang La Chapelle Fashion Co., Ltd., a company previously listed on the Main Board of the Stock Exchange (stock code: 06116), and subsequently delisted in November 2024, from January 2021 to June 2021.

Ms. Wong obtained a bachelor's degree in business administration from the University of Hong Kong (香港大學) in Hong Kong in November 2001. She also obtained an EMBA from the China Europe International Business School (中歐國際工商學院) in the PRC in July 2012. Ms. Wong is also a member of the Hong Kong Institute of Certified Public Accountants.

Senior Management

Mr. Wang Yanqing (王燕清), is our executive Director, chairman of the Board and general manager. See "— Executive Directors" in this section for his biographical details.

Dr. Yao Yao (姚遙), aged 38, is our deputy general manager and Board secretary. He is primarily responsible for the investment and financing planning, Shareholders' general meetings, Board matter and securities affairs of our Group. Dr. Yao joined our Group in September 2023 and has served as our deputy general manager and Board secretary since then. Prior to joining our Group, from June 2021 to August 2023, Dr. Yao served as the deputy general manager at Shanghai Milkground Food Tech Co., Ltd. (上海妙可藍多食品科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600882). From March 2020 to June 2021, Dr. Yao served as the executive general manager of the investor relations department at Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600655). From June 2015 to February 2020, Dr. Yao also successively served as industry researcher and chief analyst at GF Securities Co., Ltd. (廣發証券股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 01776) and the Shenzhen Stock Exchange (stock code: 000776).

Dr. Yao obtained his doctorate degree in structural engineering from Princeton University in the United States in June 2015 and his bachelor's degree in civil engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2010. He also possesses board secretary qualifications from both the Shenzhen Stock Exchange and the Shanghai Stock Exchange.

Dr. Yao was honored with numerous awards, including New Fortune Gold Medal Board Secretary (新財富金牌董秘), New Fortune Magazine Best Board Secretary (新財富雜誌最佳董秘), China Listed Companies Yinghua Award Outstanding Board Secretary (中國上市公司英華獎優秀董秘), China Listed Companies Sunshine Board Secretary (中國上市公司陽光董秘), Cailian Press Elite Board Secretary (財聯社精英董秘) and Shanghai Securities News Eagle Gold Quality Outstanding Board Secretary (上證鷹金質量優秀董秘).

Mr. Ni Hongnan (倪紅南), aged 54, is our deputy general manager. He is primarily responsible for the production management of our Group.

Mr. Ni joined our Group in February 2006 and was appointed as our deputy general manager in December 2011. From February 2006 to November 2011, he successively served as the director of the assembly workshop and manager of our production department. Prior to joining our Group, from March 2000 to January 2006, Mr. Ni served as the head of the equipment department at Wuxi Qiangsheng Steel Co., Ltd. (無錫市強盛鋼鐵有限公司). From August 1992 to February 2000, Mr. Ni served as a technician at Wuxi Xingfa Light Steel Plant (無錫市興發輕鋼廠).

Mr. Ni obtained his college diploma in electrical automation from Jiangnan University (江南大學) in the PRC in July 1994.

Mr. Sun Jianjun (孫建軍), aged 49, is our deputy general manager. He is primarily responsible for the R&D of our Group.

Mr. Sun joined our Group in December 2009 and was appointed as our deputy general manager in May 2013. From December 2009 to May 2013, he served as a mechanical engineer at our Company. Prior to that, he worked at Hoerbiger (Wuxi) Automation Technology Co., Ltd. (賀爾碧格(無錫)自動化技術有限公司) from February 2007 to January 2010. From January 2001 to January 2007, he worked at Hitachi Maxell (Wuxi) Co., Ltd. (日立麥克賽爾(無錫)有限公司). From February 2000 to October 2000, he worked at Jiangsu Xinsu Machinery Manufacturing Co., Ltd. (江蘇新蘇機械製造有限公司).

Mr. Sun obtained his bachelor's degree in mechanical design and manufacturing from China University of Mining and Technology (中國礦業大學) in the PRC in July 1999.

Ms. Guo Caixia (郭彩霞), aged 49, is our chief financial officer. She is primarily responsible for the overall financial management of our Group.

Ms. Guo joined our Group in January 2021 and was appointed as our chief financial officer in May 2023. From January 2021 to April 2023, Ms. Guo served as the director of financial management department of our Company.

Prior to joining our Group, she served as the financial director at ZYF Lopsking Material Technology Co., Ltd. (中億豐羅普斯金材料科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002333), served as the head of group financial department at Yadea Technology Group Co., Ltd. (雅迪科技集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 01585), and worked at Midea Group Co., Ltd. (美的集團股份有限公司), a company listed on the Main Board of the Stock Exchange (Stock code: 00300) and the Shenzhen Stock Exchange (stock code: 000333).

Ms. Guo is currently pursuing a doctorate degree in business administration at Paris School of Business in France. She obtained her bachelor's degree in economics and bachelor's degree in law from Jiangxi University of Finance and Economics (江西財經大學) in September 2000.

RELATIONSHIPS BETWEEN DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang Yanqing, our executive Director, chairman of the Board, general manager and a member of our Controlling Shareholders, is (i) the father of Mr. Wang Lei, our executive Director, and (ii) the cousin of Mr. Wang Jianxin, our executive Director. Save for the aforementioned relationships, there is no financial, business, family and other material relationships between Directors or members of senior management.

Corporate Governance Report

The Board is pleased to present the Corporate Governance Report in this annual report for the year ended December 31, 2025.

COMPLIANCE WITH THE CG CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules as its own corporate governance code. As the Company's H Shares were not listed on the Stock Exchange as of December 31, 2025, the CG Code was not applicable to the Company during the year ended December 31, 2025 but has applied to the Company since the Listing Date. The Board is of the view that the Company has complied with all code provisions as set out in Part 2 of the CG Code from the Listing Date and up to the date of this annual report, except for the deviation from code provision C.2.1 of the CG Code concerning the separation of the roles of chairman and chief executive officer. Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. We do not have separate individuals serving as chairman and chief executive officer, and Mr. Wang Yanqing currently holds both roles. The Board believes that vesting the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the general manager of the Company if and when it is appropriate, taking into account the circumstances of the Group as a whole.

CORPORATE GOVERNANCE CULTURE AND VALUES

Vision: To be a world leading intelligent equipment manufacturer

Mission: Create value for customers, seek wellbeing for employees

Core culture: Excellence with Efficiency

Core values: Customer-centricity, diligence, integrity, responsibility, innovation, focus, perfection, reputation, efficiency

BOARD COMPOSITION

As of the date of this annual report, the Board comprised seven Directors, consisting of four executive Directors and three independent non-executive Directors, as follows:

Executive Directors

Mr. Wang Yanqing (王燕清)
Mr. Wang Jianxin (王建新)
Mr. You Zhiliang (尤志良)
Mr. Wang Lei (王磊)

Independent Non-executive Directors

Ms. Zhang Mingyan (張明燕)
Mr. Dai Jianjun (戴建軍)
Ms. Wong Sze Wing (黃斯穎)

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report.

The Board considers that the composition of the Board provides a strong independent element with a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Company. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable experience, knowledge and expertise to the Board for its efficient and effective functioning.

As regards the code provisions under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

INDEPENDENT NON-EXECUTIVE DIRECTORS

From the Listing Date to the date of this annual report, the Board at all times fulfilled the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing at least one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his or her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance to the Articles of Association, Directors other than the employee representatives shall be elected and appointed by the general meeting, with a term of three years and eligible for re-election upon expiry. Where relevant securities regulatory rules in places where shares of the Company are listed have other stipulations in relation to re-election of directors, such stipulations shall prevail. Employee representative Directors shall be democratically elected and removed by the assembly of employee representatives, assembly of employees or other means, and shall not subject to consideration at the general meeting.

All incumbent Directors have entered into service contract or appointment letter with the Company. Except for Ms. Wong Sze Wing, whose term of office commenced from November 17, 2025 until February 18, 2027 (i.e. the expiration of the term of office of the fifth session of the Board), the service contracts of remaining Directors shall have a term of three years commencing from February 19, 2024. Service contracts and appointments letters can be renewed from time to time in accordance with the Articles of Association and applicable laws and regulations.

None of the Directors has or is proposed to have any service contracts with any member of the Group that cannot be terminated by the employer without payment of compensation (other than statutory compensation) within one year.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association of the Company. The Nomination Committee is responsible for reviewing the Board composition, and for making recommendations to the Board on the appointment of Directors and management of Board succession.

Corporate Governance Report

RESPONSIBILITIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The Board, being the primary decision-making body of the Company, assumes responsibility for leading and overseeing the Company. The Board sets fundamental business strategies and policies for the management and operation of the Company's business and monitors their implementation.

The Board directly, and indirectly through the Board committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Company's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including executive Directors and independent non-executive Directors, bring a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and bring independent judgment to the decision-making process of the Board. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Board retains decision-making authority over all major matters relating to policy, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve a conflict of interests), financial information, the appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management team. Such arrangement will be reviewed periodically to ensure they remain appropriate to the Company's needs.

To facilitate the decision-making process, the Directors may contact the management for enquiries and further information. The Directors can also seek independent professional advice in appropriate circumstances, at the Company's expense, when performing their duties to the Company. All Directors have unrestricted access to joint company secretaries who are responsible for ensuring that the Board/committee procedures are complied with, and for advising the Board/committee(s) on compliance matters.

The Company has arranged appropriate insurance coverage on Directors' and senior management's liabilities in respect of any legal actions taken against Directors and senior management arising from the Company activities. The management of the Company has been authorized to handle matters in relation to insurance renewal or insurance purchase at the 2024 annual general meeting of the Company.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep informed of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board are made on an informed basis and are commensurate with the needs of the Company.

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in February 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. During the year ended December 31, 2025 and prior to the listing, all Directors have participated in continuous professional development by attending training course or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board.

The training received by the Directors for the year ended December 31, 2025 and up to date of this annual report is summarized as below:

Directors	Attending training	Reading materials
Executive Directors	√	√
Mr. Wang Yanqing	√	√
Mr. Wang Jianxin	√	√
Mr. You Zhiliang	√	√
Mr. Wang Lei	√	√
Independent Non-executive Directors		
Ms. Zhang Mingyan	√	√
Mr. Dai Jianjun	√	√
Ms. Wong Sze Wing	√	√

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and considers increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain, and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of the Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

In particular, the Company currently has two female Directors on the Board and will continue to work towards enhancing the gender diversity of the Board. The Directors have a balanced mix of knowledge and skills, and we have three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and, when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to competence, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to the Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect.

With regards to gender diversity on the Board, two of our seven Directors are female, and we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at the Board and senior management levels. We will maintain the current gender ratio at the Board level going forward. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to the Board.

The Company will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become the Board members, which will be reviewed by the Nomination Committee periodically to maintain gender diversity of the Board. Taking into account our existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies our board diversity policy. Furthermore, the Board has a diverse age representation ranging from 33 years old to 70 years old.

Pursuant to the board diversity policy, the Nomination Committee will from time to time discuss and agree on expected goals to ensure diversity of the Board, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective.

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the board diversity policy.

The Nomination Committee will review the board diversity policy, as appropriate, to ensure its effectiveness.

GENDER DIVERSITY

We respect the gender, age and ethnicity of each person. As of December 31, 2025, we have a total of 15,173 full-time employees (including Directors and senior management), of which 2,069 were female employees, representing approximately 13.64% of our total employees. We will continue to focus on embracing diversity within the Company and equal and respectful treatment of all of our employees in their hiring, training, wellness, and professional and personal development. To this end, we have adopted policies on compensation, dismissal, equal opportunities, diversity and anti-discrimination. Accordingly, the Company gives each job applicant an equal job opportunity, and we have an internal policy in place to ensure that there is no discrimination as to gender, age and ethnicity. In addition, we have stipulated in our internal guidelines that decision in relation to human resource management, which include but not limited to promotion, salary increment and dismissal within the Company would be based solely on the employee's performance, experience and capability. While we strive to provide equal career opportunity for everyone, we will also continue to promote work-life balance and create a happy culture in our workplace for all of our employees.

The Company values gender diversity across all levels of the Company. The following table sets out the gender ratio in the Company's workforce, including Directors and senior management, as at the date of this annual report:

	Female	Male
Board	28.75%	71.43%
Senior management	13.98%	86.02%
Other employees	13.63%	86.37%
Overall workforce	13.64%	86.36%

As at December 31, 2025, the Board had 2 female Directors, 1 female senior management and 2,069 female employees. The Board considers that the above current gender diversity is satisfactory. During the Reporting Period, there was no unfavorable factors or circumstances causing gender diversity of our employee team (including the Board, senior management and other employees) becoming more challenging or impracticable.

We will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management. We will encourage current Board members, particularly members of the Nominating Committee, to recommend female Director candidates and take other actions to help achieve greater Board diversity, such as inviting some of our outstanding mid – and senior-level female employees to attend and observe Board meetings. This will enable the Board to learn more about female candidates before they are nominated to the Board, and provide potential female candidates with the opportunity to prepare for directorships.

We will also continue to ensure that gender diversity exists in the recruitment of middle and senior level employees so that we can provide female senior management and potential successors to the Board at the proper timing to ensure gender diversity on the Board. The Company will continue to emphasize the training of female talents and provide long-term development opportunities for female employees, including but not limited to business operations, management, accounting and finance, legal and compliance. As such, we believe that the Board will have the opportunity to identify capable middle and senior level female employees for future nomination as Directors and will be able to make available a list of female candidates for such purpose.

NOMINATION POLICY

The Nomination Committee of the Company is primarily responsible for selection of candidates for Directors and senior management of the Company, and setting up criteria and procedures for selection and making recommendation. The Company has adopted a director nomination policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

Selection procedures of Directors and senior management are as follows:

(i) the Nomination Committee shall actively communicate with the relevant departments of the Company, and study the Company's demand for new Directors and senior management;

(ii) the Nomination Committee may extensively identify candidates for Directors and senior management within the Company and majority-owned (invested) enterprises and in the talent market;

(iii) to collect information such as the occupation, educational background, professional titles, detailed work experience, and all part-time jobs of the primary candidates, and prepare written materials;

(iv) to seek the consent of the nominees to the nomination, otherwise, they shall not be considered as candidates for Director or senior management;

(v) to convene a meeting of the Nomination Committee to review the qualifications of the primary candidates according to the eligibility requirements of the Directors and senior management;

(vi) to submit recommendations and relevant materials to the Board on candidates for Directors and proposed senior management appointments prior to the election of new Directors and the appointment of new senior management;

(vii) to carry out other follow-up works according to the decisions and feedback of the Board.

MECHANISMS FOR THE BOARD TO OBTAIN INDEPENDENT VIEWS AND OPINIONS

The Company has implemented the following feasible and effective mechanisms to ensure independent views and opinions are provided for the Board:

- **Board composition:** As at the end of the Reporting Period, the Board comprised of seven Directors. Among which, there were three independent non-executive Directors, representing more than one-third of Directors of the Board, and at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

- **Independence evaluation:** Each independent non-executive Director shall make annual independence confirmation annually in accordance with application laws, regulations and rules.

- **Communications between the Chairman of the Board and independent non-executive Directors:** The Chairman of the Board attaches great importance to his communications with independent non-executive Directors, and conducts at least one meeting with them in absence of other Directors annually.

- **Remuneration of independent non-executive Directors:** Independent non-executive Directors will receive fixed remuneration for their respective positions in the Board and Board Committees. In order to avoid potential bias or impairment to objectiveness and independence when making decisions, no performance-linked equity compensation will be provided for independent non-executive Directors.

- **Annual review on time devotion and independence of independent non-executive Directors:** The Board will evaluate and review the time devotion of each independent non-executive Directors and their respective participation in meeting of the Board and Board Committees, so as to ensure each independent non-executive Director has devoted sufficient time to the Board and performed their duties as a Director of the Company.

- **Management of conflict of interests:** The internal systems of the Company have set out rules on avoidance of conflict of interest, and provided guidance on actions to be taken in case of conflict of interests involving Directors.

- **Professional opinions:** All Directors can obtain all relevant data, as well as opinions and services of joint company secretary and senior management of the Company in a timely manner, so as to ensure compliance of procedures of the Board and all applicable laws and regulations. They can also seek for opinions from independent profession experts, with relevant expenses to be borne by the Company.

The Company has established official and non-official communication channels to ensure the Board can obtain independent views and opinions. Formal framework has been formulated for the Articles of Association and Terms of Reference of different Board Committees to ensure the independence and freedom of expression of independent non-executive Directors, with their opinions to be systematically considered by the Board. Executive Directors and Chairman of the Board will also directly communicate with independent non-executive Directors on a regular basis to obtain their independent views and opinions on various matters.

The Board is of the view that the implementation of the above mechanisms can effectively ensure that the Board is able to obtain independent views and opinions.

Corporate Governance Report

BOARD MEETINGS

The Company has adopted the practice of holding Board meetings regularly, which shall be held at least four regular meetings each year. The Chairman of the Board convenes a meeting and give written notice to all Directors at least 14 days before the meeting. An agenda and accompanying Board documents shall be sent, in full, to all Directors at least 3 days (or other agreed period) before the intended date of a Board or Board committee meeting. To convene an extraordinary Board meeting, the Board shall notify all Directors 3 days before the meeting. The Board shall make arrangements to ensure that all Directors are given an opportunity to put matters for discussion on the agenda of regular meetings of the Board. The minutes of the Board meetings shall be properly kept by the secretary to the Board as an important archive of the Company for 10 years. The minutes shall be signed by the Directors present at the meeting. The Directors shall be responsible for the resolutions of the Board, and the Shareholders have the right to inspect the Board resolutions.

For the year ended December 31, 2025, the record of the Directors attending the Board meetings and general meetings, during their each respective office term, are as follows:

Director	Position	Attendance/ Number of Board meetings[1]	Attendance/ Number of general meetings[2]
Mr. Wang Yanqing	Executive Director	9/9	4/4
Mr. Wang Jianxin	Executive Director	9/9	4/4
Mr. You Zhiliang	Executive Director	9/9	4/4
Mr. Wang Lei	Executive Director	9/9	4/4
Ms. Zhang Mingyan	Independent Non-Executive Director	9/9	4/4
Mr. Dai Jianjun	Independent Non-Executive Director	9/9	4/4
Ms. Wong Sze Wing	Independent Non-Executive Director	1/1	–

Notes:

(1) 9 Board meetings were held during the Reporting Period.

(2) 4 general meetings were held during the Reporting Period.

(3) Ms. Wong Sze Wing was appointed as an independent non-executive Director with effect from November 17, 2025. Since her appointment and up to December 31, 2025, 1 Board meeting of the Company was held and no general meeting was held.

BOARD COMMITTEES

We have established four Board committees in accordance with the relevant laws and regulations in the PRC, the Articles of Association and the CG Code, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, which are responsible for specific affairs of the Company respectively, and providing consultation or recommendations in relation to decision-making of the Board.

All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the websites of the Company and the Stock Exchange and are available to Shareholders.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions, and provide advice and comments to the Board. The Audit Committee comprises three members, namely Ms. Zhang Mingyan, Mr. Dai Jianjun and Ms. Wong Sze Wing, with Ms. Zhang Mingyan as the chairperson of the Audit Committee and is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

During the Reporting Period, the Audit Committee held 4 meetings. Major matters under consideration included: the Resolution on the 2024 Annual Report and Its Summary, the Resolution on the 2024 Profit Distribution Plan, the Resolution on the 2024 Self-Assessment Report on Internal Control, the Resolution on the 2025 First Quarterly Report, the Resolution on the 2025 Interim Report and Its Summary, and the Resolution on the 2025 Third Quarterly Report, etc.

For the year ended December 31, 2025, the record of the Directors attending the meetings of the Audit Committee, during their respective term, are as follows:

Name of Director	Actual attendance/ Required attendance
Ms. Zhang Mingyan *(Chairperson)*	4/4
Mr. Dai Jianjun	4/4
Dr. Guo Xiasheng[1]	4/4
Ms. Wong Sze Wing[2]	–

Notes:

(1) Dr. Guo Xiasheng resigned from his position as an independent non-executive Director and no longer served as a member of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, with effect from November 17, 2025.

(2) Ms. Wong Sze Wing was appointed as a member of the Audit Committee with effect from November 17, 2025. Since her appointment and up to December 31, 2025, no meeting of the Audit Committee of the Company was held.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses, and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises three members, namely Ms. Wong Sze Wing, Mr. Wang Jianxin and Ms. Zhang Mingyan, with Ms. Wong Sze Wing as the chairperson of the Remuneration and Appraisal Committee.

During the Reporting Period, the Remuneration and Appraisal Committee held 5 meetings. Major matters under consideration included: the Resolution on the Remuneration of Directors for 2025, the Resolution on the 2025 Restricted Share Incentive Scheme (Draft) and Its Summary, the Resolution on the Appraisal and Management Measures for the Implementation of the 2025 Restricted Share Incentive Scheme, the Resolution on the Grant of Restricted Shares to Incentive Recipients, and the Resolution on the Cancellation of Certain Restricted Shares Granted But Not Yet Vested, etc.

For the year ended December 31, 2025, the record of the Directors attending the meetings of the Remuneration and Appraisal Committee, during their respective term, are as follows:

Name of Director	Actual attendance/ Required attendance
Ms. Wong Sze Wing *(Chairperson)* [1]	–
Mr. Wang Jianxin[1]	–
Ms. Zhang Mingyan	5/5
Dr. Guo Xiasheng[2]	5/5
Mr. Wang Yanqing[3]	5/5

Notes:

(1) Ms. Wong Sze Wing and Mr. Wang Jianxin were appointed as members of the Remuneration and Appraisal Committee with effect from November 17, 2025. Since their appointment and up to December 31, 2025, no meeting of the Remuneration and Appraisal Committee of the Company was held.

(2) Dr. Guo Xiasheng resigned from his position as an independent non-executive Director and no longer served as a member of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, with effect from November 17, 2025.

(3) Mr. Wang Yanqing no longer served as a member of the Remuneration and Appraisal Committee with effect from November 17, 2025.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises three members, namely Mr. Dai Jianjun, Mr. Wang Yanqing and Ms. Zhang Mingyan, with Mr. Dai Jianjun as the chairperson of the Nomination Committee. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the board diversity policy and the director nomination policy and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the board diversity policy of the Company, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The Nomination Committee shall expand and discuss on measurable objectives for achieving diversity on the Board every year, monitor the progress of achieving such measurable objectives, and recommend them to the Board for adoption to ensure the continuous effectiveness of the diversity policy and the Board.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's gender, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board.

During the Reporting Period, the Nomination Committee held 2 meetings. Major matters under consideration included: the Resolution on the Nomination of Ms. Wong Sze Wing as Candidate for Independent Director of the Fifth Session of the Board of Directors of the Company, the Resolution on Determination of Roles of Directors of the Company, the Resolution on Early Assumption of Office of Independent Director, and the Resolution on Adjustments to the Determination of Roles of Directors of the Company, etc.

For the year ended December 31, 2025, the record of the Directors attending the meetings of the Nomination Committee, during their respective term, are as follows:

Name of Director	Actual attendance/ Required attendance
Mr. Dai Jianjun	2/2
Mr. Wang Yanqing	2/2
Ms. Zhang Mingyan[1]	–
Dr. Guo Xiasheng[2]	2/2

Notes:

(1) Ms. Zhang Mingyan was appointed as a member of the Nomination Committee with effect from November 17, 2025. Since her appointment and up to December 31, 2025, no meeting of the Nomination Committee of the Company was held.

