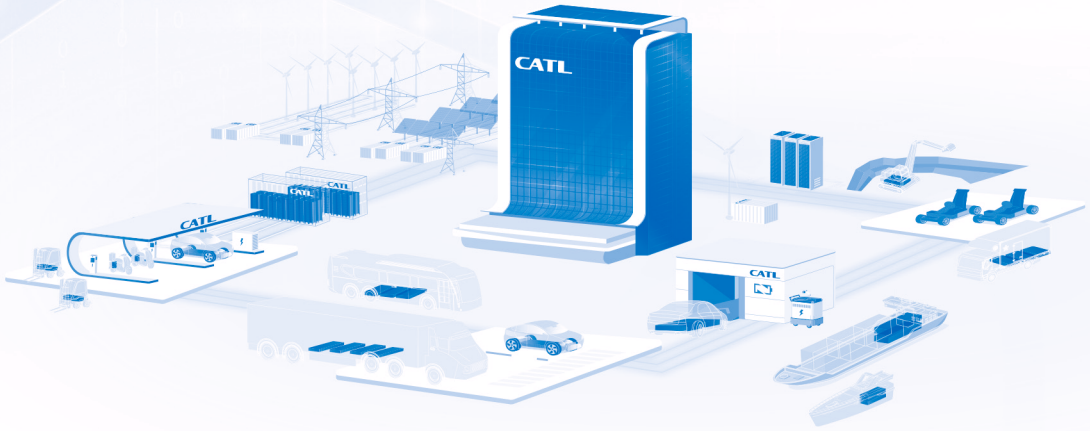
寧德時代新能源科技股份有限公司

Contemporary Amperex Technology Co., Limited

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

Stock Code : 3750

2025 ANNUAL REPORT



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Definitions

Item	Definition
Company, the Company, CATL	Contemporary Amperex Technology Co., Limited
the Group	Contemporary Amperex Technology Co., Limited and its subsidiaries
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Shenzhen Stock Exchange	Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
EV batteries	cells, modules, battery boxes and battery packs within EV batteries
ESS batteries	cells, modules, battery boxes and battery cabinets within ESS batteries
GWh	Gigawatt-hours, a unit of electric energy, 1GWh=1 billion Wh
MWh	Megawatt-hours, a unit of electric energy, 1MWh=1 million Wh
TWh	Terawatt-hours, a unit of electric energy, 1TWh =1 billion kWh
BEV	battery electric vehicle
REV	range-extended electric vehicle
PHEV	Plug-in hybrid electric vehicle
HEV	hybrid electric vehicle
C or C-rate	charge and discharge rate, an indicator for battery charge and discharge speed. A 1C rating means a battery can be charged or discharged completely in one hour at its rated capacity; a 4C rating means a battery can be charged or discharged completely in 15 minutes at its rated capacity
CTC	cell-to-chassis, a technology that integrates battery cells directly into the vehicle chassis without modules nor packs
CTP	cell-to-pack, a technology that integrates battery cells directly into the battery pack without modules
DPPB	defective parts per billion, a quality control measurement in manufacturing
GDPR	General Data Protection Regulation of EU
SMM	Shanghai Metals Market, a comprehensive service portal for the non-ferrous metals industry
Shanghai Ganglian E-Commerce Holdings Co., Ltd.	Shanghai Ganglian E-Commerce Holdings Co., Ltd. (上海鋼聯電子商務股份有限公司, Stock Code: 300226), one of the world's leading providers of data services for commodities and related industries

Item	Definition
2021 Share Incentive Plan	the restricted stock and stock option incentive plan approved and adopted by Shareholders of the Company on 12 November 2021
2022 Share Incentive Plan	the restricted stock and stock option incentive plan approved and adopted by Shareholders of the Company 5 September 2022
2023 Share Incentive Plan	the restricted stock incentive plan approved and adopted by Shareholders of the Company on 24 August 2023
Articles of Association	the articles of association of Contemporary Amperex Technology Co., Limited
Prospectus	the prospectus issued by the Company on 12 May 2025
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
Corporate Governance Code	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
Securities and Futures Ordinance or SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
A Share(s)	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are listed on the ChiNext of the Shenzhen Stock Exchange and traded in RMB
H Share(s)	foreign share(s) issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in HKD
RMB, RMB1,000 and RMB100 million	Renminbi 1 Yuan, Renminbi 1,000 Yuan, Renminbi 100 million Yuan, the lawful currency in circulation in the PRC. Unless otherwise specified, amounts stated in this report are denominated in RMB
Reporting Period	the period from 1 January 2025 to 31 December 2025

Special notes:

(1) In this report, any discrepancies between totals and sums of amounts listed are due to rounding.