(2) Dr. Guo Xiasheng resigned from his position as an independent non-executive Director and no longer served as a member of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, with effect from November 17, 2025.

Strategy Committee

We have established the Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. The Strategy Committee comprises three members, namely Mr. Wang Yanqing, Mr. You Zhiliang and Mr. Dai Jianjun, with Mr. Wang Yanqing as the chairperson of the Strategy Committee.

During the Reporting Period, the Strategy Committee held 2 meetings. Major matters under consideration included: the Resolution on the Issuance of H Shares and Listing on The Stock Exchange of Hong Kong Limited, the Resolution on the Conversion of the Company Into Overseas-Listed Joint Stock Company, the Resolution on the Plan on Use of Proceeds Raised From Issuance of H Shares, and the 2025 Strategic Plan for Company Development, etc.

For the year ended December 31, 2025, the record of the Directors attending the meetings of the Strategy Committee, during their respective term, are as follows:

Name of Director	Actual attendance/ Required attendance
Mr. Wang Yanqing	2/2
Mr. You Zhiliang	2/2
Mr. Dai Jianjun[1]	–
Dr. Guo Xiasheng[2]	2/2

Notes:

(1) Mr. Dai Jianjun was appointed as a member of the Strategy Committee with effect from November 17, 2025. Since his appointment and up to December 31, 2025, no meeting of the Strategy Committee of the Company was held.

(2) Dr. Guo Xiasheng resigned from his position as an independent non-executive Director and no longer served as a member of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, with effect from November 17, 2025.

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has formulated official and transparent procedures for the formulation of remuneration policy for Directors and senior management of the Group. Upon consideration and approval by the Remuneration and Appraisal Committee of the Board, the remuneration packages of Directors shall submit to the Board and general meeting for consideration and approval. Upon consideration and approval by the Remuneration and Appraisal Committee of the Board, the remuneration packages of senior management of the Company shall submit to the Board for consideration and approval.

In accordance with the Management System for Remuneration of Directors and Senior Management as considered and approved by the Company, the non-independent Directors of the Company shall receive remuneration based on their respective positions in the Company, specific duties, relevant remuneration standards of the Company and the performance of the year, and shall no longer receive director allowance. Independent Directors shall receive independent director allowance from the Company, and shall not subject to the internal performance-linked appraisal of the Company. The remuneration of senior management of the Company include basic salary, performance-based remuneration and mid-to-long-term incentives, etc. Specific remuneration shall be determined taking into consideration of combination of various factors such as the achievements of annual operating results of the Company, positions and duties of senior management, daily duty performance and other factors.

Details on remuneration of Directors for the year ended December 31, 2025 are set out in note 12 of the consolidated financial statements in this annual report.

Details of the remuneration of the senior management by band for the year ended December 31, 2025 are set out below:

Remuneration band (RMB)	Number of person(s)
Nil to 1,000,000	0
1,000,001-2,000,000	4
2,000,001-3,000,000	0
3,000,001-4,000,000	1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting period, the Board held a total of 9 Board meetings. From the Listing Date to the date of this annual report, the Board held 2 meetings to review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROLS

For governance and structure, control procedures, and compliance matters, we have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations. Our policies and procedures relate to managing our procurement and production, as well as monitoring our sales performance and product quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, or will continue to adopt, among other things, the following risk management measures, primarily characterized by:

Governance and Structure:

- A robust corporate governance structure with clearly defined roles and responsibilities for the Board and management; this includes established rules and regulations for general meetings and Board meetings; and

- a well-defined organizational structure with clearly defined responsibilities for each department.

Control Procedures:

- Risk-based approach: Internal controls are implemented based on a risk assessment of our operations. High-risk areas (such as procurement, sales and investment) receive particular attention.
- Transaction authorization: Clear authorization procedures are in place for transactions, categorized by the transaction amount and nature. Significant transactions require higher-level approval (Board or general meetings).
- Segregation of duties: Responsibilities are separated to prevent errors and fraud. Examples include separating procurement, accounting and warehousing functions.
- Documentation and record-keeping: Detailed documentation and records are maintained for all transactions.
- Asset management: Controls are in place for safeguarding assets, including regular inventory checks and reconciliations.
- Internal audit: Regular internal audits and monitoring by the Audit Committee and a dedicated audit department ensure compliance and identify potential issues.
- Specific control procedures: Detailed control procedures are outlined for sales and collections, procurement and payments, production and inventory, major decision-making, asset management and related party transactions.

Compliance:

- Our internal control system is designed to comply with relevant laws, regulations and accounting standards.

We have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations and review the implementation status of these remedial actions. To ensure the above compliance culture is embedded into everyday workflow and sets the expectations for individual behavior across the organization, we will regularly review our risk management policies and internal management procedures, adopt strict accountability internally and conduct compliance training. Our Directors are of the view that our enhanced internal control system is adequate and effective for our current operations.

All departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects, including key operational and financial processes, regulatory compliance and information security. Self-evaluation is conducted annually to confirm that control policies are properly complied with by each department. The management has reported to the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The Board is responsible for supervising the implementation and management of the risk management and internal control systems of the Company, and ensuring the effectiveness of such systems is being reviewed annually. The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources. However, such systems aim to manage instead of eliminate the risk of not achieving business goals, and solely reasonably instead of absolutely guarantee for the absence of material incorrect statement or loss.

The Company has set up a reporting channel to prevent and detect fraud, which enables the Company's employees, customers, suppliers and other members of the community can report through telephone hotlines, e-mails and the WeChat Official Account. All reports are initiated in accordance with the approved investigation program, and after the investigation is completed, the findings are reported to the relevant management and a written report is filed. Audit and Inspection Department fully protects whistleblowers and all whistleblower information is strictly confidential.

During the Reporting Period, the Board considered that the Company's risk management and internal control systems were effective and adequate after reviewing all material controls over finance, operation and compliance for the year ended December 31, 2025. The Board will review the Company's risk management and internal control system annually.

INSIDER INFORMATION DISCLOSURE POLICY

The Group has formulated insider information disclosure management policy, aiming to ensure the insider information management procedures and monitoring measures are in compliance with applicable laws and regulations and regulatory rules of places where the Company is listed. Except where insider information qualifies for exemption or safe harbour as permitted by laws, regulations and regulatory rules, the Group shall timely and fairly announce insider information to the public through designated information disclosure platforms of the Shenzhen Stock Exchange and the HKEXnews of the Hong Kong Stock Exchange. All Directors, senior management and relevant employees must take reasonable precaution measures to keep strict confidentiality of undisclosed insider information and information to be disclosed before making announcement. If the Group is of the view that the necessary level of confidentiality cannot be maintained, the Group will disclose relevant insider information to the public as soon as reasonable practicable in a timely manner.

The Group will review the implementation and effectiveness of insider information disclosure policy on regular basis to ensure continuous compliance of applicable compliance requirements.

ANTI-CORRUPTION, ANTI-BRIBERY AND WHISTLEBLOWING MECHANISM

We attach importance to business ethics and integrity. We have built a compliance system and formulated policies such as the Integrity Management System and the Code of Business Conduct for Employees. We have set up a reporting channel to prevent and detect fraud, and our employees, customers, suppliers and other members of the community can report through telephone hotlines, e-mails and the WeChat Official Account. All reports are initiated in accordance with the approved investigation program, and after the investigation is completed, the findings are reported to the relevant management and a written report is filed. Audit and Inspection Department fully protects whistleblowers and all whistleblower information is strictly confidential.

The Company provides anti-corruption and anti-bribery compliance training for senior management and employees, including compliance training and other ad hoc compliance training sessions, to enhance their knowledge and compliance with anti-corruption and anti-bribery activities in geographies and market segments relevant to the operation of business.

From the Listing Date to the date of this annual report, the Company had complied with relevant anti-corruption and anti-bribery laws in all material aspects. There was no material issue about our internal control policies and measures have been identified up to the date of this annual report and the Board believes that our internal control policies and measures in relation to anti-corruption and anti-bribery compliance are adequate and effective.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors since the Listing Date. As the Company's H Shares were not listed on the Stock Exchange as of December 31, 2025, the Model Code was not applicable to the Company during the year ended December 31, 2025. Nevertheless, the Company has made specific enquiries with all Directors, and they have confirmed that they have complied with the Model Code since the Listing Date.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025.

To the knowledge of the Directors, there are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

The remuneration for the audit and non-audit services provided by the auditors of the Company during the year ended December 31, 2025 was approximately as follows:

Services	**Fees paid/ payable (excluding value-added tax)** RMB'000
Audit services[1]	3,482
Non-audit services[2]	6,267
Total	9,749

Notes:

(1) The audit services including, but not limited to, audit services of this annual report.

(2) The non-audit services including, but not limited to, relevant services in respect of initial public offering and internal control audit services.

JOINT COMPANY SECRETARIES

Dr. Yao Yao ("**Dr. Yao**") and Ms. Ho Wing Nga ("**Ms. Ho**") have acted as the joint company secretaries of the Company since January 27, 2025. Dr. Yao is responsible for managing the operation of the Board, advising the Board on corporate governance matters and ensuring compliance with the Board's policies and procedures as well as applicable laws, rules and regulations. Ms. Ho acts an external joint company secretary and assisted the Company in fulfilling her company secretarial functions and compliance obligations under the Listing Rules, and her primary contact person in the Company is Dr. Yao.

In compliance with Rule 3.29 of the Listing Rules, Ms. Ho has completed no less than 15 hours of relevant professional trainings during the Reporting Period.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, all resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

CONVENING GENERAL MEETINGS

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of Directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) The uncovered losses of the Company reach one-third of its total paid-in share capital;

(iii) The Shareholders with 10% or more shares of the Company separately or jointly request;

(iv) The Board considers it necessary;

(v) The Audit Committee proposes that such a meeting shall be held;

(vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The number of shares in item (iii) above shall be calculated in accordance with the shares held on the day on which the written request is made by the Shareholder(s).

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Pursuant to Articles 52 to 54 of the Articles of Association, the Company shall convene an extraordinary general meeting, (i) the Board deems it necessary to convene the meeting, (ii) independent non-executive Directors propose to convene the meeting, (iii) the Audit Committee proposes to convene the meeting, and (iv) at the request of Shareholders who individually or collectively hold more than 10% of the Company's shares by written requisition(s). However, prior to the announcement of the resolutions approved at the general meeting, the number of the Company's shares individually or jointly held by the above Shareholders shall not be lower than 10% of the total number of the Company's shares with voting rights. For detailed arrangements, please refer to the aforementioned articles.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Pursuant to Article 59 of the Articles of Association, when the Company holds a general meeting, the Board, the Audit Committee and Shareholders who individually or jointly hold more than 3% of the shares of the Company shall have the right to put forward proposals to the Company. Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal, announce the contents of the interim proposal, and submit such interim proposal to the general meeting for consideration, except where such interim proposal is in violation of provisions under laws, administrative regulations or the Articles of Association, or is out of the scope of authorization of the general meeting. Where the general meeting is postponed in accordance with the requirements of the securities regulatory rules of the place where the Company's shares are listed due to the issuance of a supplementary notice of the general meeting, the convening of the general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed. Except as provided above, the convener shall not amend the proposals set out in the notice of the general meeting or add new proposals subsequent to the issuance of the notice of the general meeting. Any proposal that is not stated in the notice of the general meeting or not in compliance with the requirements specified in the Articles of Association shall not be voted and resolved at the general meeting.

Pursuant to Article 60 of the Articles of Association, the convener shall notify all Shareholders by way of announcement at least 20 days prior to the convening of the annual general meeting, and each Shareholder shall be notified by way of announcement at least 15 days prior to the convening of the extraordinary general meeting. When calculating the required time period, the date of the meeting shall not be included.

PUTTING FORWARD ENQUIRIES TO BOARD AND CONTACT DETAILS

Shareholders may send their enquiries or requests to the Company at No. 18 Xinzhou Road, Xinwu District, Wuxi City, Jiangsu Province, PRC (For the attention of the Board/Company secretary).

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

For enquiries about shareholdings, share registration and entitlements to dividends, Shareholders shall direct their enquiries to Computershare Hong Kong Investor Services Limited, the Company's H share registrar and the contact details are set out as follows:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Tel: +852-2862 8555
Fax: +852-2865 0990

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company recognizes that communication with its Shareholders and the market is essential to ensure that Shareholders have access to the information they reasonably require to make an informed assessment of the Company's strategy, operations and financial performance. The Company is committed to maintaining effective and timely communication of the Company's information to its Shareholders and the market.

The Company endeavors to maintain an ongoing dialogue with Shareholders, in particular through general meetings which provide an opportunity for communication between Shareholders and the Board.

The Company's shareholder communication policy has been developed to ensure that Shareholders, including individual and institutional Shareholders and, where appropriate, the investment community, have timely access to comprehensive, equal and easy to understand information about the Company (including overviews on financial performance, strategic objectives and plans, significant developments, governance and risks), in order to enable Shareholders to exercise their rights in an informed manner and to allow Shareholders and the investment community to engage actively with the Company. The shareholders' communication policy of the Company is reviewed by the Board annually.

1. General Policy

1. The Board shall maintain an ongoing dialogue with Shareholders and the investment community, and will regularly review this policy to ensure its effectiveness.

2. The main channels through which the Company communicates information to Shareholders and the investment community are: the Company's financial reports (quarterly, interim and annual reports); the annual general meeting and other general meetings that may be convened; and the publication of all disclosures submitted to Hong Kong Stock Exchange, as well as the Company's newsletters and other corporate publications on the Company's website.

3. The Company will at all times ensure that information is communicated to Shareholders and the investment community in an effective and timely manner. Any queries on this policy should be directed to the joint company secretaries of the Company.

Corporate Communication

Corporate communication refers to any document which issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to, the Directors' report and annual accounts together with the auditor's report, interim report, notice of meeting, circular and proxy form.

Corporate communications to Shareholders are prepared in plain language in both Chinese and English to facilitate Shareholders' understanding of the contents of the communications. Shareholders have the right to choose the language (either English or Chinese) in which they wish to receive the corporate communications or the means of receipt (paper version or electronic form).

Shareholders are advised to provide the Company with, inter alia, their email addresses to facilitate the provision of timely and effective communications.

Company Website

A dedicated "Investor Relations" section is available on the Company's website (www.leadintelligent.com). The information posted on the website is updated regularly.

Information released by the Company on the website of Hong Kong Stock Exchange is also posted on the Company's website immediately. Such information includes financial statements, results announcements, circulars, notices of general meetings and relevant explanatory documents.

General Meetings

Shareholders are encouraged to participate in general meetings and if they are unable to attend, they may appoint a proxy to attend and vote on their behalf.

Appropriate arrangements should be made for annual general meetings to encourage Shareholders' participation.

The Company shall monitor and regularly review the proceedings of general meetings and make changes where necessary to ensure that they meet the needs of Shareholders.

Board members, in particular, the chairpersons of Board committees or their delegates, appropriate executive management and the external auditors shall attend the annual general meeting to answer questions from Shareholders.

Shareholders are encouraged to attend Shareholders' events organized by the Company to keep abreast of the Company's developments, including updates on strategic planning, products and services.

The Company organizes various activities, including briefings and individual meetings with investors/analysts, local and/or international promotional tours, media interviews and investor outreach activities, as well as organizes/participates in industry thematic forums, etc., as it deems appropriate to facilitate communication between the Company and its Shareholders and the investment community.

Directors and employees of the Company are subject to the disclosure obligations and requirements under the Company's policy on disclosure of inside information whenever they have contacts or dialogues with investors, analysts, the media or other outside related parties.

2. Shareholders' Privacy

The Company understands the importance of protecting Shareholders' privacy and will not disclose Shareholders' information without their consent, except as required by law.

The Board has reviewed the above policy, and believes that Shareholders have sufficient means and channels to express their opinions to the Company, and the Company's shareholders' communication policy was effectively implemented and executed during the Reporting Period.

ARTICLES OF ASSOCIATION

The Articles of Association of the Company became effective from the Listing Date (i.e., February 11, 2026). On March 30, 2026, the Company made corresponding amendments to the Articles of Association of the Company to reflect the changes in the registered share capital and share capital structure of the Company following completion of partial exercise of the over-allotment option on March 11, 2026. An up-to-date version of the Articles of Association of the Company is available on the websites of the Company and the Stock Exchange.

PROFIT DISTRIBUTION POLICY

Pursuant to the Articles of Association, the Board may declare dividends in the future after taking into account the results of operations, financial conditions, cash requirements and availability of the Company, and other factors as it may deem relevant at such time. The Company has adopted a profit distribution policy on payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the conditions and factors as set out in the profit distribution policy of the Company, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year. Any declaration and payment as well as the amount of dividends will be subject to the constitutional documents of the Company, applicable laws and regulations or the securities regulatory rules of the place where the Company's shares are listed and approval by the Shareholders.

Report of the Directors

The Board is pleased to present this report of the Directors together with the audited consolidated financial statements of the Group for the Reporting Period.

GENERAL INFORMATION

The Company was established and registered in the PRC on April 30, 2002, as a limited liability company. In December 2011, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Company's A Shares were listed on the Shenzhen Stock Exchange under the stock code 300450 on May 18, 2015, and its H Shares were listed on the Main Board of the Hong Kong Stock Exchange under the stock code 0470 on February 11, 2026.

The Board currently comprises four executive Directors and three independent non-executive Directors. Details of the Board composition are set out in the sections headed "Corporate Information" and "Corporate Governance Report" of this annual report.

PRINCIPAL BUSINESS

The Group is principally engaged in the R&D, manufacturing and sales of advanced intelligent equipment to address the customers' customised manufacturing needs. The Group offers products and solutions along a continuum ranging from stand-alone equipment to complete production lines across several sectors, including lithium-ion battery intelligent equipment, PV intelligent equipment, intelligent logistics equipment, 3C intelligent equipment and etc. The details of the principal business are set out in the section headed "Analysis of Principal Businesses" under "Management Discussion and Analysis" of this annual report.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Period is provided in the section headed "Business Review" under "Management Discussion and Analysis" of this annual report. The results of the Group for the Reporting Period are set out in the consolidated financial statements of this annual report. Future business development of the Group is provided in the section headed "Outlook on the Company's Future Development" under "Management Discussion and Analysis" of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and has not noted any material non-compliance with all relevant laws and regulations in relation to its business including environmental initiatives, corporate governance, community philanthropy, ethical labor practices, and supply chain sustainability. ESG considerations are embedded in our business strategy and daily decision-making processes, enabling us to create long-term value for our stakeholders while fulfilling our environmental and social responsibilities.

During the Reporting Period, the Company continued to deepen its efforts in the ESG field, promoting the industry's green transformation through systematic practices.

As the first company in China's new energy equipment industry to publish a White Paper on Climate Efforts, the Company comprehensively disclosed its climate action achievements based on the international TCFD framework. This provided a replicable "pioneering solution" for the low-carbon transition of the global new energy industry. The Company made a solemn commitment in the white paper: to reach peak carbon emissions in its core operations (Scope 1 and 2) by 2030, and to achieve carbon neutrality in its core operations by 2035. It also established a three-tier climate governance structure led by the Board to reinforce emission reduction responsibilities across the entire workforce. Meanwhile, the Company's green manufacturing practices set new records once again. In April 2025, its Wuxi Plant II obtained the ISO 14068 carbon-neutral factory certification, making it the first company in this domestic sector to receive such certification. By implementing measures such as clean production, intelligent energy management and prudent carbon offsetting, the Company achieved carbon neutrality in its factory operations, offering a verifiable implementation path for the low-carbon transition in the new energy equipment sector. During the Reporting Period, the Company's ESG performance earned multiple authoritative recognitions, including a "B" rating in both the CDP climate change and water security questionnaires, inclusion in the S&P Global Sustainability Yearbook 2025 (China Edition), receipt of the "Industry Mover Award" and a Wind ESG AA rating, as well as a spot on the "2025 Global Energy ESG Top 100 List".

For the details, please refer to the environmental, social and governance report issued by the Company.

FINANCIAL REVIEW

The consolidated financial results of the Group for the Reporting Period are set out on pages 93 to 183 of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Financial Review" under "Management Discussion and Analysis" of this annual report.

PROFIT DISTRIBUTION

Profit Distribution Policy

The Company has adopted a profit distribution policy, which provides the principles and guidelines in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

In recommending or declaring dividends, the Company shall maintain adequate cash reserve for meeting its working capital requirements and future growth as well as its shareholder value. Further details of the profit distribution policy of the Company is set out in the section headed "Corporate Governance Report – Profit Distribution Policy" of this annual report.

Regarding the declaration and payment of dividends, the Board considers the results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under China Accounting Standards for Business Enterprises or International Financial Reporting Standards (whichever is lower), market conditions, the Company's strategy and projection for business, the Company's contractual restrictions and obligations, taxation, regulatory restrictions, cash requirements and availability and any other factors that the Board may consider relevant.

All profit distribution decisions made by the Board during the Reporting Period and up to the date of this annual report were made in accordance with the Company's profit distribution policy.

Profit Distribution Proposal for 2025

The Board proposed the following profit distribution proposal for 2025: based on the share capital entitled to profit distribution on the record date for equity distribution, a cash dividend of RMB2.87 (tax inclusive) per 10 Shares (2024: RMB0.56 (tax inclusive) per 10 Shares) will be distributed to all Shareholders of the Company. The total proposed cash dividend amounts to RMB477,300,842.31 (tax inclusive) (2024: RMB87,080,595.57 (tax inclusive)). No bonus shares will be issued, and no capital reserve will be converted into share capital. The remaining undistributed profits will be carried forward for distribution in subsequent years.

If there is any change in the Company's total share capital between the date of this annual report and the record date for equity distribution due to events such as repurchase and cancellation of restricted shares or listing of new shares, the total amount to be distributed will be adjusted accordingly based on the principle of maintaining a constant distribution ratio. Dividends for A shares will be paid in RMB, while dividends for H shares will be paid in HKD. The actual amount will be calculated using the average benchmark exchange rate of RMB to HKD announced by the People's Bank of China over the five working days prior to the date of the 2025 annual general meeting of the Company.

The aforementioned profit distribution proposal has been considered and approved at the 19th meeting of the fifth session of the Board, and is subject to consideration at the general meeting of the Company, and the distribution will be completed within two months from the date of approval at the general meeting. The Company will disclose further details regarding the proposed final dividend distribution in due course, including, among other things, the expected timetable and arrangements for the closure of the H share register of members for the purpose of determining Shareholders' entitlement to the final dividend. For the distribution of the final dividend to A Shareholders, the Company will publish a separate announcement on dividend distribution on the Shenzhen Stock Exchange.

As of the date of this annual report, the Board is not aware of any Shareholder who has waived or agreed to waive any dividends.

TAXATION RELIEF

A Shareholders

In accordance with the Notice on Relevant Issues of Implementation of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) and the Notice on Relevant Issues of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for dividends and bonus of individual investors obtained from listed companies from the date when individual investors obtain shares of the Company to the equity registration date, if shareholding period is more than one year, personal income tax will be exempted; if shareholding period is less than one year (including one year), the listed company will not withhold and remit personal income tax and the amount of tax payable will be calculated based on the shareholding period when individual investors transfer their shares. As for shareholders of resident enterprises, income tax of cash bonus will be paid by themselves.