(2) This report is prepared in Chinese and with an English translation attached. In the event of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

Section I Corporate Information

I. COMPANY PROFILE

Chinese name of the Company	寧德時代新能源科技股份有限公司
Abbreviation of the Chinese name	寧德時代
English name of the Company	Contemporary Amperex Technology Co., Limited
Abbreviation of the English name	CATL
Legal representative	Zeng Yuqun
Registered Address	No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian Province, China
Postal code of the registered address	352100
Website	https://www.catl.com
E-mail	CATL-IR@catl.com
Office in Hong Kong	13/F, LKF29, 29 Wyndham Street, Central, Hong Kong

II. COMPANY STOCK OVERVIEW

Stock class	Stock exchange	Stock abbreviation	Stock code
A Share	Shenzhen Stock Exchange	寧德時代	300750
H Share	The Stock Exchange of Hong Kong Limited	CATL	03750

III. INFORMATION DISCLOSURE AND PREPARATION LOCATION

Stock class	Media for disclosure of information
A Share	Websites: CNINFO Network (http://www.cninfo.com.cn) Shenzhen Stock Exchange (https://www.szse.cn) Newspapers: China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
H Share	Websites: HKEXnews website of Hong Kong Stock Exchange (https://www.hkexnews.hk) the Company's official website (https://www.catl.com)

IV. CONTACT PERSON AND CONTACT INFORMATION

	Board Secretary and Joint Company Secretary
Name	Jiang Li (蔣理)
Address	No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian Province, China
Telephone	0593-8901666
Fax	0593-8901999
E-mail	CATL-IR@catl.com

V. OTHER RELATED INFORMATION

No.	Category	Details
1	Executive Directors	Mr. Zeng Yuqun Mr. Pan Jian Mr. Li Ping Mr. Zhou Jia Dr. Ouyang Chuying Mr. Wu Yingming (appointed as an executive Director on 25 December 2025) Mr. Zhao Fenggang (resigned as an executive Director on 5 December 2025)
2	Independent Non-executive Directors	Dr. Wu Yuhui Mr. Lin Xiaoxiong Dr. Zhao Bei
3	Supervisors	Mr. Wu Yingming (ceased as the Chairperson of the Board of Supervisors on 25 December 2025) Ms. Feng Chunyan (ceased as a Supervisor on 25 December 2025) Dr. Liu Na (ceased as an Employee Representative Supervisor on 25 December 2025)
4	Strategy Committee	Mr. Zeng Yuqun (Chairperson) Mr. Pan Jian Mr. Li Ping Mr. Zhou Jia Dr. Ouyang Chuying Mr. Wu Yingming (appointed as a member of the committee on 25 December 2025) Mr. Zhao Fenggang (resigned as a member of the committee on 5 December 2025)
5	Audit Committee	Dr. Wu Yuhui (Chairperson) Mr. Lin Xiaoxiong Dr. Zhao Bei
6	Nomination Committee	Mr. Lin Xiaoxiong (Chairperson) Dr. Zhao Bei (appointed as a member of the committee on 5 December 2025) Dr. Wu Yuhui (resigned as a member of the committee on 5 December 2025) Mr. Zeng Yuqun
7	Remuneration and Appraisal Committee	Dr. Zhao Bei (Chairperson) Mr. Lin Xiaoxiong Mr. Li Ping
8	Joint Company Secretaries	Mr. Jiang Li Ms. Jian Xuegen
9	Authorized Representatives	Mr. Pan Jian Mr. Jiang Li