Listed companies will withhold and remit enterprise income tax at the tax rate of 10% for qualified foreign institutional investors (QFII) in accordance with provisions of the Notice on Relevant Issues Regarding the Withholding and Payment of Enterprise Income tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47) (《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)). If dividends and bonus obtained by QFII shareholders need to enjoy tax convention (arrangement) treatment, they can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

In accordance with provisions of the Notice on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), as for dividends and bonus of Hong Kong market investors (including enterprise and individual) by investing A shares listed on SZSE, differentiated taxation policy will not be temporarily implemented as per shareholding time before Hong Kong Securities Clearing Company Limited complies with conditions to provide detailed data including identities of investors and shareholding time for China Securities Depository and Clearing Corporation Limited, and the listed company will deduct income tax at the tax rate of 10% and go through deduction declaration with the competent taxation authority. As for Hong Kong investors who belong to tax residents of other countries and dividends income tax rate specified in tax convention signed by their countries and China is lower than 10%, enterprises or individuals can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

H Shareholders

In accordance with provisions of the Notice of the State Administration of Taxation on Personal Income Tax Collection Issues after the Document with the Number of Guo Shui Fa [1993] No. 045 has been Abolished (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), withholding and remitting obligor will withhold and remit personal income tax as per item of "interest, dividends and bonus income" for dividends and bonus income of overseas resident individual shareholders from domestic non-foreign-funded enterprise by issuing shares in Hong Kong. When domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders shall file applications in accordance with tax convention signed by the country stated in the residential identity and China and tax arrangement of Mainland and Hong Kong (Macau).

Situations in which tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) as for residents of conventional country whose tax rate is less than 10%, withholding and remitting obligor can handle application for enjoying relevant convention treatment and excessive tax will be refunded with approval of competent taxation authority; (2) as for residents of conventional country whose tax rate is between 10% and 20%, withholding and remitting obligor shall withhold and remit personal income tax as per actual conventional tax rate when distributing dividends and bonus and it need not handle application and approval issues; (3) as for residents of the countries without tax convention and other situations, withholding and remitting obligor shall withhold and remit personal income tax at the tax rate of 20% when distributing dividends and bonus.

In accordance with provisions of the Notice on Relevant Issues that PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H Shares and Withhold and Remit Enterprise Income Tax (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), when PRC resident enterprises distribute dividends of 2008 and future years to overseas non resident enterprise shareholders of H Shares, they will uniformly withhold and remit enterprise income tax at the tax rate of 10%.

In accordance with provisions of the Notice on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H-share companies will deduct personal income tax at the tax rate of 20% for dividend and bonus of individual investors in the Mainland by investing in H shares listed on the Hong Kong Stock Exchange via Shenzhen-Hong Kong Stock Connect. Personal income tax will be collected in accordance with the above provisions for dividends and bonus income of the securities investment fund in the Mainland by investing in listed shares of the Hong Kong Stock Exchange via the Shenzhen — Hong Kong Stock Connect. H-share companies will not deduct dividend and bonus income tax for dividends and bonus of enterprise investors in the Mainland by investing in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect and income tax will be paid by enterprises. Among them, for dividends and bonus income of resident enterprises in the Mainland obtained as they have continuously held H shares for 12 months, enterprise income tax will be exempted according to laws.

Shareholders of the Company will pay relevant taxes and/or enjoy tax relief in accordance with the above provisions.

Shareholders are suggested to consult their tax consultants regarding the tax impacts in China, Hong Kong and other countries (regions) for holding and selling the Company's Shares.

POTENTIAL RISKS FACED BY THE GROUP

The main risks that the Group face are set out in the section headed "Outlook on the Company's Future Development" under "Management Discussion and Analysis" of this annual report.

MAJOR SUPPLIERS AND CUSTOMERS

We sell our products and solutions in China, as well as Europe, Asia, North America and other regions around the world. The major customers of our lithium-ion battery intelligent equipment business are domestic and foreign leading lithium-ion battery and automotive manufacturers. For our PV intelligent equipment business, major customers include major domestic and foreign PV cell and module manufacturers. The major customers of our intelligent logistics equipment business are well-known domestic and foreign lithium-ion battery and automotive manufacturers. During the Reporting Period, the revenue generated from the Group's largest customer accounted for 21.52% of the Group's total revenue and the revenue generated from the Group's five largest customers accounted for 43.52% of the Group's total revenue.

Our major suppliers were primarily raw material and component suppliers. During the Reporting Period, the purchases from the Group's largest supplier accounted for 2.56% of the Group's total purchases and the purchases from the Group's five largest suppliers accounted for 10.01% of the Group's total purchases.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest suppliers or five largest customers.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including suppliers, employees, Shareholders, customers and other business associates are the key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Relationship with Our Employees

We endeavor to cultivate talented and loyal employees by treating our employees with dignity, respect and fairness. We provide on-board training as well as professional and compliance training programs to our employees. We enter into employment contracts with our employees to cover matters such as salaries, benefits and compensation, confidentiality obligations and grounds for termination. The remuneration package of our employees usually includes salary, bonus and share incentives, which are generally determined by their qualifications, industry experience, position and performance. We have adopted a set of internal policies in relation to social insurance and housing provident fund contributions. We will endeavor to pay future social insurance and housing provident fund for our employees in accordance with applicable PRC laws and regulations.

Relationship with Our Shareholders

We recognize the importance of protecting the interests of the Shareholders and of having effective communication with them. We believe communication with the Shareholders is a two-way process and have strived to ensure the quality and effectiveness of information disclosure, maintain regular dialogs with the Shareholders and listen to the views and feedback from the Shareholders. This has been done through general meetings, corporate communications, periodic reports and results announcements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of this annual report. Details of movements in the reserves of the Company during the Reporting Period are set out in note 43 to the financial statements. As of December 31, 2025, the Group's distributable reserves, calculated in accordance with PRC rules and regulations, were RMB6,951.3 million.

SUBSIDIARIES

Details of the principal subsidiaries of the Company as of December 31, 2025 are set out in note 42 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Group during the Reporting Period are set out in note 32 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

In compliance with the Rule 19A.12B(2) of the Hong Kong Listing Rules, for a PRC issuer with other listed shares, its portion of H Shares listed on the Stock Exchange and held by the public must: (a) have a market value of at least HK$1,000,000,000; or (b) represent at least 5% of the PRC issuer's total number of issued shares in the class to which H Shares belong (excluding treasury shares).

Based on the information that is publicly available to the Company and to the best knowledge of the Board, the public float of the Company satisfied the minimum public float requirement required by the Hong Kong Listing Rules from the Listing Date up to the date of this annual report.

SHARE INCENTIVE SCHEMES

The Company adopted the 2018 Restricted Share Incentive Scheme (the "**2018 Restricted Share Incentive Scheme**") pursuant to the resolutions passed on February 26, 2018, and adopted the 2019 Share Option Scheme (the "**2019 Share Option Scheme**") pursuant to the resolutions passed on September 12, 2019. A total of 1,385,000 Restricted Share awards were granted under the 2018 Restricted Share Incentive Scheme, all of which have been vested or lapsed/cancelled in accordance with the terms of such scheme. A total of 3,452,000 share options were granted under the 2019 Share Option Scheme, all of which have been exercised or lapsed/cancelled in accordance with the terms of such scheme. The aforementioned two schemes were terminated during 2022. Accordingly, as at the beginning and the end of the Reporting Period, there were no Restricted Shares or share options available for grant under such schemes, nor were there any shares to be issued under such schemes.

During the Reporting Period, the 2021 Restricted Share Incentive Scheme, the 2022 Restricted Share Incentive Scheme, the 2023 Restricted Share Incentive Scheme, the 2024 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme of the Company were in effect. The terms of the Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules as they do not involve any grant of Restricted Shares by our Company after the listing on the Stock Exchange.

Under the aforementioned five Restricted Share Incentive Schemes, the number of Restricted Shares available for grant as at the beginning and the end of the Reporting Period was both nil. During the Reporting Period, the number of A shares issued pursuant to the awards granted under such Restricted Share Incentive Schemes represented 0.6% of the weighted average number of A shares issued by the Company (excluding treasury shares) during the Reporting Period.

Save as otherwise disclosed, the terms of each of the Restricted Share Incentive Schemes are substantially similar and are summarized below.

(I) Summary of Principal Terms of the Restricted Share Incentive Schemes

1. Purpose

The purpose of the Restricted Share Incentive Schemes is to improve our Group's long-term incentive mechanism, attract and retain outstanding talents, fully mobilize the enthusiasm of our Group's key employees, align the interests of our Shareholders, our Group and our key employees and focus on the long-term development of our Group.

2. Administration

The Restricted Share Incentive Schemes are subject to the approval of the Shareholders' general meeting and the administration of the Board.

3. *Participants*

The participants of the Restricted Share Incentive Schemes include Directors, senior management and key employees of our Group, excluding independent Directors.

4. *Source and maximum number of Shares*

The Shares underlying the Restricted Share Incentive Schemes shall be A Shares purchased by our Company from the secondary market or new A Shares to be issued by our Company. Each Restricted Share granted entitles the relevant participant to purchase one A Share within the agreed period at the grant price. The Restricted Shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The initial maximum number of Restricted Shares that can be granted under each of the Restricted Share Incentive Schemes are as follows:

Restricted Share Incentive Schemes	Initial maximum number of Restricted Shares to be granted under the relevant scheme
2021 Restricted Share Incentive Scheme	2,580,000
2022 Restricted Share Incentive Scheme	7,780,000
2023 Restricted Share Incentive Scheme	885,000
2024 Restricted Share Incentive Scheme	9,350,000
2025 Restricted Share Incentive Scheme	9,540,000

The number of Restricted Shares granted and/or the grant prices will be adjusted upon the occurrence of certain events, including payment of dividend, increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new shares.

As of the date of the annual report, the total number of shares available for issue under each of the Restricted Share Incentive Schemes (i.e., the number of shares available for issue based on the awards that have been granted but not yet vested) and their respective percentages of the total number of issued shares of the Company (excluding treasury shares) are as follows:

	As of the date of the annual report	
Restricted Share Incentive Schemes	Total number of shares available for issue	Percentage of the total number of issues shares of the Company (excluding treasury shares)
2021 Restricted Share Incentive Scheme	–	–
2022 Restricted Share Incentive Scheme	–	–
2023 Restricted Share Incentive Scheme	246,800	0.01%
2024 Restricted Share Incentive Scheme	6,377,210	0.38%
2025 Restricted Share Incentive Scheme	9,540,000	0.57%

5. Individual limit

The aggregate number of Shares of the Company granted to any grantee under all share incentive schemes in force during their respective validity periods shall not exceed 1% of the total issued share capital of the Company.

6. Date of grant and term of the schemes

The date on which the Restricted Shares are granted shall be determined by the Board after approval of the Restricted Share Incentive Schemes by the shareholders' general meeting. The grant of Restricted Shares shall be approved by the Board, registered and announced within 60 days after the date of approval of the Restricted Share Incentive Schemes by the shareholders' general meeting. The Restricted Share Incentive Schemes shall be effective from the date of completion of the grant of Restricted Shares under the schemes up to the date when all of the Restricted Shares granted under the schemes have been vested or cancelled, provided that the term of the schemes shall not exceed 36 months, 48 months or 60 months (as the case may be).

As at the date of the annual report, the remaining term of the 2021 Restricted Share Incentive Scheme, the 2022 Restricted Share Incentive Scheme, the 2023 Restricted Share Incentive Scheme, the 2024 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme was 0 month, 9 months, 22 months, 34 months and 34 months, respectively.

7. Lock-up for Directors and senior management team

If the grantee is a Director or a senior management of our Company, during the period of the term of employment, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. No share held by such Director or senior management can be transferred within six months after termination of his or her employment. If the grantee is a Director or senior management of our Company, income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board. If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

8. Conditions to the grant of Restricted Shares

The Restricted Shares under the Restricted Share Incentive Schemes will only be granted to selected participants if the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to our Company's accountants' report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountants with respect to the internal control report contained in accountants' report for the most recent fiscal year; (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing; (4) applicable laws and regulations prohibit the implementation of any share incentive scheme; or (5) any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred: (1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months; (2) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months; (3) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months; (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (5) the grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or (6) any other circumstances determined by the CSRC.

9. Vesting of Restricted Shares

The vesting period for Restricted Shares commences from date of grant of Restricted Shares to the grantee and the interval between the date of completion of the grant and the date of vesting of the Restricted Shares shall be 12 months. During the vesting period, the Restricted Shares granted to the grantee shall not be transferred, used as guarantee or for repayment of debt. In addition, the Restricted Shares will only be vested when (i) the conditions set out under paragraph (vii) above are fulfilled; and (ii) the annual assessment and performance targets as set out under the schemes are achieved.

The Restricted Shares will be vested after the vesting period in accordance with the vesting schedule as set out under the schemes during a period of three or four years as follows:

(a) vested in tranches of 30%, 30% and 40% in each of the three vesting periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading date up to the 48-month anniversary of the date of grant;

(b) vested in tranches of 50% and 50% in each of the two vesting periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading date up to the 36-month anniversary of the date of grant.

10. Grant price of Restricted Shares and basis of determination

The grantees shall pay the grant price upon fulfilment of all the conditions of the Restricted Shares to purchase the A Shares from our Company. The grant price of each Restricted Shares shall not be lower than the nominal value of each A Share and, in principle, shall not be lower than (as the case may be):

(a) the higher of (1) 50% of the average trading price of the A Shares on the trading date before the announcement of the draft scheme; and (2) 50% of the average trading price of the A Shares during the 20 trading dates before the announcement of the draft scheme;

(b) the higher of (1) 50% of the average trading price of the A Shares on the trading date before the announcement of the draft scheme; and (2) 50% of the average trading price of the A Shares during the 120 trading dates before the announcement of the draft scheme;

(c) the higher of (1) 50% of the average trading price of the A Shares on the trading date before the announcement of the draft scheme; and (2) 50% of the average trading price of the A Shares during the 60 trading dates before the announcement of the draft scheme; or

(d) the higher of (1) 50% of the average trading price of the A Shares on the trading date before the announcement of the Board resolution approving the grant of Restricted Shares; (2) 50% of the average trading price of the A Shares during the 20 trading dates before the announcement of the Board resolution approving the grant of Restricted Shares; (3) 50% of the average trading price of the A Shares during the 60 trading dates before the announcement of the Board resolution approving the grant of Restricted Shares; and (4) 50% of the average trading price of the A Shares during the 120 trading dates before the announcement of the Board resolution approving the grant of Restricted Shares.

For the avoidance of doubt, save for the grant price mentioned above, no payment is required under any of the Restricted Share Incentive Schemes upon application for or acceptance of the Restricted Shares.

(II) Changes in Restricted Shares during the Reporting Period

Details of changes in the award granted under the Restricted Share Incentive Schemes during the Reporting Period are set out below:

			The number of Restricted Shares							
Grantee	Date of grant	Grant price per share (RMB)	Not yet vested as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Not yet vested as at December 31, 2025	Closing price of A Shares per share immediately before the date of grant (RMB)	Weighted average closing price of A Shares immediately before the vesting date (RMB)
Director										
Mr. You Zhiliang (executive Director)	October 22, 2024	9.25	12,000	–	–	3,600	–	8,400	19.22	58.18
	October 16, 2025	32.77	–	9,000	–	–	–	9,000	54.38	N/A
Other grantee										
Five highest paid individuals (on an aggregated basis)	October 19, 2023	13.97	30,000	–	9,000	9,000	–	12,000	25.85	58.25
	October 22, 2024	9.25	189,000	–	–	56,700	–	132,300	19.22	58.18
	October 16, 2025	32.77	–	144,000	–	–	–	144,000	54.38	N/A
Other employees (on an aggregated basis)	October 19, 2023	13.97	587,000	–	112,200	240,000	–	234,800	25.85	58.25
	October 22, 2024	9.25	8,909,300	–	–	2,672,790	–	6,236,510	19.22	58.18
	October 16, 2025	32.77	–	9,387,000	–	–	–	9,387,000	54.38	N/A

Notes:

(1) Vesting period and performance targets

The awards granted on October 19, 2023, October 22, 2025 and October 16, 2025 were granted under the 2023 Restricted Share Incentive Scheme, the 2024 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme, respectively. Details of the vesting arrangements are set out below:

	2023 Restricted Share Incentive Scheme	2024 Restricted Share Incentive Scheme	2025 Restricted Share Incentive Scheme
First vesting period	From October 19, 2024 to October 18, 2025, 30% to be vested	From October 22, 2025 to October 21, 2026, 30% to be vested	From October 16, 2026 to October 15, 2027, 50% to be vested
Second vesting period	From October 20, 2025 to October 16, 2026, 30% to be vested	From October 22, 2026 to October 21, 2027, 30% to be vested	From October 16, 2027 to October 15, 2028, 50% to be vested
Third vesting period	From October 19, 2026 to October 18, 2027, 40% to be vested	From October 22, 2027 to October 21, 2028, 40% to be vested	–

The aforementioned vesting of awards is subject to the fulfilment of the conditions of performance indicators of the Company and the grantees.

(2) Based on the Black-Scholes option-pricing model, the fair value of the awards granted (including multiple vesting tranches) at the grant dates of October 19, 2023, October 22, 2024 and October 16, 2025 ranged from RMB11.84 to RMB12.80 per share, RMB10.25 to RMB10.90 per share and RMB22.88 to RMB24.66 per share, respectively. Details of the accounting standards and policies adopted are set out in notes 3 and 34 to the consolidated financial statements.

(3) None of the individual grantee has been granted equity incentives exceeding 1% of the issued shares of the Company.

(4) The above five highest paid individuals, being grantees, do not include the Company's Directors and chief executive.

DIRECTORS' BIOGRAPHICAL DETAILS AND CHANGES IN THE INFORMATION OF THE DIRECTORS

Details of Directors and are set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed in that section, up to the date of this annual report, there were no changes to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Report of the Directors

PARTICULARS OF DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

We have entered into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

None of the Directors has or is proposed to have any service contracts with any member of the Group that cannot be terminated by the employer without payment of compensation (other than statutory compensation) within one year.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors was in force during the Reporting Period, and is currently in force. The Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors and the senior management.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Incentive Schemes" in this annual report, at no time during the year ended December 31, 2025 was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 had any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

COMPETING INTERESTS

During the Reporting Period, none of the Directors and Controlling Shareholders had an interest in a business which causes or may cause any significant competition with the business of the Company and any other conflicts of interest which any such person has or may have with the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed in this annual report, none of the Directors or any entity connected with them had any material interest, either directly or indirectly, in any contract, transaction or arrangement of significance to the Company's business to which the Company, any of its holding companies, any of its subsidiaries, fellow subsidiaries was a party subsisted at the end of the year or at any time during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed in this annual report, during the Reporting Period, no significant contract (including for the provision of services) was entered into or subsisted between the Company or any of its subsidiaries with the Controlling Shareholders or any of their subsidiaries.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or subsisted as at the end of the year or at any time during the Reporting Period.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals are set out in note 12 to the financial statements in this annual report.

During the Reporting Period, no remuneration was paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors waived any remuneration for the year ended December 31, 2025.

Save as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2025, by the Group to or on behalf of any of the Directors.

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2025, the Group had 15,173 employees (as of December 31, 2024: 15,025), approximately 13.64% of which are female. The Group has developed a remuneration and welfare management system that provides employees with competitive remuneration and five types of social insurances and housing provident funds for employees in strict compliance with relevant laws and regulations, and provides additional comprehensive benefit insurance.

The number of employees employed by the Group varies from time to time. The remuneration package of employees includes salary, bonus, and incentive shares (if any) under the Company's incentive schemes, which are generally determined by their qualifications, industry experience, position and performance. The Company makes contributions to social insurance and housing provident funds as required by the PRC laws and regulations. The total employee benefit expenses including share-based payment expense (including Directors', chief executive's and supervisors' remuneration) incurred by the Group for the year ended December 31, 2025 was approximately RMB3,596.8 million (2024: approximately RMB3,704.3 million).

During the year ended December 31, 2025, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

The Remuneration and Appraisal Committee was set up for reviewing the Company's emolument policy and any long-term incentive schemes, and the structure for all remuneration of the Directors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market practices.

PENSION SCHEME

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

Employee benefits to all eligible employees of the overseas subsidiaries are made in accordance with the rules set forth in the collective labor agreement, and recorded as an expense in the period they are due as a charge to the statement of profit or loss.

Details of the pension scheme of the Group are set out in note 41 to the consolidated financial statements. During the Reporting Period, there were no forfeited contribution under the Group's pension scheme, and no forfeited contribution (if allowed under applicable laws) were used by the Company to reduce the existing level of contribution.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As H Shares of the Company had not been listed on the Stock Exchange as of December 31, 2025, the SFO and Model Code were not applicable during the Reporting Period. As at the date of this annual report, the interests of the Directors and chief executive of the Company in the Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

(1) Interests of the Directors and Chief Executive in the Shares of the Company

Name	Position	Nature of interest	Class of shares	Nature of Shares held	Number of Shares	Approximate percentage of interest in the relevant class of Shares[1]	Approximate percentage of interest in the total number of issued Shares [1]
Mr. Wang Yanqing ("**Mr. Wang**")	Chairman, executive Director and chief executive officer	Beneficial owner	A Shares	Long Position	8,836,057	0.56%	0.53%
		Interest in controlled corporation [2][3]	A Shares	Long Position	497,495,646	31.77%	29.72%

Notes:

(1) As at the date of this annual report, the Company has 1,674,221,434 Shares in issue, comprising 1,566,163,034 A Shares (including 11,152,297 A Shares held as treasury shares by the Company) and 108,058,400 H Shares.

(2) As at the date of this annual report, Lhasa Xindao Venture Capital Co., Ltd. (拉薩欣導創業投資有限公司) ("**Lhasa Xindao**") is held as to 94.0% by Mr. Wang. Wuxi Yuxi Technology Co., Ltd. (無錫煜璽科技有限公司) ("**Wuxi Yuxi**") is indirectly wholly-owned by Mr. Wang. Under the SFO, Mr. Wang is deemed to be interested in all the A Shares held by Lhasa Xindao and Wuxi Yuxi.

(3) As at the date of this annual report, the general partner of Shanghai Zhuoao Enterprise Management Partnership (Limited Partnership) (上海卓遨企業管理合夥企業(有限合夥)) ("**Shanghai Zhuoao**") is Shanghai Yiwei Information Technology Center (Limited Partnership) (上海銥煒信息科技中心(有限合夥)) ("**Shanghai Yiwei**"), whose general partner is Ms. Ni Yalan ("**Ms. Ni**"), the spouse of Mr. Wang. Shanghai Zhuoao is indirectly held as to approximately 70.6% by Shanghai Haochang, which is in turn wholly-owned by Mr. Wang. Under the SFO, Mr. Wang, Ms. Ni, Shanghai Yiwei and Shanghai Haochang are deemed to be interested in all the A Shares held by Shanghai Zhuoao.

(2) Interests in the Shares of the Company's Associated Corporations

Name	Position	Nature of interest	Associated corporations	Nature of shares held	Number of shares[1]	Percentage of shareholding
Mr. Wang	Chairman, executive Director and chief executive officer	Beneficial owner	Guangdao Technology	Long Position	2,564,103	10.58%
		Beneficial owner	Qingdao Intelligent	Long Position	2,564,103	10.48%
		Beneficial owner	Lead Technology	Long Position	2,564,103	10.45%

Note:

(1) The associated corporations have not issued any shares as they are not joint stock companies. The number of shares as set out in the table above represents the equivalent amount of registered capital in RMB.

Save as disclosed above, to the best knowledge of the Directors, as of the date of this annual report, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As H Shares of the Company had not been listed on the Stock Exchange as of December 31, 2025, the SFO was not applicable during the Reporting Period. As at the date of this annual report, to the best knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under the SFO:

Name	Nature of interest	Class of Shares	Nature of Shares held	Number of Shares	Approximate percentage of interest in the relevant class of Shares[1]	Approximate percentage of interest in the total number of issued Shares[1]
Lhasa Xindao	Beneficial owner[2]	A Shares	Long Position	336,039,506	21.46%	20.07%
Wuxi Yuxi	Beneficial owner[2]	A Shares	Long Position	69,414,157	4.43%	4.15%
Shanghai Zhuoao	Beneficial owner[3]	A Shares	Long Position	92,041,983	5.88%	5.50%
Shanghai Haochang Information Technology Center (上海皓長信息科技中心) ("**Shanghai Haochang**")	Interest in controlled corporation[3]	A Shares	Long Position	92,041,983	5.88%	5.50%
Shanghai Yiwei	Interest in controlled corporation[3]	A Shares	Long Position	92,041,983	5.88%	5.50%
Ms. Ni	Interest in controlled corporation[3][4]	A Shares	Long Position	92,041,983	5.88%	5.50%
	Interest of spouse[3][4]	A Shares	Long Position	414,289,720	26.45%	24.75%

Notes:

(1) As at the date of this annual report, the Company has 1,674,221,434 Shares in issue, comprising 1,566,163,034 A Shares (including 11,152,297 A Shares held as treasury shares by the Company) and 108,058,400 H Shares.

(2) As at the date of this annual report, Lhasa Xindao is held as to 94.0% by Mr. Wang. Wuxi Yuxi is indirectly wholly-owned by Mr. Wang. Under the SFO, Mr. Wang is deemed to be interested in all the A Shares held by Lhasa Xindao and Wuxi Yuxi.

(3) As at the date of this annual report, the general partner of Shanghai Zhuoao is Shanghai Yiwei, whose general partner is Ms. Ni, the spouse of Mr. Wang. Shanghai Zhuoao is indirectly held as to approximately 70.6% by Shanghai Haochang, which is in turn wholly-owned by Mr. Wang. Under the SFO, Mr. Wang, Ms. Ni, Shanghai Yiwei and Shanghai Haochang are deemed to be interested in all the A Shares held by Shanghai Zhuoao.

(4) Ms. Ni is the spouse of Mr. Wang, and is the general partner of Shanghai Yiwei, the general partner of Shanghai Zhuoao. Therefore, Ms. Ni is deemed to be interested in (i) the A Shares held by Shanghai Zhuoao; and (ii) the A Shares controlled by Mr. Wang directly and indirectly through Lhasa Xindao and Wuxi Yuxi.

Save as disclosed above, to the best knowledge of the Directors, as at the date of this annual report, no other persons/entities (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under the SFO.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's H shares were listed on the Main Board of the Stock Exchange on February 11, 2026. The net proceeds from the global offering (taking into account the partial exercise of the over-allotment option, net of underwriting fees and commissions and other estimated offering expenses payable by the Company in connection with the global offering) amounted to approximately HK$4,829 million. The Company will apply such net proceeds in accordance with the purposes as set out in the prospectus of the Company dated February 3, 2026 (the "**Prospectus**").

The following table sets forth the proposed use of the net proceeds from the global offering and the actual use as of the date of this annual report:

Use of proceeds	Percentage of total proceeds	Allocation of net proceeds (HK$ million)	Utilized net proceeds (from the Listing Date to the date of this annual report) (HK$ million)	Unutilized net proceeds (as of the date of this annual report) (HK$ million)	Expected timetable for the utilization of unutilized proceeds
Expansion of global R&D, sales and service network and selectively pursuing strategic initiatives	40%	1,932	–	1,932	2031/7/31
Deepening of platform-based strategy	30%	1,449	–	1,449	2031/7/31
R&D for product design and manufacturing process, as well as technologies optimization of intelligent equipment	10%	483	–	483	2031/7/31
Enhancing digital infrastructure and improving digitalization capabilities across various business processes	10%	483	–	483	2031/7/31
Working capital and general corporate purposes	10%	483	–	483	2031/7/31
Total	**100%**	**4,829**	**–**	**4,829**	

The Group has not utilized any other proceeds from the listing since the Listing Date and up to the date of this annual report. The Company will continue to gradually utilize the remaining net proceeds in accordance with the intended purposes as set out in the Prospectus. The expected timetable for the utilization of the net proceeds from the global offering is based on the Company's best estimate of future market conditions and may be subject to adjustment in accordance with our actual business operations.

PROCEEDS FROM PREVIOUS FUND-RAISING ACTIVITIES

Proceeds from the Issuance of A Shares to Specific Targets in 2020

Pursuant to the Approval for the Registration of the Issue of Shares by Wuxi Lead Intelligent Equipment Co., Ltd. to Specific Targets (Zheng Jian Xu Ke [2021] No.1424) (《關於同意無錫先導智能裝備股份有限公司向特定對象發行股票註冊的批覆》(證監許可[2021]1424 號)) issued by the CSRC and with the consent of the Shenzhen Stock Exchange, the Company issued 111,856,823 shares to specific targets in June 2021 at an issue price of RMB22.35 per share. The total proceeds amounted to approximately RMB2,500 million. After deducting sponsor underwriting fees (excluding tax) and other offering expenses (excluding tax), the net proceeds amounted to approximately RMB2,487.66 million.

During the Reporting Period, the Company promoted the investments project financed by the proceeds in an orderly manner pursuant to the Announcement on the Listing of Shares Issued to Specific Targets by Wuxi Lead Intelligent Equipment Co., Ltd. and previous changes to the use of part of the proceeds for projects financed by proceeds. The details of the utilization of aforementioned proceeds as of December 31, 2025 are as follows:

Item	Total proceeds planned to be used (RMB million)	Adjusted total proceeds planned to be used[1] (RMB million)	Utilized amount during the Reporting Period (RMB million)	Unutilized amount as of December 31, 2025 (RMB million)	Expected timeline for using total unutilized proceeds
Lead High-end Intelligent Equipment Southern China Manufacturing Base Project	740.02	340.02	20.33	313.89	N/A
Lead Southern China Intelligent Equipment Industrial Park Development Project	–	400.00	12.28	337.39	N/A
Automation Equipment Production Base Capacity Enhancement Project	358.16	58.16	0.00	66.94[2]	N/A
Wuxi Lead Industrial Park Phase II Plant Construction Project	–	300.00	0.00	273.51	N/A
Lead Industrial Internet Collaborative Manufacturing System Development Project	176.58	176.58	0.00	191.89[2]	N/A
R&D and Industrialization Project for Comprehensive Digital Solution of Intelligent Lithium-ion Battery Manufacturing	462.90	462.90	0.00	494.28[2]	N/A
Replenishment of working capital	750.00	750.00	0.00	750.75[2]	N/A
Total	**2,487.66**	**2,487.66**	**32.61**	**2,428.65**	**N/A**

Notes:

(1) On December 29, 2022, the Company convened the fourth extraordinary general meeting of 2022, at which the resolution on Changing the Use of Proceeds was considered and approved, authorizing the Company to reallocate proceeds of RMB400 million from the Lead High-end Intelligent Equipment Southern China Headquarters Manufacturing Base Project to the Lead Southern China Intelligent Equipment Industrial Park Development Project; and reallocate proceeds of RMB300 million from the Automation Equipment Production Base Capacity Enhancement Project to invest in the Wuxi Lead Industrial Park Phase II Factory Construction Project.

(2) The difference between the adjusted total proceeds planned to be used and the utilized amount as of December 31, 2025, represents interest income.

As at December 31, 2025, the remaining proceeds amounted to approximately RMB105.46 million, comprising the balance of the proceeds and interest accrued thereon, which were reallocated to permanently supplement the working capital upon consideration and approval at the general meeting of the Company held on February 13, 2026. For details, please refer to the announcement of the Company dated February 13, 2026. Accordingly, as at the date of this annual report, the proceeds allocated to other intended uses as set out in the table above have been fully utilized, save that an amount of approximately RMB105.46 million for replenishment of working capital pursuant to the approval obtained at the abovesaid general meeting remains unutilized and is expected to be fully utilized by the end of 2026.

Proceeds from the Public Offering of A Share Convertible Bonds in 2019

Upon approval of the Approval for the Public Offering of Convertible Bonds by Wuxi Lead Intelligent Equipment Co., Ltd. (Zheng Jian Xu Ke [2019] No. 2309) (《關於核准無錫先導智能裝備股份有限公司公開發行可轉換債券的批覆》(證監許可[2019]2309 號)) from the CSRC, the Company publicly issued 10,000,000 million convertible corporate bonds (the "**Lead Convertible Bonds**") in December 2019, each with a nominal value of RMB100. The total proceeds amounted to RMB1,000 million. After deducting sponsor underwriting fees (excluding tax) and other offering expenses (excluding tax), the net proceeds amounted to approximately RMB989.87 million.

During the Reporting Period, the Company utilized the proceeds pursuant to the Prospectus for the Public Offering of Convertible Corporate Bonds and previous changes to the use of part of the proceeds for projects financed by proceeds. The details of the utilization of aforementioned proceeds as at December 31, 2025 are as follows:

Item	Total proceeds planned to be used (RMB million)	Adjusted total proceeds planned to be used[1] (RMB million)	Utilized amount during the Reporting Period (RMB million)	Unutilized amount as of December 31, 2025 (RMB million)	Expected timeline for using total unutilized proceeds
Specialized Automation Equipment Project for Capacitors, PV Modules and Lithium-ion Batteries with Annual Production Capacity of 2,000 Units	470.68	470.68	0.00	419.86	N/A
Lead Research Institute Construction Project	136.21	36.21	0.00	36.21	N/A
Information Technology and Intelligent Upgrade and Transformation Project	82.98	82.98	0.00	85.69[2]	N/A
Replenishment of working capital	300.00	400.00	0.00	400.00	N/A
Total	**989.87**	**989.87**	**0.00**	**941.77**	**N/A**

Notes:

(1) On December 29, 2022, the Company convened the fourth extraordinary general meeting of 2022, at which the resolution on Changing the Use of Proceeds was considered and approved, authorizing the Company to reallocate proceeds of RMB100 million from the Lead Research Institute Construction Project to permanently supplement the working capital.

(2) The difference between the adjusted total proceeds planned to be used and the utilized amount as of December 31, 2025, represents interest income.

As at December 31, 2025, the remaining proceeds amounted to approximately RMB59.96 million, comprising the balance of the proceeds and interest accrued thereon, which were reallocated to permanently supplement the working capital upon consideration and approval at the general meeting of the Company held on February 13, 2026. For details, please refer to the announcement of the Company dated February 13, 2026. Accordingly, as at the date of this annual report, the proceeds allocated to other intended uses as set out in the table above have been fully utilized, save that an amount of approximately RMB59.96 million for replenishment of working capital pursuant to the approval obtained at the abovesaid general meeting remains unutilized and is expected to be fully utilized by the end of 2026.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company, including disposal of any treasury shares (as defined under the Listing Rules). As of December 31, 2025, the Company held 11,152,297 treasury A shares, which are A shares deposited in the special security account for share repurchase of the Company and will be utilized for the restricted share scheme of the Company in due course in the future.

CONNECTED TRANSACTIONS

The Company has entered into continuing connected transaction agreements and arrangements with connected persons and complied with relevant rules under Chapter 14A of the Listing Rules in its daily and ordinary course of business. Since the Company has not yet been listed during the year ended December 31, 2025, the annual review and report requirements under Chapter 14A of the Listing Rules are not applicable to the Company for the year ended December 31, 2025. Details of one-off connected transactions and non-exempt continuing connected transactions of the Group are set out below.

OUR CONNECTED PERSONS

The following persons, with whom we have entered into certain agreements in our ordinary course of business, will become our connected persons as defined under the Listing Rules upon completion of the Listing:

Names of our connected persons	Connected Relationship
Wuxi Junhua Property Management Co., Ltd. (無錫君華物業管理有限公司) ("**Wuxi Junhua**")	As of the date of this annual report, Wuxi Junhua was indirectly held as to (i) 40% by Mr. Wang, our founder, executive Director, chairman of our Board and a member of our Controlling Shareholders; (ii) 30% by Ms. Ni, the spouse of Mr. Wang; and (iii) 30% by Mr. Wang Lei, our executive Director and the son of Mr. Wang. Accordingly, Wuxi Junhua is an associate of each of Mr. Wang and Mr. Wang Lei, and therefore constitutes a connected person of our Company under the Listing Rules.
Wuxi Aochuang Enterprise Management Co., Ltd. (無錫遨創企業管理有限公司) ("**Wuxi Aochuang**")	As of the date of this annual report, Wuxi Aochuang was indirectly held as to (i) 40% by Mr. Wang, our founder, executive Director, chairman of our Board and a member of our Controlling Shareholders; (ii) 30% by Ms. Ni, the spouse of Mr. Wang; and (iii) 30% by Mr. Wang Lei, our executive Director and the son of Mr. Wang. Accordingly, Wuxi Aochuang is an associate of each of Mr. Wang and Mr. Wang Lei, and therefore constitutes a connected person of our Company under the Listing Rules.
Wuxi Aozhi Enterprise Management Co., Ltd. (無錫遨智企業管理有限公司) ("**Wuxi Aozhi**")	As of the date of this annual report, Wuxi Aozhi was indirectly held as to (i) 40% by Mr. Wang, our founder, executive Director, chairman of our Board and a member of our Controlling Shareholders; (ii) 30% by Ms. Ni, the spouse of Mr. Wang; and (iii) 30% by Mr. Wang Lei, our executive Director and the son of Mr. Wang. Accordingly, Wuxi Aozhi is an associate of each of Mr. Wang and Mr. Wang Lei, and therefore constitutes a connected person of our Company under the Listing Rules.
Wuxi Aoyun Enterprise Management Co., Ltd. (無錫遨雲企業管理有限公司) ("**Wuxi Aoyun**")	As of the date of this annual report, Wuxi Aoyun was indirectly held as to (i) 40% by Mr. Wang, our founder, executive Director, chairman of our Board and a member of our Controlling Shareholders; (ii) 30% by Ms. Ni, the spouse of Mr. Wang; and (iii) 30% by Mr. Wang Lei, our executive Director and the son of Mr. Wang. Accordingly, Wuxi Aoyun is an associate of each of Mr. Wang and Mr. Wang Lei, and therefore constitutes a connected person of our Company under the Listing Rules.
Jiangsu Hengyuntai Information Technology Co., Ltd. (江蘇恒雲太信息科技有限公司) ("**Jiangsu Hengyuntai**")	As of the date of this annual report, Jiangsu Hengyuntai was held as to (i) 85% by Lhasa Xindao, our substantial shareholder which is in turn owned as to 94% by Mr. Wang; and (ii) 5% by Wuxi Huihaiying Investment Partnership (Limited Partnership) (無錫匯海盈投資合夥(有限合夥)) ("**Wuxi Huihaiying**"), which is in turn owned as to 80% by Mr. Wang. Accordingly, Jiangsu Hengyuntai is an associate of each of Mr. Wang and Lhasa Xindao, and therefore a connected person of our Company under the Listing Rules.

ONE-OFF CONNECTED TRANSACTIONS

Lease of property by our Group

Our Group has entered into certain lease agreements dated January 1, 2025 (the "**Junhua Lease Agreements**") with Wuxi Junhua, pursuant to which Wuxi Junhua agreed to lease to us certain premises in No. 58 Xinmei Road, Xinwu District, Wuxi City, Jiangsu Province, the PRC with a total gross floor area of approximately 250,145 sq.m. for a term of one year commencing on January 1, 2025 and expiring on December 31, 2025 at an aggregate annual rent of RMB108.1 million. Pursuant to the Lease Agreements, our Group is entitled to a priority right to renew under the same terms and conditions prior to the expiry of the term of the Lease Agreements, which is in line with the previous lease agreements entered into between our Group and Wuxi Junhua during the Track Record Period. Our Group expects to continue to enjoy such priority right to renew in the lease agreements to be entered into with Wuxi Junhua going forward.

In view of our continuing business expansion and development, our Group has also entered into certain lease agreements (the "**New Lease Agreements**", together with the Junhua Lease Agreements, the "**Lease Agreements**") with Wuxi Aochuang, Wuxi Aozhi and Wuxi Aoyun, pursuant to which Wuxi Aochuang, Wuxi Aozhi and Wuxi Aoyun agreed to lease to us certain premises in No. 25 South Changjiang Road, No. 52 Xinmei Road, and No. 27-1 South Changjiang Road of Xinwu District, Wuxi City, Jiangsu Province, the PRC with an aggregate gross floor area of approximately 143,846.64 sq.m. for a term commencing on May 1, 2025 and expiring on December 31, 2025 at an aggregate annual rent of RMB41.43 million.

The rent agreed under each of the Lease Agreements was determined by the parties at arm's length negotiations with reference to prevailing market rent of comparable properties. Our Directors (including our independent non-executive Directors) are of the view that the Lease Agreements was entered into and has been conducted in the ordinary and usual course of business and on normal commercial terms or better.

In accordance with IFRS 16 "Leases", the lease under the Lease Agreements is recognized as right-of-use assets on our balance sheet. Therefore, the entering into the Lease Agreements will be regarded as the acquisition of capital assets and one-off connected transaction, rather than continuing connected transaction.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Property management services from Wuxi Junhua

On January 28, 2026, our Company (for itself and on behalf of the Group) entered into a framework agreement with Wuxi Junhua ("**Property Management Services Framework Agreement**"), pursuant to which Wuxi Junhua would provide various property management services (such as property cleaning and security services) to our Group in our ordinary and usual course of business.

The initial term of the Property Management Services Framework Agreement will commence on the Listing Date and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the provision of property management services under the Property Management Services Framework Agreement.

Reasons for the transaction

During its ordinary and usual course of business, we leased properties from Wuxi Junhua and Wuxi Junhua provided relevant property management services to us. Wuxi Junhua leases out properties that are in location or of size and quality that are suitable for our requirements, and offers professional and quality property management services that can facilitate efficient and orderly business operation of our Group. As compared with other Independent Third Parties, Wuxi Junhua normally has a better understanding of our property requirements in relation to our business premises and offices.

Pricing policies

Our Group shall pay property management service fees to Wuxi Junhua, which shall be determined arm's length negotiation between the parties on normal commercial terms, with reference to a number of factors, including but not limited to (i) the size, location and quality of the relevant property (in particular the total gross floor area of the relevant property under management); (ii) the prevailing market property management service fees offered by third party property management service providers for comparable property in similar location or of similar type, size and/or quality; (iii) the scope of services to be provided; and (iv) the estimated servicing costs (including, without limitation, labor costs in connection with the property management services). The property management service fees are calculated primarily by multiplying the total the gross floor area of the property under management and the property management service fee per square meter.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the historical transaction amounts with respect to the provision of property management services by Wuxi Junhua were nil, RMB30.9 million, RMB52.3 million and RMB59.0 million, respectively. As of December 31, 2022, 2023 and 2024 and September 30, 2025, the total GFA of our owned and leased properties which were managed by Wuxi Junhua was nil, 214,853 sq. m., 500,637 sq. m. and 696,153 sq. m., respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Wuxi Junhua under the Property Management Services Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Total fees payable by us to Wuxi Junhua	73.2	73.2	73.2

The proposed annual caps are determined based on:

(i) the historical amounts of property management service fees paid by the Group to Wuxi Junhua during the Track Record Period;

(ii) the expected increase in demand from our Group for property management services for the increased total GFA of our leased properties arising primarily from (a) our Wuxi No. 3 Factory Phase II located in Xinwu District, Wuxi City, China with a total GFA of approximately 134,245 sq.m.; and (b) our Industrial Park Phase VI under construction with an expected total GFA of 126,534 sq.m., in view of our growth and business development;

(iii) the expected increase in scope and standard of services required by the Group leading to the expected increase in operational and servicing costs (such as labor costs) to be incurred by Wuxi Junhua; and

(iv) other factors including but not limited to inflation and other unforeseen factors, which may result in the increment in the property management service fees payable by our Group.

Procurement of goods and services from Jiangsu Hengyuntai

On January 28, 2026, our Company (for itself and on behalf of the Group) entered into a framework agreement with Jiangsu Hengyuntai (for itself and on behalf of its associates) ("**Procurement Framework Agreement**"), pursuant to which, our Group would procure from Jiangsu Hengyuntai and/or its associates comprehensive information and software related goods and services which primarily include data center services (such as cabinet hosting, IP, transmission, etc.) and industrial internet software and hardware goods and services (the "**Supporting Goods and Services**") as our production and operation may require from time to time.

The initial term of the Procurement Framework Agreement will commence on the Listing Date and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the provision of Supporting Goods and Services under the Procurement Framework Agreement.

Reasons for the transaction

Jiangsu Hengyuntai and/or its associates provide the Supporting Goods and Services which we may require for the production of our products and our operations. We procured the Supporting Goods and Services from Jiangsu Hengyuntai and/or its associates mainly taking into account (i) the stability in data center services provider, which will enable us to maintain data security in business operation; and (ii) the reliable quality of industrial internet software and hardware goods and services provided by Jiangsu Hengyuntai. In our ordinary and usual business, our Group has been procuring the Supporting Goods and Services from Jiangsu Hengyuntai and/or its associates from time to time, which enables them to be familiar with our business needs, quality standards and operational requirements. Our Group has a long-term and stable business cooperation with Jiangsu Hengyuntai. Our Directors believe that maintaining a stable and quality business relationship with Jiangsu Hengyuntai will facilitate our business growth.

Pricing policies

The pricing relating to procurement of the Supporting Goods and Services from Jiangsu Hengyuntai and/or its associates pursuant to the Procurement Framework Agreement shall be determined based on arm's length negotiation between our Group and Jiangsu Hengyuntai and/or its associates with reference to historical and market transaction price, taking into account various factors including but not limited to the type of products and services (including the specification, model and quality of the data center services and the industrial internet goods and services), transaction volume and the prices for the procurement of products of similar nature, type and quantity by our Group from Independent Third Parties in the market, as well as the actual cost or reasonable cost (whichever is lower) incurred in the provision of the goods and services. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties, which are in the best interests of our Company and our Shareholders as a whole.

Historical amounts

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the historical transaction amounts with respect to the procurement of the Supporting Goods and Services from Jiangsu Hengyuntai and/or its associates were RMB5.9 million, RMB24.5 million, RMB18.1 million and RMB10.6 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Jiangsu Hengyuntai and/or its associates under the Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Total fees payable by us to Jiangsu Hengyuntai and/or its associates	28.6	33.4	39.0

The proposed annual caps are determined based on:

(i) the historical amounts of the transactions between our Group and Jiangsu Hengyuntai and/or its associates during the Track Record Period in respect of our procurement of the Supporting Goods and Services;

(ii) the expected amount of procurement of the Supporting Goods and Services by our Group from Jiangsu Hengyuntai and/or its associates to meet the needs of our future business development; and

(iii) other factors including but not limited to the expected prices of the Supporting Goods and Services and their potential fluctuations, taking into account the costs and expenses relating to labor and market trends.