No.	Category	Details
10	Auditors	Grant Thornton Zhitong Certified Public Accountants LLP 5th Floor, Set Plaza, No. 22 Jianguomenwai Street, Chaoyang District, Beijing, China
11	Legal Advisors as to Laws of Hong Kong, China	Linklaters 11/F, Alexandra House, Chater Road, Central, Hong Kong
12	PRC Legal Advisors	Llinks Law Offices 19/F, One Lujiazui, 68 Yin Cheng Road Middle, Shanghai, China
13	Compliance Advisor	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong
14	Custodian of A shares	China Securities Depository and Clearing Corporation Limited Shenzhen Branch 25th Floor, Shenzhen Stock Exchange Plaza, No. 2012, Shennan Avenue, Lianhua Street, Futian District, Shenzhen, China
15	H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB'000

Item	2025	2024	Increase/ Decrease in This Year over Last Year	2023
Operating revenue	**423,701,834**	362,012,554	17.04%	400,917,045
Net profit attributable to shareholders of the listed company	**72,201,282**	50,744,682	42.28%	44,121,248
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/ losses	**64,507,864**	44,992,919	43.37%	40,091,674
Net cash Flows from operating activities	**133,219,982**	96,990,345	37.35%	92,826,124
Basic earnings per share (RMB per share)	**16.14**	11.58	39.38%	10.06
Diluted earnings per share (RMB per share)	**16.14**	11.58	39.38%	10.05
Weighted average return on net assets	**24.91%**	24.13%	0.78%	24.04%

Item	As at the End of 2025	As at the End of 2024	Increase/ Decrease as at the End of This Year over the End of Last Year	As at the End of 2023
Total assets	**974,827,544**	786,658,123	23.92%	717,168,041
Net assets attributable to shareholders of the listed company	**337,107,747**	246,930,033	36.52%	197,708,052

II. QUARTERLY KEY FINANCIAL INDICATORS

Unit: RMB'000

Item	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Operating revenue	84,704,589	94,181,664	104,185,734	**140,629,847**
Net profit attributable to shareholders of the listed company	13,962,558	16,522,581	18,548,970	**23,167,173**
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	11,829,172	15,368,296	16,421,757	**20,888,640**
Net cash flows from operating activities	32,868,257	25,818,809	21,973,364	**52,559,552**

III. NON-RECURRING GAIN/LOSS ITEMS AND AMOUNTS

Unit: RMB'000

Item	**Amount in 2025**	Amount in 2024	Amount in 2023	**Explanations**
Gain/loss from disposal of non-current assets, including the portion offset from the provision for impairment of assets	**788,312**	169,816	-235,944	
Gain/loss arising from changes in fair value of the financial assets and financial liabilities held by non-financial enterprises; and gain/loss arising from the disposal of financial assets and financial liabilities; except for those arising from the effective hedging business related to the Company's normal operation	**1,362,488**	843,832	73,029	
Reversal of impairment provision for receivables tested individually	**28,886**	2,687	62,339	
Other non-operating income and expenses other than the above items	**7,909**	-612,613	195,751	
Other gain/loss items meeting the definition of non-recurring gain/loss	**8,704,038**	8,128,318	5,909,090	
Less: Income tax impact	**2,017,532**	1,665,244	1,194,027	
Minority interest impact (after tax)	**1,180,684**	1,115,034	780,664	
Total	**7,693,417**	5,751,762	4,029,575	–

In 2025, against the backdrop of the global acceleration towards a zero-carbon economy, the transition of industries toward new energy continued to gain momentum. The industrial, value, and innovation chains reconstructed around "Zero Carbon" are catalyzing new growth spaces and opportunities. Stable, low-cost, and sustainable clean energy has become a key factor of production for digital civilization and is reshaping the underlying logic of the energy system. Throughout this historical course where the energy revolution converges with the technological revolution, and the present intersects with the future, CATL has consistently answered one question through action: how can we build definitive long-term value in a world of uncertainty?

Over the past year, our revenue structure and the quality of our growth have continued to optimize, with shipments of power and energy storage batteries continuing to lead the world, and sales of lithium batteries increasing by nearly 40% year-on-year to 661 GWh, as the business engine of "all-domain growth" began to take shape.

Over the past year, our IPO in the Hong Kong Stock Exchange established a benchmark project in the global capital markets, providing robust capital support for the Company's overseas strategic layout and allowing global investors to share in our growth.