THE OPINION OF THE COMPANY AND THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company have confirmed that the above connected transactions/continuing connected transactions followed the above pricing policies and guidelines when determining the prices and terms of the transactions conducted during the year, and complied with the requirements under Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, no other related party transactions set out in the "Notes to the Consolidated Financial Statements" constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Hong Kong Listing Rules.

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions, and confirmed that the continuing connected transactions were entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or better; and

(3) according to the agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, save as disclosed under the section headed "Share Incentive Schemes" in this annual report and note 34 to the financial statements, the Company had not entered into any equity-linked agreement.

CONVERTIBLE BONDS

During the Reporting Period, save as disclosed under the section headed "Proceeds from Previous Fund-raising Activities – Proceeds from the Public Offering of A Share Convertible Bonds in 2019" in this annual report, the Group did not issue any convertible bonds.

LOANS AND GUARANTEES

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors and senior management of the Company, the controlling Shareholders, or their respective connected persons.

ON-GOING DISCLOSURE RESPONSIBILITIES UNDER THE HONG KONG LISTING RULES

The Company has no other disclosure responsibilities under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

CHARITABLE CONTRIBUTIONS

During the Reporting Period, the Company donated a total of RMB6.4 million.

MATERIAL LITIGATION AND COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group was not involved in any material litigation or arbitration. To the best knowledge of the Directors, the Group has complied with all relevant laws and regulations that have a significant impact on the Group during the Reporting Period.

AUDIT COMMITTEE

As at the date of this annual report, the Audit Committee of the Board of the Company comprises Ms. Zhang Mingyan, Mr. Dai Jianjun and Ms. Wong Sze Wing, all being independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions, and provide advice and comments to the Board. The Audit Committee has reviewed the Group's annual results for the year ended December 31, 2025 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

AUDITOR

There is no change in auditor of the Company since the Listing Date. The Group's consolidated financial statements for the year ended December 31, 2025, which are prepared in accordance with IFRS Accounting Standards, have been audited by Deloitte Touche Tohmatsu.

EVENTS AFTER THE REPORTING PERIOD

After the Reporting Period, 107,658,400 H shares of the Company were listed on the Main Board of the Stock Exchange on February 11, 2026. On March 11, 2026, following the partial exercise of the over-allotment option by the overall coordinators (on behalf of the international underwriters) in connection with the global offering, the Company further issued and allotted a total of 400,000 H Shares, which were listed on the Main Board of the Stock Exchange. For further details, please refer to the announcement of the Company dated March 8, 2026.

Save as disclosed above, no significant events affecting the Group have occurred since the end of the Reporting Period and up to the date of this annual report.

By Order of the Board
Wuxi Lead Intelligent Equipment Co., Ltd.
Mr. Wang Yanqing
Chairman of the Board, Executive Director and Chief Executive Officer

Hong Kong, March 30, 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF WUXI LEAD INTELLIGENT EQUIPMENT CO., LTD.
(無錫先導智能裝備股份有限公司)
(established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Wuxi Lead Intelligent Equipment Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 93 to 183, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill	
As at 31 December 2025, the carrying amount of the Group's goodwill was RMB1,086,614,000. We identified impairment assessment of goodwill as a key audit matter due to the significance of the carrying amount of goodwill to the Group's total assets and the significant judgements and estimates made by the management in determining the recoverable amounts of the cash-generating unit ("CGU"). As set out in notes 4 and 17 to the consolidated financial statements, the recoverable amount of the CGU is determined by the management based on value in use, which is estimated by discounting the future cash flows expected to be generated by the CGU. Key assumptions used by the management include revenue growth rates, gross margins and discount rates. Based on the management's assessment, no impairment loss was recognised during the year ended 31 December 2025.	Our procedures in relation to the impairment assessment of goodwill included: • Obtaining an understanding of, and assessing the design and implementation of the Group's key internal controls over the impairment assessment of goodwill; • Evaluating the appropriateness of the methodology, key assumptions and judgements used by the management, based on our understanding of the business and industry; • Evaluating the accuracy of historical cash flow forecasts by comparing them to actual results in prior periods and understanding the reasons for any significant variances; • Evaluating the competence, capability and objectivity of the independent valuer engaged by the management for impairment assessment of goodwill; • Involving the internal valuation specialists to assist in evaluating the mathematical accuracy of the value in use calculations, the appropriateness of the methodology and the reasonableness of the discount rate used by the management with reference to the current market risk-free rate and the industry specific risk factors; and • Evaluating the disclosures regarding the goodwill impairment assessment in note 17 to the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on sales of intelligent equipment	
We identified revenue recognition on sales of intelligent equipment as a key audit matter because revenue is one of the key performance indicators of the Group, which may create an incentive for the management to inappropriately recognise revenue in an incorrect accounting period in order to meet performance expectations or targets. Revenue from sales of intelligent equipment is generally recognised upon receipt of a signed customer acceptance documents verifying the equipment meets specified requirements and is fully operational, which indicates the control has been transferred to the customers. The accounting policies for revenue recognition and analysis of revenue are detailed in note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition on sales of intelligent equipment included: • Obtaining an understanding of, and assessing the design, implementation and operating effectiveness of the Group's key internal controls over the revenue recognition on sales of intelligent equipment; • Reviewing sales contracts with key customers, on a sample basis, to understand the agreed terms and assess whether the revenue was properly recognised in accordance with the respective sales contracts and applicable accounting standards; • Examining sales transactions before and after year-end, on a sample basis, by tracing to the corresponding supporting documents, including sales contracts, invoices and customer acceptance documents to confirm that revenue was recognised in the correct accounting period; and • Performing analytical procedures on revenue by period, product type and key customer to identify unusual fluctuations, investigating the underlying reasons and assess the reasonableness.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Shun Yu (practising certificate number: P06543).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
Revenue	5	**14,358,016**	11,773,350
Cost of sales		**(9,950,545)**	(8,235,805)
Gross profit		**4,407,471**	3,537,545
Other income and expenses	6	**332,452**	330,268
Other gains and losses	7	**22,323**	14,607
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	8	**108,690**	(555,170)
Selling and marketing expenses		**(353,477)**	(362,399)
Administrative expenses		**(1,100,815)**	(1,119,678)
Listing expenses		**(2,009)**	–
Research and development expenses		**(1,605,067)**	(1,670,731)
Finance costs	9	**(120,720)**	(62,187)
Profit before tax		**1,688,848**	112,255
Income tax (expense) credit	10	**(129,011)**	155,776
Profit for the year	11	**1,559,837**	268,031
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**13,746**	(6,610)
Other comprehensive income (expense) for the year		**13,746**	(6,610)
Total comprehensive income for the year		**1,573,583**	261,421
Profit (loss) for the year attributable to:			
Owners of the Company		**1,563,778**	286,100
Non-controlling interests		**(3,941)**	(18,069)
		1,559,837	268,031

Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*

For the year ended 31 December 2025

	Note	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**1,577,559**	279,470
Non-controlling interests		**(3,976)**	(18,049)
		1,573,583	261,421
Earnings per share	14		
– Basic (RMB)		**1.01**	0.18
– Diluted (RMB)		**1.00**	0.18

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December 2025 RMB'000	2024 RMB'000
Non-current Assets			
Property, plant and equipment	15	**3,180,645**	2,833,081
Right-of-use assets	16	**908,924**	695,095
Goodwill	17	**1,086,614**	1,086,614
Other intangible assets	18	**272,866**	310,026
Equity instrument at fair value through other comprehensive income ("FVTOCI")		**5,000**	5,000
Deferred tax assets	19	**486,838**	592,299
Prepayment for acquisition of property, plant and equipment		**293**	219
		5,941,180	5,522,334
Current Assets			
Inventories	20	**14,956,690**	13,580,021
Bills, trade and other receivables	21	**8,379,408**	10,658,402
Contract assets	22	**902,344**	725,299
Tax recoverable		**78,820**	53,998
Financial assets at fair value through profit or loss ("FVTPL")	23	**1,572,220**	432,278
Bills receivables at FVTOCI	24	**1,093,699**	785,988
Time deposits	26	**254,699**	106,183
Restricted bank deposits	26	**808,843**	869,269
Cash and cash equivalents	26	**4,993,148**	3,360,355
		33,039,871	30,571,793
Current Liabilities			
Bills, trade and other payables	27	**9,161,985**	8,113,910
Contract liabilities	28	**12,873,255**	11,596,989
Tax liabilities		**10,138**	16,896
Borrowings	29	**1,230,785**	1,786,226
Lease liabilities	30	**172,547**	150,646
		23,448,710	21,664,667
Net Current Assets		**9,591,161**	8,907,126
Total Assets less Current Liabilities		**15,532,341**	14,429,460

Consolidated Statement of Financial Position *(Continued)*

As at 31 December 2025

	Notes	As at 31 December 2025 RMB'000	2024 RMB'000
Non-current liabilities			
Borrowings	29	**1,816,572**	2,476,582
Lease liabilities	30	**478,377**	275,733
Deferred income	31	**117,476**	97,760
		2,412,425	2,850,075
Net Assets		**13,119,916**	11,579,385
Capital and reserves			
Share capital	32	**1,566,163**	1,566,163
Reserves		**11,573,764**	10,031,369
Equity attributable to owners of the Company		**13,139,927**	11,597,532
Non-controlling interests		**(20,011)**	(18,147)
Total equity		**13,119,916**	11,579,385

The consolidated financial statements on pages 93 to 183 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Wang Yanqing
DIRECTOR

Wang Jianxin
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Translation reserve RMB'000 (Note a)	Statutory surplus reserve RMB'000	Retained profits RMB'000 (Note b)	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	1,566,163	3,859,453	(350,017)	270,800	(2,978)	783,082	5,721,835	11,848,338	(872)	11,847,466
Profit (loss) for the year	–	–	–	–	–	–	286,100	286,100	(18,069)	268,031
Other comprehensive (expense) income for the year	–	–	–	–	(6,630)	–	–	(6,630)	20	(6,610)
Total comprehensive (expense) income for the year	–	–	–	–	(6,630)	–	286,100	279,470	(18,049)	261,421
Recognition of equity-settled share-based payments (note 34)	–	–	–	3,053	–	–	–	3,053	774	3,827
Repurchase of ordinary shares under share incentive plans (note 33)	–	–	(2)	–	–	–	–	(2)	–	(2)
Dividends recognised as distribution (note 13)	–	–	–	–	–	–	(533,327)	(533,327)	–	(533,327)
At 31 December 2024	1,566,163	3,859,453	(350,019)	273,853	(9,608)	783,082	5,474,608	11,597,532	(18,147)	11,579,385
Profit (loss) for the year	–	–	–	–	–	–	1,563,778	1,563,778	(3,941)	1,559,837
Other comprehensive income (expense) for the year	–	–	–	–	13,781	–	–	13,781	(35)	13,746
Total comprehensive income (expense) for the year	–	–	–	–	13,781	–	1,563,778	1,577,559	(3,976)	1,573,583
Exercise of restricted shares (note 33)	–	–	3,763	(2,111)	–	–	–	1,652	–	1,652
Recognition of equity-settled share-based payments (note 34)	–	–	–	50,265	–	–	–	50,265	2,112	52,377
Dividends recognised as distribution (note 13)	–	–	–	–	–	–	(87,081)	(87,081)	–	(87,081)
At 31 December 2025	1,566,163	3,859,453	(346,256)	322,007	4,173	783,082	6,951,305	13,139,927	(20,011)	13,119,916

Notes:

(a) Other reserves consist of share-based payment reserve under the equity-settled share incentive plans and the difference between the carrying amount of net assets of the non-controlling interests in the Company's subsidiaries and the contribution received from the non-controlling shareholders.

(b) In accordance with the Company Law of the People's Republic of China (the "PRC") and the Company's Articles of Association, the Company is required to appropriate 10% of profit after tax for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve has reached to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the losses or increase the share capital after approval from the appropriate authorities. As at 31 December 2025 and 2024, the Company's statutory surplus reserve has reached more than 50% of the registered capital and ceased appropriation.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit before tax	**1,688,848**	112,255
Adjustments for:		
Finance costs	**120,720**	62,187
Interest income from bank balances	**(46,273)**	(38,415)
Interest income from time deposits	**(3,255)**	(3,371)
Losses on disposals of property, plant and equipment	**4,353**	4,444
Losses on write-off of other intangible assets	**150**	–
(Gains) losses on termination of lease arrangements	**(501)**	749
Depreciation of property, plant and equipment	**250,425**	208,413
Depreciation of right-of-use assets	**164,408**	151,875
Amortisation of other intangible assets	**115,464**	112,992
Write-down of inventories	**338,614**	548,672
Impairment loss (including reversals of impairments losses or impairment gains) on financial assets	**(108,690)**	555,170
Gains from changes in fair value of financial assets measured at FVTPL	**(24,974)**	(3,086)
Release of assets-related government grants	**(8,033)**	(7,637)
Share-based payment expenses	**52,377**	3,827
Foreign exchange difference	**5,599**	(12,294)
Operating cash flows before movements in working capital	**2,549,232**	1,695,781
Increase in inventories	**(1,715,283)**	(921,650)
(Increase) decrease in bills receivables at FVTOCI	**(307,711)**	131,802
Decrease (increase) in bills, trade and other receivables	**2,316,752**	(964,777)
(Increase) decrease in contract assets	**(186,363)**	886,005
Decrease in restricted bank deposits	**60,426**	489,414
Increase (decrease) in bills, trade and other payables	**947,311**	(1,853,979)
Increase (decrease) in contract liabilities	**1,276,266**	(975,750)
Increase in deferred income	**17,549**	32,279
Cash generated from (used in) operations	**4,958,179**	(1,480,875)
Interest received from bank balances	**46,273**	38,415
Income taxes paid	**(55,130)**	(124,673)
Net cash from (used in) operating activities	**4,949,322**	(1,567,133)

Consolidated Statement of Cash Flows *(Continued)*

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(476,451)**	(829,284)
Purchases of other intangible assets	**(78,329)**	(38,025)
Payments for right-of-use assets	**(305)**	–
Development costs paid	**–**	(4,983)
Prepayment for acquisitions of property, plant and equipment	**(293)**	(219)
Purchases of financial assets at FVTPL	**(11,896,653)**	(1,942,000)
Redemptions of financial assets at FVTPL	**10,781,685**	1,572,824
Placement of time deposits	**(278,324)**	–
Withdrawal of time deposits	**133,063**	25,577
Investment in equity instrument at FVTOCI	**–**	(5,000)
Repayment from related parties	**–**	78
Receipt of asset-related government grants	**10,200**	–
Net cash used in investing activities	**(1,805,407)**	(1,221,032)
FINANCING ACTIVITIES		
Dividend paid	**(87,081)**	(533,327)
Exercise of restricted shares	**1,652**	–
Repurchase of ordinary shares under share incentive plans	**–**	(2)
Proceeds from underecognised discounted bills	**127,868**	406,569
New bank loans raised	**1,220,000**	4,467,937
Repayment of bank loans	**(2,477,660)**	(300,442)
Interest paid on bank loans	**(109,781)**	(35,534)
Repayments of lease liabilities	**(152,886)**	(139,094)
Interest paid of lease liabilities	**(14,336)**	(18,553)
Issue costs paid	**(22,787)**	–
Net cash (used in) from financing activities	**(1,515,011)**	3,847,554
Net increase in cash and cash equivalents	**1,628,904**	1,059,389
Cash and cash equivalents at the beginning of the year	**3,360,355**	2,284,679
Effect of foreign exchange rate changes	**3,889**	16,287
Total cash and cash equivalents at the end of the year	**4,993,148**	3,360,355

1. GENERAL INFORMATION

Wuxi Lead Intelligent Equipment Co., Ltd. (the "Company") was established and registered in the PRC on 30 April 2002, as a limited liability company. In December 2011, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. In May 2015 and February 2026, the Company was listed on the Shenzhen Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited, respectively. The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Group is principally engaged in the research and development, manufacturing and sales of advanced intelligent equipment to address the customers' customised manufacturing needs. The Group offers products and solutions along a continuum ranging from stand-alone equipment to complete production lines across several sectors, including lithium-ion battery intelligent equipment, photovoltaic intelligent equipment, intelligent logistics equipment, 3C intelligent equipment and etc.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.

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

[3] Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(Continued)*

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements has been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Basis of consolidation** (Continued)*

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (the "CGU") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue form contracts with customers is provided in notes 5, 22 and 28.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of staff apartments and containers that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Leases** (Continued)*

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when the lease term has changed by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserves (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Share-based payments

Equity-settled share-based payments transactions

Share awards/share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

When share options are exercised, the amount previously recognised in other reserves will continue to be held in other reserves. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in other reserves will continue to be held in other reserves.

When share awards granted are vested, the amount previously recognised in other reserves will continue to be held in other reserves.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' because of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Taxation** (Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Taxation** (Continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than freehold land and construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internally-generated other intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Intangible assets *(Continued)*

Internally-generated other intangible assets – research and development expenditure (Continued)

Development stage begins after the platform design verification test has been passed, prototypes and samples have been tested and test reports have been generated. Development costs at this stage are recognised as assets when the above six criteria are met.

Development expenditures not satisfying the above criteria are recognised in the profit or loss as incurred.

Capitalised development costs are amortised using the straight-line method over their estimated useful lives. Amortisation shall begin when the assets are available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or the group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or the group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of equipments are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than for financial assets at FVTPL) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Classification and subsequent measurement of financial assets *(Continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Bills receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for bills receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these bills receivables had been measured at amortised cost. All other changes in the carrying amount of these bills receivables are recognised in other comprehensive income and accumulated under the heading of other FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these bills receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Classification and subsequent measurement of financial assets *(Continued)*

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including bills, trade and other receivables, bills receivables at FVTOCI, time deposits, restricted bank deposits and cash and cash equivalents) and other items (contract assets) which are subject to impairment assessment under IFRS 9 *Financial Instruments*. The amount of ECL is updated at the reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(Continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(Continued)*

(i) Significant increase in credit risk *(Continued)*

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(Continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables/contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration of the aging when formulating the grouping.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(Continued)*

(v) Measurement and recognition of ECL *(Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for bills receivables that are measured at FVTOCI, the Group recognises an impairment loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of bills, trade and other receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account. For bills receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 7) as part of the net foreign exchange gains.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Derecognition of financial assets *(Continued)*

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in bills receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

All financial liabilities including bills, trade and other payables and borrowings, are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 7) as part of net foreign exchange gains for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or a group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2025, the carrying amount of goodwill is RMB1,086,614,000 (2024: RMB1,086,614,000). Details of the recoverable amount calculation are disclosed in note 17.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets relating to debtors with known financial difficulties or significant doubt on collection are assessed individually for impairment. In addition, the Group uses practical expedient in estimating ECL on trade receivables and contract assets, which are not assessed individually using a provision matrix. The provision rates are based on aging analysis for grouping of debtors that have similar loss patterns taking into consideration the historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 21, 22 and 38.

Write-down of inventories based on the lower of cost and net realisable value

The Group reviews the conditions of inventories and makes provision for obsolete and slow-moving inventory items by using the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and sale. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. The management reassesses these estimates at the end of the reporting period.

As at 31 December 2025, the carrying amount of inventories is RMB14,956,690,000 (2024: RMB13,580,021,000), net of accumulated inventory provision of RMB805,053,000 (2024: RMB933,698,000). The amounts of write-down of inventories are set out in note 11.

5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Types of goods or services		
Sales of intelligent equipment		
– Lithium-ion battery intelligent equipment	**9,450,653**	7,688,549
– Photovoltaic intelligent equipment	**1,122,569**	866,993
– 3C Intelligent equipment	**606,694**	688,767
– Intelligent logistics equipment	**1,155,067**	1,867,332
– Automotive intelligent production line	**899,614**	125,722
– Others	**1,123,419**	535,987
	14,358,016	11,773,350
Timing of revenue recognition		
A point in time	**14,358,016**	11,773,350
Geographical markets (Note)		
Mainland China	**11,229,410**	8,942,013
Overseas	**3,128,606**	2,831,337
	14,358,016	11,773,350

Note: Information about the Group's revenue from external customers is presented based on the locations of the customers.

Performance obligations for contracts with customers and revenue recognition policies

Sales of intelligent equipment

Each of the equipment involves a comprehensive process, including design, manufacture, delivery, installation and commissioning of customised products to the customers. Given that customers cannot benefits from part of the process, each of the equipment is accounted for as a single performance obligation. Revenue from sales of intelligent equipment is generally recognised upon the receipt of customer acceptance. Such acceptance is formally acknowledged through a signed document verifying that the equipment meets the specified requirements and is fully operational to the customer's satisfaction, which representing the customer has the ability to direct the use of the equipment and obtain substantially all of the remaining benefits of the equipment.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Performance obligations for contracts with customers and revenue recognition policies *(Continued)*

Sales of intelligent equipment *(Continued)*

Typically, upon signing of a sales contract, the customer is obligated to remit a deposit of approximately 30% of the total contract amount. When the equipment is prepared for shipment, the customer is required to settle approximately 30% of the total contract amount. Subsequently, upon the completion of installation and commissioning of the equipment, and upon receipt of the customer's signed acceptance confirmation, the customer is obliged to pay an additional approximately 30% of the total contract amount. Finally, approximately 10% of the contract amount is withheld by the customers and is released upon the fulfilment of a one year's retention period. The services to be provided during the retention period is considered as an assurance-type warranty in order to ensure the equipment will be operational as needed and is accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Contract liabilities are recognised when the advance payments are received but revenue has yet been recognised. Retention receivables are classified as contract assets and are transferred to trade receivables when the rights become unconditional.

Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

Segment information

Information reported to the chief executive officer and executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and performance assessment focused on geographical locations of the production bases. The Group has identified the following two reportable segments:

- Lead Intelligence: its production bases are located in Wuxi, Jiangsu Province; design, manufacture and sales of front and middle of the manufacturing processes of lithium-ion battery intelligent equipment, photovoltaic intelligent equipment, 3C intelligent equipment, and other equipment; and

- Titan New Power: its production bases are located in Zhuhai, Guangdong Province; design, manufacture and sales of back-end of the manufacturing processes of lithium-ion battery intelligent equipment and intelligent logistics equipment.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Lead Intelligence RMB'000	Titan New Power RMB'000	Elimination RMB'000	Total RMB'000
For the year ended 31 December 2025				
Segment revenue				
External sales	**12,296,640**	**2,061,376**	**–**	**14,358,016**
Inter-segment sales	**81,344**	**550,031**	**(631,375)**	**–**
Segment revenue	**12,377,984**	**2,611,407**	**(631,375)**	**14,358,016**
Segment profit (loss) before tax	**1,545,726**	**156,316**	**(13,194)**	**1,688,848**
For the year ended 31 December 2024				
Segment revenue				
External sales	9,140,269	2,633,081	–	11,773,350
Inter-segment sales	1,045,742	554,898	(1,600,640)	–
Segment revenue	10,186,011	3,187,979	(1,600,640)	11,773,350
Segment (loss) profit before tax	(317,212)	390,244	39,223	112,255

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit/(loss) represents the profit earned by/loss from each segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Segment assets		
Lead Intelligence	**29,993,660**	28,814,019
Titan New Power	**8,987,391**	7,280,108
Consolidated assets	**38,981,051**	36,094,127
Segment liabilities		
Lead Intelligence	**21,405,026**	18,844,926
Titan New Power	**4,456,109**	5,669,816
Consolidated liabilities	**25,861,135**	24,514,742

Other segment information (included in the measure of segment profit or loss or segment assets)

	Lead Intelligence RMB'000	**Titan New Power RMB'000**	**Total RMB'000**
For the year ended 31 December 2025			
Depreciation of property, plant and equipment	**206,214**	**44,211**	**250,425**
Depreciation of right-of-use assets	**162,211**	**2,197**	**164,408**
Amortisation of other intangible assets	**96,251**	**19,213**	**115,464**
Write-down of inventories	**297,213**	**41,401**	**338,614**
Impairment losses (reversed) recognised in profit or loss			
– trade receivables	**(41,617)**	**(73,952)**	**(115,569)**
– contract assets	**7,325**	**1,993**	**9,318**
– other receivables	**(3,298)**	**859**	**(2,439)**
Additions to property, plant and equipment	**534,825**	**64,753**	**599,578**
Additions to other intangible assets	**78,079**	**250**	**78,329**

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Other segment information (included in the measure of segment profit or loss or segment assets) *(Continued)*

	Lead Intelligence RMB'000	Titan New Power RMB'000	Total RMB'000
For the year ended 31 December 2024			
Depreciation of property, plant and equipment	172,290	36,245	208,535
Depreciation of right-of-use assets	139,188	12,687	151,875
Amortisation of other intangible assets	84,561	28,431	112,992
Write-down of inventories	499,472	49,200	548,672
Impairment losses recognised (reversed) in profit or loss			
– trade receivables	505,079	89,104	594,183
– contract assets	(39,476)	(4,824)	(44,300)
– other receivables	5,179	108	5,287
Additions to property, plant and equipment	765,906	379,321	1,145,227
Additions to other intangible assets	42,039	1,091	43,130

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Customer A	**3,052,689**	N/A[1]
Customer B	**N/A[1]**	1,787,432
	3,052,689	1,787,432

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME AND EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Unconditional government grants (Note i)	**11,021**	28,067
Subsidies for research and development projects (Note i)	**20,062**	3,310
Subsidies for assets acquisition (Note i)	**8,033**	7,637
Value-added tax refund and additional deduction (Note ii)	**231,270**	333,474
Interest income from bank balances	**46,273**	38,415
Interest income from time deposits	**3,255**	3,371
Penalty income	**3,793**	6,147
Others	**8,745**	(90,153)
	332,452	330,268

Notes:

i. The government grants mainly represent unconditional government grants, subsidies for research and developments projects and asset acquisition from the PRC local governments to encourage the operations and industry development. Unconditional government grants are recognised in profit or loss when received. Details of subsidies for research and development projects and asset acquisition are set out in note 31.

ii. In accordance with the Notice of Ministry of Finance and State Administration of Taxation on Value-added Tax Policies for Software Products which was promulgated by the Ministry of Finance and the State Administration of Taxation on 13 October 2011 and came into effect on 1 January 2011, enterprises engaged in the sales of self-developed software in the PRC are entitled to the value added tax refund to the portion of value-added tax actually paid which exceeds 3% of the related sale amounts.

In addition, effective from 1 January 2023 to 31 December 2027, the net value added tax payables amount has been reduced by an additional 5% of value added tax on purchases, pursuant to the announcements jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC on 3 September 2023.

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Gains from changes in fair value of financial assets measured at FVTPL	**24,974**	3,086
Losses on derecognition of bills receivables at FVTOCI	**(7,386)**	(12,254)
Losses on disposals of property, plant and equipment	**(4,353)**	(4,444)
Losses on write-off of other intangible assets	**(150)**	–
Net foreign exchange gains	**21,319**	45,864
Others	**(12,081)**	(17,645)
	22,323	14,607

8. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES OR IMPAIRMENT GAINS) ON FINANCIAL ASSETS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment losses (reversed) recognised on:		
– trade receivables	**(115,569)**	594,183
– contract assets	**9,318**	(44,300)
– other receivables	**(2,439)**	5,287
	(108,690)	555,170

Details of impairment assessment are set out in note 38.

9. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	**14,336**	18,553
Interest on bank loans	**105,410**	42,196
Bank charges for discounted bills receivables	**974**	1,438
	120,720	62,187

10. INCOME TAX EXPENSE (CREDIT)

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Enterprise Income Tax		
– Current tax	**12,162**	38,258
– Under (over) provision in prior years	**11,388**	(1,487)
Deferred tax (credit) expense (note 19)	**105,461**	(192,547)
	129,011	(155,776)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% during the Track Record Period, except for the Company and certain subsidiaries entitled to preferential tax rates.

The Company has been accredited as a "high and new technical enterprise" (the "HNTE") on June 13, 2010, and renewed the HNTE in 2013, 2016, 2019, 2022 and 2025 respectively, such status will expire on 18 November 2028. The Company is entitled to a preferential income tax rate of 15%. Certain subsidiaries are also recognised as HNTEs and the effective periods are as follows:

Name of subsidiary	Starting date	Expiry date
Zhuhai Titan New Power Electronics Co., Ltd. (珠海泰坦新動力電子有限公司) ("Zhuhai Titan")	9 December 2016	19 December 2028
Guangdong Beidao intelligent Technology Co., Ltd. (廣東貝導智能科技有限公司) ("Guangdong Beidao")	28 December 2023	28 December 2026
Jiangsu Qingdao Intelligent Equipment Co., Ltd.. (江蘇氫導智能裝備有限公司) ("Jiangsu Qingdao Intelligent")	28 November 2023	28 November 2026
Jiangsu Lead Technology Co., Ltd. (江蘇立導科技有限公司) ("Jiangsu Lead Technology")	6 November 2023	6 November 2026
Wuxi Guangdao Precision Technology Co., Ltd. (無錫光導精密科技有限公司) ("Wuxi Guangdao")	6 November 2023	6 November 2026
Shanghai Lead Huineng Technology Co., Ltd. (上海先導慧能技術有限公司) ("Shanghai Lead Huineng")	4 December 2024	4 December 2027

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2018 onwards, enterprise engaging in research and development activities are entitled to claim 200% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for the period from 1 October 2022 to 31 December 2025.

10. INCOME TAX EXPENSE (CREDIT) *(Continued)*

Additionally, Jiangsu Andao Intelligent Equipment Co., Ltd. (江蘇安導智能裝備有限公司) and Shanghai Qingdao Hanjue Intelligent Technology Co., Ltd. (上海氫導漢玨智慧科技有限公司) were subject to "small and thinprofit enterprises" and would benefit from a preferential tax rate of 20% under the EIT Law. During the year ended 31 December 2025, the qualifying group entities enjoyed 75% (2024: 75%) reduction on annual taxable income, respectively.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before tax	**1,688,848**	112,255
Tax at the PRC EIT rate of 15%	**253,327**	16,838
Tax effect of expenses not deductible for tax purposes	**37,314**	27,276
Tax effect of income not taxable for tax purposes	**(1,031)**	(992)
Tax effect of tax losses not recognised	**41,250**	50,519
Tax effect of deductible temporary differences not recognised	**16,513**	8,876
Utilisation of tax losses previously not recognised	**(916)**	(19,133)
Utilisation of deductible temporary differences previously not recognised	**(71)**	(37)
Tax benefit on research and development expenses	**(233,398)**	(245,222)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**4,841**	7,611
Income tax at concessionary rate	**(206)**	(25)
Under (over) provision in respect of prior years	**11,388**	(1,487)
	129,011	(155,776)

11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Staff costs, including directors' remuneration		
– salaries and other benefits	**3,323,297**	3,467,162
– retirement benefit scheme contributions	**221,126**	233,290
– equity-settled share-based payment expenses	**52,377**	3,827
Total staff costs	**3,596,800**	3,704,279
Capitalised in inventories	**(1,529,903)**	(1,623,418)
Capitalised in development costs	**–**	(4,910)
	2,066,897	2,075,951
Depreciation of property, plant and equipment	**250,425**	208,535
Depreciation of right-of-use assets	**164,408**	151,875
Amortisation of other intangible assets	**115,464**	112,992
Total depreciation and amortisation	**530,297**	473,402
Capitalised in inventories	**(405,308)**	(355,728)
Capitalised in development costs	**–**	(122)
	124,989	117,552
Cost of inventories recognised as an expense	**9,605,697**	7,706,971
Write-down of inventories (included in cost of sales)	**338,614**	548,672
Auditor's remunerations	**3,482**	1,250

12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Directors, chief executive and supervisors

Name	Position	Date of appointment
Mr. Wang Yanqing	Executive director and chief executive officer	20 December 2011
Mr. Wang Jianxin	Executive director	20 December 2011
Mr. You Zhiliang	Executive director	20 December 2011
Mr. Wang Lei	Executive director	26 February 2018
Ms. Zhang Mingyan	Independent non-executive director	22 February 2021
Mr. Dai Jianjun	Independent non-executive director	30 May 2022
Ms. Wong Sze Wing	Independent non-executive director	17 November 2025
Mr. Guo Xiasheng	Independent non-executive director	19 February 2024 (resigned on 17 November 2025)
Ms. Bian Fenxiang	Supervisor	15 February 2017
Ms. Wang Qingyan	Supervisor	13 May 2019
Mr. Huawei	Supervisor	19 February 2024

12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Directors, chief executive and supervisors *(Continued)*

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Directors fees RMB'000	Salaries and other benefits RMB'000	Performance related bonuses RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payment expenses RMB'000	Total RMB'000
For the year ended 31 December 2025						
Executive directors:						
Mr. Wang Yanqing	–	2,440	2,400	110	–	4,950
Mr. Wang Jianxin	–	692	205	110	–	1,007
Mr. You Zhiliang	–	288	125	65	69	547
Mr. Wang Lei	–	976	420	110	–	1,506
Subtotal	–	4,396	3,150	395	69	8,010
Independent non-executive directors:						
Ms. Zhang Mingyan	50	–	–	–	–	50
Mr. Dai Jianjun	50	–	–	–	–	50
Ms. Wong Sze Wing	23	–	–	–	–	23
Mr. Guo Xiasheng	44	–	–	–	–	44
Subtotal	167	–	–	–	–	167
Supervisors: (Note)						
Ms. Bian Fenxiang	–	329	36	72	–	437
Ms. Wang Qingyan	–	138	33	42	–	213
Mr. Huawei	–	136	20	28	–	184
Subtotal	–	603	89	142	–	834
Total	167	4,999	3,239	537	69	9,011

12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Directors, chief executive and supervisors *(Continued)*

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows: *(Continued)*

	Directors fees RMB'000	Salaries and other benefits RMB'000	Performance related bonuses RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payment expenses RMB'000	Total RMB'000
For the year ended 31 December 2024						
Executive directors:						
Mr. Wang Yanqing	–	1,747	2,400	107	–	4,254
Mr. Wang Jianxin	–	750	140	118	–	1,008
Mr. You Zhiliang	–	221	300	51	3	575
Mr. Wang Lei	–	963	300	116	–	1,379
Subtotal	–	3,681	3,140	392	3	7,216
Independent non-executive directors:						
Ms. Zhang Mingyan	50	–	–	–	–	50
Mr. Dai Jianjun	50	–	–	–	–	50
Mr. Guo Xiasheng	50	–	–	–	–	50
Subtotal	150	–	–	–	–	150
Supervisors: (Note)						
Ms. Bian Fenxiang	–	277	35	71	–	383
Ms. Wang Qingyan	–	138	33	43	–	214
Mr. Huawei	–	137	19	28	–	184
Subtotal	–	552	87	142	–	781
Total	150	4,233	3,227	534	3	8,147

Note: On 17 November 2025, the Company abolished the board of supervisors following approval by its extraordinary general meeting.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group for both years. The non-executive directors' and supervisors' emoluments shown above were paid for their services as directors and supervisors of the Company. None of the directors or supervisors of the Company waived or agreed to waive any emoluments during both years.

During both years, certain directors were granted restricted shares, in respect of their services to the Group under the share incentive schemes of the Company and the subsidiaries of the Group. Details of the share incentive schemes are set out in note 34 to the consolidated financial statements.

12. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Five highest paid employees

The five highest paid individuals of the Group included two (2024: two) directors of the Company during the year ended 31 December 2025, details of whose remuneration are set out above. Details of the remuneration for the remaining three (2024: three) highest paid individuals during the year ended 31 December 2025, are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	**2,722**	2,432
Performance related bonuses	**1,053**	939
Retirement benefit scheme contributions	**373**	349
Equity-settled share-based payment expenses	**1,096**	218
	5,244	3,938

The number of the five highest paid individuals fell within the following bands is as below:

	Year ended 31 December	
	2025	2024
	No. of employees	No. of employees
Hong Kong Dollars ("HK$") $1,000,001 to HK$1,500,000	**–**	2
HK$1,500,001 to HK$2,000,000	**3**	2
HK$2,000,001 to HK$2,500,000	**1**	–
HK$4,500,001 to HK$5,000,000	**1**	1
	5	5

During both years, no emoluments were paid by the Group to any of the directors, supervisors, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Dividend for ordinary shareholders of the Company recognised as distribution:		
2023 Final – RMB0.343 per share	**–**	533,327
2024 Final – RMB0.056 per share	**87,081**	–
	87,081	533,327

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB0.287 (2024: final dividend in respect of the year ended 31 December 2024 of RMB0.056) per ordinary share, in an aggregate amount of approximately RMB477,301,000 (2024: approximately RMB87,081,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2025	2024
Earnings (RMB'000)		
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company	**1,563,778**	286,100
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	**1,554,954**	1,554,890
Effect of dilutive potential ordinary shares:		
– share incentive plans of the Company	**2,634**	333
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,557,588**	1,555,223

Note: The number of treasury shares was excluded in calculating the weighted average number of ordinary shares for the purpose of basic earnings per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and facilities	Leasehold improvement	Freehold land	Electronic and other Machinery	Construction equipment	in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At 1 January 2024	890,179	481,974	12,958	218,524	446,619	439,300	2,489,554
Additions	1,297	832	–	6,643	26,590	1,109,865	1,145,227
Transfer	920,717	151,307	–	20,180	33,042	(1,125,246)	–
Disposals/write-off	–	(7,786)	–	(8,835)	(12,296)	–	(28,917)
Exchange adjustments	(1,174)	–	(1,227)	(2,236)	(376)	–	(5,013)
At 31 December 2024	1,811,019	626,327	11,731	234,276	493,579	423,919	3,600,851
Additions	–	–	–	5,214	23,389	570,975	599,578
Transfer	567,580	230,327	–	62,361	4,852	(865,120)	–
Disposals/write-off	–	(29,576)	–	(3,007)	(21,352)	–	(53,935)
Exchange adjustments	2,584	–	1,106	786	1,080	–	5,556
At 31 December 2025	**2,381,183**	**827,078**	**12,837**	**299,630**	**501,548**	**129,774**	**4,152,050**
DEPRECIATION							
At 1 January 2024	166,614	118,033	–	68,381	230,266	–	583,294
Provided for the year	48,918	74,578	–	17,826	67,213	–	208,535
Eliminated on disposals/write-off	–	(7,786)	–	(6,216)	(9,814)	–	(23,816)
Exchange adjustments	(51)	–	–	(100)	(92)	–	(243)
At 31 December 2024	215,481	184,825	–	79,891	287,573	–	767,770
Provided for the year	80,995	82,224	–	21,958	65,248	–	250,425
Eliminated on disposals/write-off	–	(29,576)	–	(1,674)	(16,429)	–	(47,679)
Exchange adjustments	185	–	–	230	474	–	889
At 31 December 2025	**296,661**	**237,473**	**–**	**100,405**	**336,866**	**–**	**971,405**
CARRYING VALUES							
At 31 December 2025	**2,084,522**	**589,605**	**12,837**	**199,225**	**164,682**	**129,774**	**3,180,645**
At 31 December 2024	1,595,538	441,502	11,731	154,385	206,006	423,919	2,833,081

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment, except for construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis, at the following useful lives:

Buildings and facilities	20 years
Leasehold improvement	Shorter of their useful lives and the lease term
Freehold land	Not depreciated
Machinery	10 years
Electronic and other equipment	5 years

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	**Leasehold properties** RMB'000	**Total** RMB'000
As at 31 December 2025			
Carrying amounts	**304,964**	**603,960**	**908,924**
As at 31 December 2024			
Carrying amounts	312,464	382,631	695,095
For the year ended 31 December 2025			
Depreciation charge	**7,805**	**156,603**	**164,408**
For the year ended 31 December 2024			
Depreciation charge	7,802	144,073	151,875

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	**71,561**	74,270
Total cash outflow for leases	**239,088**	231,917
Additions to right-of-use assets	**424,201**	96,559
Termination of right-of-use assets	**45,964**	4,649

During the year ended 31 December 2025, the Group leased various properties for its operations. Lease contracts are entered into for fixed term of 2 to 5 years (2024: 2 to 10 years). The lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. RIGHT-OF-USE ASSETS *(Continued)*

The Group has made lump sum payments upfronts to government for leasehold lands with lease term of 50 years. The Group has obtained the land use right certificates for all leasehold lands.

The Group regularly entered into short-term leases for staff apartments and containers. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB650,924,000 are recognised with related right-of-use assets of RMB603,960,000 as at 31 December 2025 (2024: lease liabilities of RMB426,379,000 and related right-of-use assets of RMB382,631,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Details of the lease maturity analysis of lease liabilities are set out in notes 30 and 38.

17. GOODWILL

	RMB'000
At 1 January 2024, 31 December 2024 and 2025	1,086,614

Impairment testing of goodwill

On 31 July 2017, the Company acquired entire equity interests of Zhuhai Titan for a total consideration of RMB1,350,000,000, comprising a cash consideration of RMB607,500,000 and the fair value of shares issued by the Company amounting to RMB742,500,000. The goodwill of RMB1,092,335,000 resulted from the difference between the total consideration and the fair value of identifiable net assets of Zhuhai Titan amounting to RMB257,665,000.

For the purpose of impairment testing, goodwill acquired through business combination is allocated to Zhuhai Titan ("Zhuhai Titan CGU"), which constituted a CGU. In addition to goodwill, property, plant and equipment, right-of-assets and other intangible assets that generate cash flows together with the related goodwill are also included in the respective Zhuhai Titan CGU for the purpose of impairment assessment. have been assessed as one CGU. As at 31 December 31 2025, the carrying amount of the Zhuhai Titan CGU amounted to RMB1,282,590,000 (2024: RMB1,250,709,000).

The Group engaged an independent qualified professional valuer, Vocation (Beijing) International Asset Valuation Co., Ltd ("Vocation") (沃克森(北京)國際資產評估有限公司) (305-306, 3rd Floor, Block 37, No. 19 Chegongzhuang West Road, Haidian District, Beijing, China), to assist the preparation of the goodwill impairment testing. The recoverable amount has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The management of the Group did not assume any growth to the cash flows subsequent to the 5-year period. This is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

17. GOODWILL *(Continued)*

Impairment testing of goodwill *(Continued)*

The following table sets out the key assumptions for the value in use calculation of Zhuhai Titan CGU:

	As at 31 December	
	2025	2024
	%	%
Pre-tax discount rate	**12.69**	11.09
Revenue growth rates	**6.52**	4.96
Gross margins	**23.89**	23.95

Pre-tax discount rate applied reflects the current market assessments of the time value of money and the risks specific to Zhuhai Titan CGU. Revenue growth rates and gross margins were determined by the management of the Group based on Zhuhai Titan CGU's past performance and management's expectations for the market development.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of Zhuhai Titan CGU exceeded the carrying amount by RMB325,060,000 (2024: RMB590,257,000) as at 31 December 2025. Accordingly, there was no impairment of goodwill recognised during both years

In addition, the management of the Group performed the sensitivity analysis based on changes of the abovementioned key assumptions. Had the estimated key assumptions during the forecast period been changed as below while other assumptions remained constant, the excess of recoverable amount of Zhuhai Titan CGU over the carrying amount, as at 31 December 2025 and 2024 would decrease to the amounts set out as below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Pre-tax discount rate increased by 5%	**204,840**	457,774
Revenue growth rate decreased by 5%	**290,060**	431,519
Gross margin decreased by 5%	**76,620**	268,384

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amounts of the Zhuhai Titan CGU to exceed its recoverable amount.

18. OTHER INTANGIBLE ASSETS

	Development costs RMB'000	Intellectual properties RMB'000	Software RMB'000	Total RMB'000
COST				
At 1 January 2024	97,950	368,752	115,883	582,585
Additions	5,105	–	38,025	43,130
Transfer	(103,055)	103,055	–	–
Exchange adjustments	–	–	(29)	(29)
At 31 December 2024	–	471,807	153,879	625,686
Additions	–	–	78,329	78,329
Write-off	–	–	(900)	(900)
Exchange adjustments	–	–	436	436
At 31 December 2025	**–**	**471,807**	**231,744**	**703,551**
AMORTISATION				
At 1 January 2024	–	108,583	94,176	202,759
Charged for the year	–	80,619	32,373	112,992
Exchange adjustments	–	–	(91)	(91)
At 31 December 2024	–	189,202	126,458	315,660
Charged for the year	–	94,360	21,104	115,464
Eliminated on write-off	–	–	(750)	(750)
Exchange adjustments	–	–	311	311
At 31 December 2025	**–**	**283,562**	**147,123**	**430,685**
CARRYING VALUES				
At 31 December 2025	**–**	**188,245**	**84,621**	**272,866**
At 31 December 2024	–	282,605	27,421	310,026

The development costs are not amortised and are transferred to "Intellectual properties" once the relevant technologies are available for use.

Except for the development costs, the above items have finite useful lives. Such other intangible assets are amortised on a straight-line basis over the following periods:

Intellectual properties	2-10 years
Software	2 years

19. DEFERRED TAX ASSETS

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following are the major deferred tax assets (liabilities) of the Group recognised and movements thereon during the current and prior years:

	ECL provision	Tax losses	Share-based payments	Inventory provision	Lease liabilities	Unrealised profits	Depreciation and amortisation	Right-of-use assets	Fair value adjustment arising from business combination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	278,479	8,204	17,299	74,627	79,059	14,991	(1,850)	(69,743)	(1,314)	399,752
Credit (charge) to profit or loss	81,861	66,528	(7,789)	61,186	11,476	(12,366)	7,544	(17,207)	1,314	192,547
At 31 December 2024	360,340	74,732	9,510	135,813	90,535	2,625	5,694	(86,950)	–	592,299
(Charge) credit to profit or loss	(23,727)	(58,892)	(1,674)	(25,599)	3,176	(443)	5,342	(3,644)	–	(105,461)
At 31 December 2025	**336,613**	**15,840**	**7,836**	**110,214**	**93,711**	**2,182**	**11,036**	**(90,594)**	**–**	**486,838**

As at 31 December 2025, the Group had unused tax losses of approximately RMB1,296,510,000 (2024: RMB1,421,029,000), available for offsetting against future profits. No deferred tax asset has been recognised in respect of tax losses of RMB1,190,910,000 (2024: RMB922,818,000) due to the unpredictability of future profit streams.

As at 31 December 2025, the Group has deductible temporary differences of RMB162,141,000 (2024: RMB52,527,000) mainly related to ECL provision and inventory provision. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

19. DEFERRED TAX ASSETS *(Continued)*

The unrecognised tax losses of the Group will be carried forward and expire in years as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	**–**	802
2026	**–**	1,448
2027	**156,310**	156,324
2028	**427,008**	427,453
2029	**332,592**	336,791
2030	**275,000**	–
	1,190,910	922,818

20. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials	**670,139**	502,921
Work in progress	**3,631,050**	4,050,507
Goods delivered	**10,655,501**	9,026,593
	14,956,690	13,580,021

21. BILLS, TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
– due from related parties (note 40)	**953,611**	1,206,734
– due from third parties	**7,989,649**	9,765,779
	8,943,260	10,972,513
Less: Allowance for credit losses	**(2,232,790)**	(2,346,389)
	6,710,470	8,626,124
Bills receivables (Note)	**689,695**	956,233
Prepayments and other receivables		
Prepayment to suppliers	**470,060**	399,732
Value added tax recoverable	**415,374**	571,176
Deposits for tendering and performance	**62,150**	83,221
Amounts due from related parties – trade related (note 40)	**–**	6,613
Amounts due from related parties – non-trade related (note 40)	**1,154**	906
Deferred issue costs	**28,091**	–
Other receivables	**28,033**	47,135
Less: Allowance for credit losses	**(25,619)**	(32,738)
	979,243	1,076,045
	8,379,408	10,658,402

Note: All the bills receivables of the Group were bank acceptance bills and are with a maturity period of less than one year. For bills receivables, based on the historical data and management's analysis, the potential loss on collection of bills receivables is not material and no impairment loss is considered.

As at 1 January 2024, the Group's trade receivables from contracts with customers amounted to RMB9,748,842,000.

21. BILLS, TRADE AND OTHER RECEIVABLES *(Continued)*

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on revenue recognition dates:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**4,129,602**	4,793,102
1 to 2 years	**1,866,540**	3,265,549
2 to 3 years	**714,328**	567,473
	6,710,470	8,626,124

Details of impairment assessment of bills, trade and other receivables of the Group are set out in note 38.

As at 31 December 2024, the Group's certain bills receivables were pledged for issuance of bills payables or discounting to the banks. Details are set out in note 36.

The non-trade amounts due from related parties are unsecured, non-interest and repayable on demand.

The carrying amounts of bills, trade and other receivables that were denominated in foreign currencies other than the functional currencies of the relevant group entities are set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
United State Dollar ("US$")	**176,359**	226,134
European Dollar ("EUR")	**150,239**	139,414
Japanese Yen ("JPY")	**7,074**	505

22. CONTRACT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Retention receivables		
– due from related parties (note 40)	**298,731**	72,915
– due from third parties	**651,105**	690,558
	949,836	763,473
Less: Allowance for credit losses	**(47,492)**	(38,174)
	902,344	725,299

As at 1 January 2024, the Group's contract assets amounted to RMB1,567,004,000.

The intelligent equipment sales contracts include the terms that require certain portion of the contract value to be withheld by the customers until the expiry of the warranty period.

The Group typically agrees to a retention period for one year for 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditioned on the equipment not having quality issue.

The contract assets are transferred to trade receivables when the warranty obligations expire.

Details of impairment assessment of contract assets of the Group are set out in note 38.

23. FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets mandatorily measured at FVTPL (Note i):		
– structured deposits (Note ii)	**1,572,220**	432,278

Notes:

i. Details of the fair value measurement for financial assets at FVTPL are set out in note 38.

ii. The structured deposits were short-term investments issued by banks and financial institutions with no predetermined or guaranteed return. These financial assets were with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, including listed shares, bonds, debentures and other financial assets.

24. BILLS RECEIVABLES AT FVTOCI

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bills receivables	**1,093,699**	785,988

As at 31 December 2025, certain bills which were held by the Group for the practice of endorsing to suppliers or discounting to banks before the bills due for payment were classified as "bills receivables at FVTOCI". All the bills receivables are with a maturity period of less than one year.

The credit risk on bills receivables at FVTOCI is limited because the counterparties are banks with high credit-ratings assigned by credit rating agencies. In the view of the directors of the Company, the credit risk of bills receivables at FVTOCI was minimal and no impairment was provided.

Details of impairment assessment of bills receivables at FVTOCI are set out in note 38.

25. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that were derecognised in their entirety

The Group has discounted certain bills receivables to banks or endorsed to certain suppliers for settlement of trade payables. These bills are issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company consider the substantial risks in relation to these bills are interest risk as the credit risk arising from these bills are minimal. Upon the discount/endorsement of these bills, the Group has transferred substantially all the risks of these bills to relevant banks/suppliers, hence the Group has derecognised these bills receivables.

As at 31 December 2025, the Group's bills receivables at FVTOCI amounted to RMB732,546,000 (2024: RMB680,297,000), which were endorsed to certain suppliers for settlement of trade payables but not mature that are derecognised in their entirety. As at 31 December 2025, the Group's bills receivables at FVTOCI amounted to RMB701,692,000 (2024: RMB575,405,000), which were discounted to the banks but not mature that are derecognised in their entirety.

Transferred financial assets that were not derecognised in their entirety

As at 31 December 2025, included in the Group's bills receivables amounted to RMB212,337,000 (2024: RMB330,218,000), which were endorsed to certain suppliers for settlement of trade payables on a full recourse basis that are not derecognised in their entirety. As the Group has not transferred the significant risks and rewards relating to the bill receivables to its suppliers upon endorsement, it continues to recognise the full carrying amount of bill receivables and trade payables from the endorsement of the bills with full recourse.

As at 31 December 2025, included in the Group's bills receivables amounted to RMB127,868,000 (2024: RMB82,796,000), which were discounted to the banks on a full recourse basis that are not derecognised in their entirety. As the Group has not transferred the substantial risks and rewards, it continues to recognise the bills receivables and has recognised the cash received on the transfer as the pledged borrowings.

26. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TIME DEPOSITS

The Group's cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.10% to 3.99% (2024: 0.10% to 1.15%) per annum as at 31 December 2025.

The Group's restricted bank deposits consist primarily of restricted bank balances pledged to banks for issuing bills payables. All restricted bank balances are placed in major financial institutions in segregated accounts. The restricted bank deposits carried interest at market rates which range from 0.05% to 1.85% (2024: 0.10% to 1.85%) per annum as at 31 December 2025.

The Group's time deposits carry interest at prevailing market rates from 1.00% to 4.15% (2024: 3.15% to 3.40%) per annum as at 31 December 2025, with original maturity of more than three months.

26. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TIME DEPOSITS *(Continued)*

The Group's cash and cash equivalents, restricted bank deposits and time deposits that are mainly denominated in currencies other than the functional currency are set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US$	**851,284**	156,658
EUR	**243,358**	59,527
JPY	**30,911**	5,199
Korean Won ("KRW")	**177**	1

27. BILLS, TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
– due to related parties (note 40)	**28,309**	27,066
– due to third parties	**3,735,381**	3,752,519
	3,763,690	3,779,585
Trade payables under supplier finance arrangements	**542,985**	32,649
Bills payables (Note)	**3,661,493**	3,176,070
Payables for acquisition of property, plant and equipment	**384,327**	292,070
Payroll payables	**599,520**	639,254
Value added tax and other taxes payable	**64,726**	40,607
Amounts due to related parties – non-trade related (note 40)	**–**	11,630
Accrued issue costs	**5,304**	–
Other payables	**139,940**	142,045
	5,398,295	4,334,325
	9,161,985	8,113,910

27. BILLS, TRADE AND OTHER PAYABLES *(Continued)*

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

The following is an aged analysis of trade payables (including supplier finance arrangements) presented based on invoice date at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**4,242,265**	3,812,234
Over 1 year	**64,410**	–
	4,306,675	3,812,234

The non-trade amounts due to related parties are unsecured, non-interest and repayable on demand.

The Group's bills, trade and other payables that are denominated in currencies other than the functional currency are set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US$	**1,299**	7,205
EUR	**7,339**	15,527

28. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of equipment		
– from related parties (note 40)	**2,332,238**	1,156,504
– from third parties	**10,541,017**	10,440,485
	12,873,255	11,596,989

Contract liabilities that are expected to be settled within the Group's normal operating cycle are classified as current liabilities based on the Group's earliest obligation to transfer goods to the customers.

As at 1 January 2024, the Group's contract liabilities amounted to RMB12,572,739,000.

As at 1 January 2024 and 31 December 2024, the Group's contract liabilities amounted to RMB6,933,726,000 and RMB7,310,639,000 were recognised as revenue during the years ended 31 December 2024 and 2025, respectively.

29. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Secured	**127,868**	82,796
Unsecured	**2,919,489**	4,180,012
	3,047,357	4,262,808
The carrying amounts of the above borrowings are repayable:		
Within one year	**1,230,785**	1,786,226
Within a period of more than one year but not exceeding two years	**1,398,095**	1,172,666
Within a period of more than two years but not exceeding five years	**418,477**	1,303,916
	3,047,357	4,262,808
Less: Amounts due within one year shown under current liabilities	**(1,230,785)**	(1,786,226)
Amounts shown under non-current liabilities	**1,816,572**	2,476,582

29. BORROWINGS *(Continued)*

The exposure of the Group's borrowings is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Fixed-rate borrowings	**1,120,107**	2,266,329
Variable-rate borrowings	**1,927,250**	1,996,479
	3,047,357	4,262,808

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's and the Company's borrowings are as follows:

	As at 31 December	
	2025	2024
Fixed-rate borrowings	**0.95%~2.70%**	0.76%~2.70%
Variable-rate borrowings	**2.25%~2.70%**	2.48%~2.70%

The Group's borrowings that are denominated in currencies other than the functional currency are set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US$	**–**	309,101

30. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	**172,547**	150,646
Within a period of more than one year but not exceeding two years	**149,275**	96,926
Within a period of more than two years but not exceeding five years	**329,102**	175,985
Within a period of more than five years	**–**	2,822
	650,924	426,379
Less: Amounts due for settlement within 12 months shown under current liabilities	**(172,547)**	(150,646)
Amounts due for settlement after 12 months shown under non-current liabilities	**478,377**	275,733

During the year ended 31 December 2025, the incremental borrowing rates applied to lease liabilities from 2.33% to 4.60% (2024: 3.55% to 4.60%).

31. DEFERRED INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	**97,760**	73,118
Received	**47,811**	35,589
Released to profit or loss	**(28,095)**	(10,947)
At the ending of the year	**117,476**	97,760

The Group received various government grants aimed at encouraging the research and development projects or the assets acquisition. Government grants received for which related research and development expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position and recognised in the profit or loss over the period necessary to match them with the expenditures that they are intended to compensate. Government grants received related to assets are recognised in profit or loss over the expected useful lives of the relevant assets.

32. SHARE CAPITAL

	Number of ordinary shares '000	Nominal value of shares RMB'000
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2024 and 31 December 2024 and 2025	1,566,163	1,566,163

33. TREASURY SHARES

Pursuant to the resolution of board of directors held on 12 June 2023, the Company passed the proposal for a program to repurchase the Company's shares for future shares/share options grant held under employee shareholding platforms to be transferred to individual grantees after they exercise their rights. During the year ended 31 December 2024, 100 shares were repurchased in a total consideration of approximately RMB2,000. There was no share repurchased during the year ended 31 December 2025.

During the year ended 31 December 2025, the Company transferred 121,200 Type II restricted shares under 2023 RS Plan (defined in note 34) with a deduction from the treasury shares of RMB3,763,000, and received a total subscription payment of RMB1,652,000 from eligible incentive participants.

As at 31 December 2025, the Company had 11,152,297 (2024: 11,273,497) shares amounted to RMB346,256,000 (2024: RMB350,019,000), were presented as "Treasury Shares" in the consolidated statement of changes in equity.

34. SHARE-BASED PAYMENT TRANSACTIONS

The Group has adopted several equity-settled share incentive plans (collectively as the "SIP"), pursuant to which the Company granted Type II restricted shares and the subsidiaries of the Group granted restricted shares, for the purpose of providing incentives to eligible participants who contribute to the success of the Group's operations. Eligible participants of the schemes include the Company's directors and the Group's employees.

34. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Restricted share plans

The Company granted Type II restricted shares under the SIP. Such shares are valid for a maximum of 36 or 48 months from the date of grant to the date of full vesting or lapsing.

Type II restricted shares refers to ordinary shares granted to the participants pursuant to which ordinary shares could be newly issued or purchased by the Company from secondary market and subscribed for upon the satisfaction of the Group's performance appraisal and individual performance appraisal under the SIP. Upon the satisfaction of certain vesting conditions under the SIP, the participants of Type II restricted shares have the right to subscribe new ordinary shares or receive shares purchased by the Company from secondary market. These granted restricted shares have a contractual term of no more than 48 months and will be vested 30%, 30% and 40%, respectively over a three-year period, or 50% and 50%, respectively over a two-year period, beginning 12 months after the grant date. beginning 12 months after the grant date.

According to the SIP, the grant price of Type II restricted shares would be adjusted if the Company declared cash or share dividends or transferred share premium into share capital.

On 11 October 2021, the board of directors approved the grant of 2,031,500 Type II restricted shares to 323 participants under the 2021 restricted share plan (the "2021 RS Plan"), with an original grant price of RMB35.43 per share. The grant price is subject to adjustment upon the Company's declaration of cash dividends. Subsequent to the cash dividends of RMB0.34 per share and RMB0.06 per share declared in June 2024 and June 2025, the adjusted grant price was RMB34.05 per share and RMB33.99 per share, respectively.

Movements in the number of 2021 RS Plan and the exercise price per share were as follows:

	Number of shares		Exercise price per share	
	Year ended 31 December		Year ended 31 December	
	2025	2024	**2025**	2024
			RMB	RMB
Outstanding at the beginning of the year	**549,000**	1,100,050	**34.05**	34.39
Forfeited/lapsed	**(549,000)**	(551,050)	**33.99**	34.05
Outstanding at the ending of the year	**–**	549,000	**N/A**	34.05

34. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Restricted share plans *(Continued)*

On 14 October 2022, the board of directors approved the grant of 6,225,700 Type II restricted shares to 1,296 participants under the 2022 restricted share plan (the "2022 RS Plan"), with an original grant price of RMB27.77 per share. The grant price is subject to adjustment upon the Company's declaration of cash dividends. Subsequent to the cash dividends of RMB0.34 per share and RMB0.06 per share declared in June 2024 and June 2025, the adjusted grant price was RMB26.89 per share and RMB26.83 per share, respectively.

Movements in the number of 2022 RS Plan and the exercise price per share were as follows:

	Number of shares		Exercise price per share	
	Year ended 31 December		Year ended 31 December	
	2025	2024	**2025**	2024
			RMB	RMB
Outstanding at the beginning of the year	**3,358,250**	5,488,000	**26.89**	27.23
Forfeited/lapsed	**(3,358,250)**	(2,129,750)	**26.83**	26.89
Outstanding at the ending of the year	**–**	3,358,250	**N/A**	26.89

On 19 October 2023, the board of directors approved the grant of 875,000 Type II restricted shares to 52 participants under the 2023 restricted share plan (the "2023 RS Plan"), with an original grant price of RMB13.97 per share. The grant price is subject to adjustment upon the Company's declaration of cash dividends. Subsequent to the cash dividends of RMB0.34 per share and RMB0.06 per share declared in June 2024 and June 2025, the adjusted grant price was RMB13.63 per share and RMB13.57 per share, respectively.

Movements in the number of 2023 RS Plan and the exercise price per share were as follows:

	Number of shares		Exercise price per share	
	Year ended 31 December		Year ended 31 December	
	2025	2024	**2025**	2024
			RMB	RMB
Outstanding at the beginning of the year	**617,000**	855,000	**13.63**	13.97
Exercised	**(121,200)**	–	**13.63**	N/A
Forfeited/lapsed	**(249,000)**	(238,000)	**13.57**	13.63
Outstanding at the ending of the year	**246,800**	617,000	**N/A**	13.63

34. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Restricted share plans *(Continued)*

On 22 October 2024, the board of directors approved the grant of 9,110,300 Type II restricted shares to 745 participants under the 2024 restricted share plan (the "2024 RS Plan"), with an original grant price of RMB9.25 per share. The grant price is subject to adjustment upon the Company's declaration of cash dividends. Subsequent to the cash dividend of RMB0.06 per share declared in June 2025, the adjusted grant price was RMB9.19 per share.

Movements in the number of 2024 RS Plan and the exercise price per share were as follows:

	Number of shares		Exercise price per share	
	Year ended 31 December		Year ended 31 December	
	2025	2024	**2025**	2024
			RMB	RMB
Outstanding at the beginning of the year	**9,110,300**	–	**9.25**	N/A
Granted	**–**	9,110,300	**N/A**	9.25
Forfeited/lapsed	**(2,733,090)**	–	**9.19**	9.25
Outstanding at the ending of the year	**6,377,210**	9,110,300	**9.19**	9.25

On 16 October 2025, the board of directors approved the grant of 9,540,000 Type II restricted shares to 745 participants under the 2025 restricted share plan (the "2025 RS Plan"), with an original grant price of RMB32.77 per share. The grant price is subject to adjustment upon the Company's declaration of cash dividends.

Movements in the number of 2025 RS Plan and the exercise price per share were as follows:

	Number of shares		Exercise price per share	
	Year ended 31 December		Year ended 31 December	
	2025	2024	**2025**	2024
			RMB	RMB
Outstanding at the beginning of the year	**–**	–	**N/A**	N/A
Granted	**9,540,000**	–	**32.77**	N/A
Outstanding at the ending of the year	**9,540,000**	–	**32.77**	N/A

34. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Restricted share plans *(Continued)*

The Black-Scholes option pricing model has been used to estimate the fair value of restricted shares. The variables and assumptions used in computing the fair value of restricted shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, Shanghai Rongzheng Investment Consulting Co. (上海榮正投資諮詢股份有限公司) (Room 6288, Block D, Building 6, No. 500, Huapu Road, Qingpu District, Shanghai, China). The weighted average fair value per share for restricted shares granted during the year ended 31 December 2025 was RMB23.77 (2024: RMB10.59).

Changes in variables and assumptions may result in changes in the fair value of restricted shares. These fair values and corresponding inputs into the model were as follows:

Restricted share plan	Closing price per share immediately before grant date RMB	Unadjusted grant price RMB	Expected volatility %	Expected life years	Risk-free rate %	Expected dividend yield %
2021 RS Plan	70.10	35.43	24.69-25.08	3	1.5-2.75	0.92
2022 RS Plan	51.89	27.77	25.06-26.90	3	1.5-2.75	0.20
2023 RS Plan	25.85	13.97	18.79-20.73	3	1.5-2.75	0.01
2024 RS Plan	19.22	9.25	25.17-31.00	3	1.5-2.75	0.00
2025 RS Plan	54.38	32.77	31.04-33.68	2	1.5-2.10	0.00

34. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Share-based incentive schemes of subsidiaries

According to the resolution of board of directors held on 12 December 2022, the Company passed the Proposal on the Implementation of capital increase of the wholly-owned subsidiaries, Jiangsu Lead Technology, Jiangsu Qingdao Intelligent and Wuxi Guangdao and the introduction of employee shareholding platforms, which are controlled by Mr. Wang Yanqing, in order to optimize the governance structure of Jiangsu Lead Technology, Jiangsu Qingdao Intelligent and Wuxi Guangdao, raise funds to further develop business, stabilize and attract talents.

The Group engaged an independent qualified professional valuer, Vocation, the details of which are provided in note 17, to determine the fair values per registered capital of Jiangsu Lead Technology, Jiangsu Qingdao Intelligent and Wuxi Guangdao. The valuer reviewed the appropriateness of three basic valuation approaches (the income approach, the asset-based approach, and the market approach), factoring in the individual developmental stages of each company. In the case of Jiangsu Lead Technology, characterized by stable cash flows and established profitability, the income approach was deemed most suitable. In contrast, for Jiangsu Qingdao Intelligent and Wuxi Guangdao, currently in the research and development phase without predictable cash flows or profitability, the asset-based approach was considered to be more appropriate. Consequently, on the purchase date, the fair value per registered capital of Jiangsu Lead Technology, Jiangsu Qingdao Intelligent and Wuxi Guangdao was RMB15.05, RMB1.67 and RMB1.03, respectively. Employees enjoyed shareholder rights after they obtained the shares and could sell their shares if the five-year service period conditions were met. The management accounted for the share-based incentive schemes of subsidiaries as an equity-settled share-based payment.

During both years, the equity-settled share-based payments expenses have been charged to the consolidated statement of profit or loss as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share-based payment expenses		
– Restricted share plans	**48,903**	353
– Share-based incentive schemes of subsidiaries	**3,474**	3,474
	52,377	3,827
Share-based payment expenses attributable to:		
– Owner of the Company	**50,265**	3,053
– Non-controlling interests	**2,112**	774
	52,377	3,827

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to its equity holders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of debt which includes borrowings and lease liabilities, net of cash and cash equivalents and equity, comprising paid-in/share capital, reserves and retained profits.

The management of the Group review the capital structure on an ongoing basis. As part of this review, the management consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the issue of new capital, as well as the issue of new debt or the redemption of existing debt.

36. PLEDGE OF ASSETS

The following assets have been pledged to or placed with various banks mainly for issuance of bills payables or for placing structured bank deposits at the end of each reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Restricted bank deposits	**808,843**	869,269
Time deposits	**76,003**	–
Bills receivables	**–**	82,796
	884,846	952,065

37. CAPITAL COMMITMENT

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**162,577**	396,340

38. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Amortised cost	**13,522,573**	14,016,688
Bills receivables at FVTOCI	**1,093,699**	785,988
Financial assets at FVTPL	**1,572,220**	432,278
Equity instrument at FVTOCI	**5,000**	5,000
	16,193,492	15,239,954
Financial liabilities		
Amortised cost	**11,545,096**	11,696,857

b. Financial risk management objectives and policies

The Group's major financial instruments include bills, trade and other receivables, financial assets at FVTPL, bills receivables at FVTOCI, equity instrument at FVTOCI, restricted bank deposits, time deposits, cash and cash equivalents, bills, trade and other payables and borrowings. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(i) Market risk

(a) Currency risk

Several group entities have foreign currency sales and purchases, bank balances, trade receivables and trade payables denominated in US$, EUR, JPY etc., which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are mainly as follows:

	Assets		Liabilities	
	As at 31 December		As at 31 December	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
US$	**1,027,643**	382,792	**1,299**	316,306
EUR	**393,597**	198,941	**7,339**	15,527
JPY	**37,985**	5,704	**–**	–
KRW	**177**	1	**–**	–

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies, the foreign currency with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rate. A positive number below indicates an increase in post-tax profit for the year/period where RMB strengthens 5% against the relevant currencies. For a 5% weakening of RMB against relevant currencies, there would be an equal and opposite impact on post-tax profit for the year.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
US$	**(43,620)**	(2,826)
EUR	**(16,416)**	(7,795)
JPY	**(1,614)**	(242)
KRW	**(8)**	–

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(i) ***Market risk*** *(Continued)*

(b) Interest rate risk

The Group are primarily exposed to fair value interest rate risk in relation to bills receivables at FVTOCI (note 24), time deposits (note 26), fixed-rate borrowings (note 29) and lease liabilities (note 30) and cash flow interest rate risk in relation to variable-rate cash and cash equivalents (note 26) and variable-rate restricted bank deposits (note 26) and variable-rate borrowings (note 29). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate borrowings are used represents management's assessment of the reasonably possible change in interest rates. Cash and cash equivalents and restricted bank deposits are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates on variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would decrease/increase by RMB8,191,000 (2024: RMB8,485,000).

(ii) ***Credit risk and impairment assessment***

Credit risk refers to the risk that the Group' counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to contract assets, bill receivables at FVTOCI, bills, trade and other receivables, restricted bank deposits, time deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and contract assets

In order to minimize the credit risk, the management has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, receivable balances are monitored on an ongoing basis. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(ii) ***Credit risk and impairment assessment*** *(Continued)*

Trade receivables and contract assets (Continued)

Trade receivables and contract assets relating to debtors with known financial difficulties or significant doubt on collection are assessed individually for impairment. The management reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment loss allowance is made for irrecoverable amounts on trade receivables and contract assets. The remaining trade receivables and contract assets are grouped and collectively assessed for impairment. The provision rates are based on aging analysis for grouping of debtors that have similar loss patterns taking into consideration the historical default rates, debtors' portfolios, economic environments, industry conditions and forward-looking information as at the end of each reporting period that is reasonable and supportable available without undue costs or effort.

The Group has concentration of credit risk as 14.31% (2024: 18.55%) of the total trade receivables and contract assets was due from the Group's largest customer as at 31 December 2025. The Group has concentration of credit risk as 47.03% (2024: 50.21%) of the total trade receivables was due from the Group's five largest customers as at 31 December 2025.

Other receivables (including amounts due from related parties)

Other receivables relating to debtors with known financial difficulties or significant doubt on collection are assessed individually for impairment and the remaining is grouped and collectively assessed for impairment. The management makes periodic assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. We use the aging of other receivables to assess the impairment.

Bills receivables and bills receivables at FVTOCI

Bills receivables and bills receivables at FVTOCI were all bank-issued notes. Since the issuers were reputable banks of good credit quality, the management of the Group considered the credit risk of these bank issued bills is insignificant and no impairment was provided on them at the year/period end.

Restricted bank deposits, time deposits and cash and cash equivalents

The credit risk on restricted bank deposits, time deposits and cash and cash equivalents are limited because the counterparties are reputable banks with high credit ratings assigned by credit-rating agencies.

The 12m ECL on restricted bank deposits, time deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(ii) Credit risk and impairment assessment (Continued)

Restricted bank deposits, time deposits and cash and cash equivalents (Continued)

The table below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	31 December 2025 Gross carrying amount		31 December 2024 Gross carrying amount	
				RMB'000	**RMB'000**	RMB'000	RMB'000
Financial assets at amortised cost							
Trade receivables	21	Note	Lifetime ECL (not credit-impaired)	**8,659,627**		10,672,995	
			Lifetime ECL (credit impaired)	**283,633**	**8,943,260**	299,518	10,972,513
Bills receivables	21	Low risk	12m ECL		**689,695**		956,233
Other receivables	21	Low risk	12m ECL	**81,597**		116,842	
			Credit impaired	**9,740**	**91,337**	14,420	131,262
Cash and cash equivalents	26	N/A	12m ECL		**4,993,148**		3,360,355
Restricted bank deposits	26	N/A	12m ECL		**808,843**		869,269
Time deposits	26	N/A	12m ECL		**254,699**		106,183
Financial assets at FVTOCI							
Bills receivables at FVTOCI	24	N/A	12m ECL		**1,093,699**		785,988
Other item							
Contract assets	22	Note	Lifetime ECL (not credit-impaired)		**949,836**		763,473

Note: For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with known financial difficulties or significant doubt on collection, the Group determines the ECL on these items on a collective basis, grouped by the debtors' aging.

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(ii) ***Credit risk and impairment assessment*** *(Continued)*

Provision matrix – debtors' aging

The following tables provide information about the exposure to credit risk for trade receivables and contract assets which are assessed on collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of RMB283,633,000 (2024: RMB299,518,000) as at 31 December 2025 were assessed individually, respectively and the loss allowances were measured as the difference between the asset's gross amount and the present value of estimated future cash flows.

Gross carrying amount

	31 December 2025			31 December 2024		
	Average loss rate	**Trade receivables RMB'000**	**Expected credit losses RMB'000**	Average loss rate	Trade receivables RMB'000	Expected credit loss RMB'000
Within 1 year	**5.00%**	**4,346,950**	**217,348**	5.00%	4,969,665	248,483
1 to 2 years	**20.00%**	**2,333,175**	**466,635**	20.00%	4,081,935	816,387
2 to 3 years	**50.00%**	**1,428,657**	**714,329**	50.00%	1,134,947	567,474
Over 3 years	**100.00%**	**550,845**	**550,845**	100.00%	486,448	486,448
		8,659,627	**1,949,157**		10,672,995	2,118,792

	31 December 2025			31 December 2024		
	Average loss rate	**Contract assets RMB'000**	**Expected credit losses RMB'000**	Average loss rate	Contract assets RMB'000	Expected credit losses RMB'000
Within 1 year	**5.00%**	**949,836**	**47,492**	5.00%	763,473	38,174

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(ii) Credit risk and impairment assessment (Continued)

Provision matrix – debtors' aging (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2024	1,700,243	134,359	1,834,602
– Impairment losses recognised, net of reversal	476,819	73,064	549,883
– Transfer	(20,174)	20,174	–
Exchange adjustments	78	–	78
As at 31 December 2024	2,156,966	227,597	2,384,563
– Impairment losses recognised, net of reversal	(160,239)	53,988	(106,251)
– Transfer	(78)	78	–
Exchange adjustments	–	1,970	1,970
As at 31 December 2025	**1,996,649**	**283,633**	**2,280,282**

The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2025, the Group reversed impairment allowance of RMB160,239,000 (2024: recognised impairment allowance of RMB476,819,000) based on collective assessment. The Group recognised impairment allowance of RMB53,988,000 (2024: RMB73,064,000) with credit-impaired debtors during the year ended 31 December 2025.

(iii) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

38. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

(iii) Liquidity risk (Continued)

The Group entered into supplier finance arrangements to ease access to credit for its suppliers and facilitate early settlement to the suppliers. substantial portion of the Group's trade payables is subject to supplier finance arrangement with a few banks, this results in the Group having obligation of settlement concentrated in that party. However, the arrangements do not permit the Group to extend finance from the banks by paying them later than the group would have paid its supplier. Therefore, the management does not consider the supplier finance arrangement result in significant liquidity risk of the Group.

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

	Weighted average interest rate	On demand or less than 1 year	1 to 2 years	2 to 5 years	over 5 years	Total undiscounted balances	Carrying amounts
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025							
Bills, trade and other payables	**–**	**8,497,739**	**–**	**–**	**–**	**8,497,739**	**8,497,739**
Borrowings	**2.35%**	**1,294,476**	**1,420,087**	**423,681**	**–**	**3,138,244**	**3,047,357**
Lease liabilities	**3.37%**	**184,805**	**158,125**	**336,327**	**–**	**679,257**	**650,924**
		9,977,020	**1,578,212**	**760,008**	**–**	**12,315,240**	**12,196,020**
At 31 December 2024							
Bills, trade and other payables	–	7,434,049	–	–	–	7,434,049	7,434,049
Borrowings	2.53%	1,867,032	1,229,387	1,319,848	–	4,416,267	4,262,808
Lease liabilities	4.14%	167,290	106,451	183,018	2,978	459,737	426,379
		9,468,371	1,335,838	1,502,866	2,978	12,310,053	12,123,236

38. FINANCIAL INSTRUMENTS *(Continued)*

c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

(i) Fair value of the financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value at 31 December		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
	2025 RMB'000	2024 RMB'000				
Bills receivables at FVTOCI	**1,093,699**	785,988	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market	N/A	N/A
Financial assets at FVTPL: – Structured deposits	**1,572,220**	432,278	Level 3	Discounted cash flow method was used/ expected return rate	Expected return rates from 0.50% to 1.80% (2024: 0.85% to 2.55%)	The higher the expected return, the higher the fair value, vice versa (Note)
Equity instrument at FVTOCI	**5,000**	5,000	Level 2	Recent transaction price	N/A	N/A

38. FINANCIAL INSTRUMENTS *(Continued)*

c. Fair value measurements of financial instruments *(Continued)*

(i) Fair value of the financial assets that are measured at fair value on a recurring basis (Continued)

Note: The structured deposits have been estimated using discounted cash flow method based on the expected rate of return. As at 31 December 2025, if the estimated rate of return had been 5% higher/lower and the other variables were held constant, the total carrying amounts of structured deposits would increase/decrease by RMB7,685,000 (2024: RMB1,011,000).

There were no transfers between Level 1 and 2 during both years.

(ii) Reconciliation of Level 3 fair value measurements of financial assets

The following table presents the reconciliation of Level 3 measurements during both years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	**432,278**	60,016
Purchases	**11,896,653**	1,942,000
Redemptions	**(10,781,685)**	(1,572,824)
Gains in profit or loss	**24,974**	3,086
At the end of the year	**1,572,220**	432,278

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

a. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Accrued issue costs RMB'000	**Dividend payable** RMB'000	**Borrowings** RMB'000	**Lease liabilities** RMB'000	**Total** RMB'000
At 1 January 2024	–	–	184,171	472,774	656,945
Financing cash flows	–	(533,327)	4,538,530	(157,647)	3,847,556
New leases entered	–	–	–	96,559	96,559
Interest expenses	–	–	43,634	18,553	62,187
Dividend declared	–	533,327	–	–	533,327
Termination of lease agreements	–	–	–	(3,900)	(3,900)
Derecognition of discounted bills receivables	–	–	(509,382)	–	(509,382)
Exchange adjustments	–	–	5,855	40	5,895
At 31 December 2024	–	–	4,262,808	426,379	4,689,187
Financing cash flows	(22,787)	(87,081)	(1,239,573)	(167,222)	(1,516,663)
New leases entered	–	–	–	423,896	423,896
Interest expenses	–	–	106,384	14,336	120,720
Dividend declared	–	87,081	–	–	87,081
Deferred issue costs	28,091	–	–	–	28,091
Termination of lease agreements	–	–	–	(46,465)	(46,465)
Derecognition of discounted bills receivables	–	–	(82,796)	–	(82,796)
Exchange adjustments	–	–	534	–	534
At 31 December 2025	**5,304**	**–**	**3,047,357**	**650,924**	**3,703,585**

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

b. Information of supplier finance arrangements

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements		
Presented as part of "trade and other payables" (note 27)	**542,985**	32,649
– Of which suppliers have already received payment from the finance provider	**290,260**	18,537
Range of payment due dates		
For liabilities presented as part of "trade and other payables"		
– Liabilities that are part of supplier finance arrangements	**60 to 180 days**	60 to 180 days
– Comparable trade payables that are not part of supplier finance arrangements	**60 to 180 days**	60 to 180 days

40. RELATED PARTY DISCLOSURES

The following transactions and balances were carried out between the Group and its related parties during both years. In the opinion of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

a. Names and relationships with related parties

The following companies are related parties of the Group that had transactions and/or balances with the Group during the reporting period:

Name of related parties	Relationships
Lhasa Xindao Venture Investment Co., Ltd. (拉薩欣導創業投資有限公司) ("Lhasa Xindao")	Largest shareholder of the Company
Contemporary Amperex Technology Co., Limited and its subsidiaries (寧德時代新能源科技股份有限公司及其控股子公司) ("CATL and its subsidiaries")	Shareholder owns more than 5% of the Company's issued share capital
Wuxi Junhua Property Management Co., Ltd. (無錫君華物業管理有限公司) ("Wuxi Junhua")	Controlled by the ultimate controlling person of the Company
Jiangsu Hengyuntai Information Technology Co., Ltd. (江蘇恒雲太資訊科技有限公司) ("Jiangsu Hengyuntai")	Controlled by the ultimate controlling person of the Company
Lead Holdings Group Co., Ltd. and its subsidiaries (先導控股集團有限公司及其控股子公司) ("Lead Group and its subsidiaries")	Controlled by the ultimate controlling person of the Company
Jiangsu Yuanfu Semiconductor Technology Co., Ltd. (江蘇元夫半導體科技有限公司) ("Jiangsu Yuanfu")	Controlled by the ultimate controlling person of the Company
Jiangsu Alpha-Semiconductor Equipment Co., Ltd. (江蘇天芯微半導體設備有限公司) ("Jiangsu Alpha")	Controlled by the ultimate controlling person of the Company

40. RELATED PARTY DISCLOSURES *(Continued)*

b. Transactions with related parties

The Group had the following transactions with related parties during the reporting period:

Name of related parties	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
CATL and its subsidiaries	Sales of products	**3,052,689**	988,660
Jiangsu Yuanfu	Sales of products	**7,305**	4,840
	Service income	**224**	–
	Gain on disposal of machinery and equipment	**–**	214
		7,529	5,054
Jiangsu Alpha	Service income	**68**	–
Jiangsu Hengyuntai	Purchases of goods and services	**15,227**	18,099
Wuxi Junhua	Property management expenses	**78,686**	52,322
	Interest expenses on lease liabilities	**9,248**	15,814
		87,934	68,136
Lead Group and its subsidiaries	Short-term lease expenses	**21,967**	–
	Property management expenses	**10,806**	–
	Interest expenses on lease liabilities	**4,116**	138
		36,889	138

40. RELATED PARTY DISCLOSURES *(Continued)*

c. Balances with related parties

The Group had the following balances with related parties as at 31 December 2025 and 2024:

Name of related parties	Nature of transactions	As at 31 December 2025 RMB'000	2024 RMB'000
Amounts due from related parties – trade related			
CATL and its subsidiaries	Trade receivables	**952,836**	1,201,323
	Less: Allowance for credit losses	**(139,653)**	(183,769)
		813,183	1,017,554
CATL and its subsidiaries	Contract assets	**298,731**	72,688
	Less: Allowance for credit losses	**(14,937)**	(3,634)
		283,794	69,054
Jiangsu Yuanfu	Trade receivables	**775**	5,411
	Less: Allowance for credit losses	**(39)**	(271)
		736	5,140
Jiangsu Yuanfu	Contract assets	**–**	227
	Less: Allowance for credit losses	**–**	(11)
		–	216
Lead Group and its subsidiaries	Prepayment for short-term lease	**–**	6,613
Amounts due from related parties – non-trade related			
Lead Group and its subsidiaries	Other receivables	**989**	368
	Less: Allowance for credit losses	**(49)**	(18)
		940	350
Jiangsu Yuanfu	Other receivables	**165**	538
	Less: Allowance for credit losses	**(11)**	(27)
		154	511

40. RELATED PARTY DISCLOSURES *(Continued)*

c. Balances with related parties *(Continued)*

The Group had the following balances with related parties as at 31 December 2025 and 2024: *(Continued)*

Name of related parties	Nature of transactions	As at 31 December 2025 RMB'000	2024 RMB'000
Amounts due to related parties – trade related			
Jiangsu Hengyuntai	Trade payables	**7,995**	11,058
CATL and its subsidiaries	Trade payables	**12,187**	12,188
Wuxi Junhua	Trade payables	**7,757**	3,820
Lead Group and its subsidiaries	Trade payables	**370**	–
CATL and its subsidiaries	Contract liabilities	**2,330,872**	1,156,504
Jiangsu Yuanfu	Contract liabilities	**1,366**	–
Amounts due to related parties – non-trade related			
Lhasa Xindao	Other payables	**–**	11,630
Lease liabilities			
Wuxi Junhua	Lease liabilities	**395,974**	355,783
Lead Group and its subsidiaries	Lease liabilities (Note)	**254,070**	6,007

Note: During the year ended 31 December 2025, the Group entered into several new lease agreements for the use of leased properties with Lead Group and its subsidiaries. Except for short term leases in which the Group applied the recognition exemption, the Group recognised additions to lease liabilities of RMB290,549,000 with related right-of-use assets of RMB290,549,000.

40. RELATED PARTY DISCLOSURES *(Continued)*

c. Balances with related parties *(Continued)*

The balances of trade nature are unsecured, non-interest bearing. Details of aging are set out in notes 21 and 27.

The balances of non-trade nature are unsecured, non-interest bearing, repayable on demand and with aging within 12 months.

d. Compensation of key management personnel

The remuneration of directors and other members of key management during the reporting period was as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	**7,839**	7,564
Performance related bonuses	**4,503**	4,264
Retirement benefit scheme contributions	**876**	856
Equity-settled share-based payment expense	**1,381**	241
	14,599	12,925

41. RETIREMENT BENEFITS SCHEMES

The employees of the PRC subsidiaries are members of the state-management retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contribution under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefit schemes during both years are disclosed in notes 11 and 12.

42. PARTICULARS OF SUBSIDIARY OF THE COMPANY

Particulars of the Company's principal subsidiaries at the end of the reporting period are set out as below:

Name of subsidiary	Date of establishment/ incorporation/ operation and type of legal entity	Issued and fully paid share/ registered capital	Proportion of ownership interest held by the Company		Proportion of voting power held by the Company		Principal activities
			2025 %	2024 %	**2025 %**	2024 %	
Zhuhai Titan	PRC 24 February 2014 Limited liability company	RMB20,000,000	**100**	100	**100**	100	Manufacturing and sale of specialised equipment
Jiangsu Qingdao Intelligent	PRC 14 December 2020 Limited liability company	RMB24,477,000	**81.71**	81.71	**81.71**	81.71	Manufacturing and sale of specialised equipment
Jiangsu Lead Technology	PRC 17 December 2020 Limited liability company	RMB24,542,500	**81.49**	81.49	**81.49**	81.49	Manufacturing and sale of specialised equipment
Wuxi Guangdao	PRC 14 December 2020 Limited liability company	RMB24,225,700	**82.56**	82.56	**82.56**	82.56	Manufacturing and sale of specialised equipment
Guangdong Beidao	PRC 17 December 2020 Limited liability company	RMB15,000,000	**100**	100	**100**	100	Manufacturing and sale of specialised equipment
Jiangsu Andao Intelligent Equipment Co., Ltd.	PRC 25 December 2020 Limited liability company	RMB20,000,000	**99**	99	**99**	99	Providing equipment installation and maintenance services
Shanghai Lead Huineng	PRC 9 March 2021 Limited liability company	RMB15,000,000	**100**	100	**100**	100	Research and development services
Lead Intelligent Equipment (Europe) B.V.	Netherlands 11 January 2022 Limited liability company	EUR3,500,000	**100**	100	**100**	100	Investment holding and provision of sales services

None of the subsidiaries had issued any debt securities at the end of the year.

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current Assets		
Property, plant and equipment	**2,385,681**	2,060,414
Right-of-use assets	**817,278**	598,873
Other intangible assets	**252,145**	260,192
Investments in subsidiaries	**1,863,455**	1,771,412
Equity instrument at FVTOCI	**5,000**	5,000
Deferred tax assets	**391,484**	480,125
	5,715,043	5,176,016
Current Assets		
Inventories	**10,551,731**	11,274,844
Bills, trade and other receivables	**11,415,924**	12,247,354
Contract assets	**677,341**	539,900
Tax recoverable	**63,146**	49,494
Financial assets at FVTPL	**1,322,113**	382,266
Bills receivables at FVTOCI	**728,242**	497,515
Time deposits	**254,699**	95,299
Restricted bank deposits	**535,850**	626,684
Cash and cash equivalents	**3,761,716**	2,582,194
	29,310,762	28,295,550
Current Liabilities		
Bills, trade and other payables	**8,573,144**	8,093,570
Contract liabilities	**10,820,532**	10,501,811
Borrowings	**1,186,318**	1,433,226
Lease liabilities	**172,547**	149,596
	20,752,541	20,178,203
Net Current Assets	**8,558,221**	8,117,347
Total Assets less Current Liabilities	**14,273,264**	13,293,363

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current liabilities		
Borrowings	**1,816,572**	2,476,582
Lease liabilities	**478,377**	273,845
Deferred income	**47,282**	38,216
	2,342,231	2,788,643
Net Assets	**11,931,033**	10,504,720
Capital and reserves		
Share capital	**1,566,163**	1,566,163
Reserves	**10,364,870**	8,938,557
Total equity	**11,931,033**	10,504,720

Movement in the Company's reserves

	Share premium	Treasury shares	Other reserves	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	3,859,453	(350,017)	204,926	783,082	4,888,754	9,386,198
Profit and total comprehensive income for the year	–	–	–	–	85,335	85,335
Recognition of equity-settled share-based payments (note 34)	–	–	353	–	–	353
Repurchase of ordinary shares under share incentive plans (note 33)	–	(2)	–	–	–	(2)
Dividends recognised as distribution (note 13)	–	–	–	–	(533,327)	(533,327)
At 31 December 2024	3,859,453	(350,019)	205,279	783,082	4,440,762	8,938,557
Profit and total comprehensive income for the year	–	–	–	–	1,462,839	1,462,839
Issuance of new shares upon exercise of shares	–	3,763	(2,111)	–	–	1,652
Recognition of equity-settled share-based payments (note 34)	–	–	48,903	–	–	48,903
Dividends recognised as distribution (note 13)	–	–	–	–	(87,081)	(87,081)
At 31 December 2025	**3,859,453**	**(346,256)**	**252,071**	**783,082**	**5,816,520**	**10,364,870**

44. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2025, the Company completed the issuance and listing of H Shares on the Main Board of The Stock Exchange of Hong Kong Limited on 11 February 2026. The Hong Kong public offering and international placing resulted in the issuance of a total of 107,658,400 H Shares with a par value of RMB1.00 per share, at an offer price of HK$45.80 per share. Subsequently, on 11 March 2026, the Company exercised the over-allotment option and issued an additional 400,000 H Shares at the same offer price.

In aggregate, the Company issued a total of 108,058,400 H Shares under the offering, raising gross proceeds of approximately HK$4,949.07 million (equivalent to approximately RMB4,395.88 million). The net proceeds from the share issuance amounted to approximately HK$4,829.26 million (equivalent to approximately RMB4,290.40 million).

Financial Summary

A summary of the Group's results, assets and liabilities for the past four financial years is set out below. The summary does not form a part of the audited consolidated financial statements.

RESULTS

	Year ended December 31,			
	2022	2023	2024	**2025**
	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	13,836,131	16,483,341	11,773,350	**14,358,016**
Cost of sales	8,771,065	11,089,802	8,235,805	**9,950,545**
Gross profit	5,065,066	5,393,539	3,537,545	**4,407,471**
Profit before tax	2,540,885	1,910,699	112,255	**1,688,848**
Profit for the year	2,318,133	1,770,777	268,031	**1,559,837**
Profit (loss) for the year attributable to:				
Owners of the Company	2,318,133	1,774,566	286,100	**1,563,778**
Non-controlling interests	–	(3,789)	(18,069)	**(3,941)**
Basic earnings per share (RMB)	1.48	1.13	0.18	**1.01**
Diluted earnings per share (RMB)	1.48	1.13	0.18	**1.00**

ASSETS AND LIABILITIES

	As at December 31,			
	2022	2023	2024	**2025**
	RMB'000	RMB'000	RMB'000	**RMB'000**
Non-current assets	3,930,459	4,531,684	5,522,334	**5,941,180**
Current assets	28,975,721	30,690,054	30,571,793	**33,039,871**
Total assets	32,906,180	35,221,738	36,094,127	**38,981,051**
Current liabilities	21,409,664	22,989,944	21,664,667	**23,448,710**
Non-current liabilities	371,302	384,328	2,850,075	**2,412,425**
Total liabilities	21,780,966	23,374,272	24,514,742	**25,861,135**
Equity attributable to owners of the Company	11,125,214	11,848,338	11,597,532	**13,139,927**
Non-controlling interests	–	(872)	(18,147)	**(20,011)**
Total equity	11,125,214	11,847,466	11,579,385	**13,119,916**