Over the past year, our products and services have expanded into broader scenarios – whether in the skies, in mines, across rivers, lakes, and seas, in the Gobi Desert, in zero-carbon industrial parks, or in computing centers. CATL is continuously injecting surging momentum into the development of China and the world.

We are acutely aware that as geopolitics, industrial cycles, and technological transformations intertwine, uncertainty has become the norm in the global economy. CATL's ability to achieve steady growth is founded on the cornerstone of the values of striving and innovation that we have long upheld, making us more resilient than our peers in weathering the storms.

"ALL-DOMAIN GROWTH": MARCHING TOWARDS A ZERO-CARBON ERA

The new energy industry stands at a new historical juncture: development goals are shifting from "speed" to "quality," and development paths are moving from the industrialization of new energy to the new energy transition in industries. The International Energy Agency (IEA) predicts that to achieve net-zero emissions by 2050, global annual energy investment will reach USD4.5 trillion. An era of broader and more multidimensional growth is unfolding.

Looking to the future, rather than merely replicating past successes, CATL is more committed to expanding the boundaries of new energy, driving the industry from "localized breakthroughs" toward "all-domain growth."

From mastering fundamentals to achieving innovative breakthroughs, and from products to services and ecosystem construction, we continue to expand the boundaries of electrification applications, extending our products from passenger vehicles to commercial vehicles, electric vessels, electric aviation, and other fields: in the field of new energy heavy-duty trucks, the "TECTRANS" battery has become the mainstream choice; in the field of electric vessels, the number of ships equipped with CATL batteries has been nearly 900, and pure electric vessels will soon set sail for the deep sea; in the field of low-altitude mobility, a 2-ton class eVTOL of Autoflight, which is one of members of the Company, has completed flight validations in multiple complex environments, while the world's largest 5-ton class eVTOL has completed its maiden public flight.

We continue to drive the evolution of batteries from "products" to "services," enhancing the end-user experience through battery-chassis separation and battery swapping models; together with partners such as Sinopec, we are building efficient, convenient, and economical energy replenishment networks in two major scenarios: convenient replenishment for passenger vehicles and trunk logistics for commercial vehicles. As of the end of 2025, we have cumulatively established 1,325 battery swapping stations, including over 1,000 Choco-Swap stations and over 300 QIJI Energy Swap stations, and have jointly launched battery swapping models with numerous companies including GAC, Changan, FAW, SAIC, Chery, FAW Jiefang, and SHACMAN.

We also continuously advance our own green, low-carbon operations and the sustainable development of the industry. All battery factories under the Company's core operations have achieved carbon neutrality, successfully meeting the 2025 goal for carbon neutrality in core operations, and are steadily progressing towards carbon neutrality across the value chain by 2035. Furthermore, Brunp Recycling, a subsidiary of the Company, recovered up to 210,000 tons of spent batteries and materials in 2025 in an efficient and environmentally friendly manner, achieving a year-on-year increase of over 60%.

The ultimate mission of the new energy industry is to drive the zero-carbon transformation of the energy system. Centered on this goal, we continue to invest in key technologies such as zero-carbon grids, power electronics, flexible control, and virtual power plants, promoting the construction of zero-carbon industrial parks in Dongying, Shandong, Yancheng, Jiangsu, Ningde, Fujian, and Yibin, Sichuan, among other locations, and facilitating the transformation and upgrading of traditional industries such as steel, cement, and chemicals.

BEYOND "WORLD NO.1": WINNING RESPECT

We have always believed that a company's true competitiveness lies not only in periodic performance but, more importantly, in whether it has established a system capable of creating long-term, stable, and sustainable value, driving the common progress of the enterprise, the industry, and even society.

This system is rooted, first and foremost, in the depth of technological innovation. We have constructed an R&D innovation system centered on first-principles, through the dedication of over 23,000 R&D personnel, constantly incubating technological achievements with higher efficiency and safety, with our international patent application volume ranking second among Chinese companies, helping to elevate Ningde to fourth place globally in terms of innovation intensity. We have also deeply integrated AI into the innovation and manufacturing processes, winning the World Economic Forum (WEF) "AI-Driven Industrial Transformation Global Lighthouse" MINDS Award. In terms of frontier technology directions, our research and technological reserves are also among the global leaders.

Systematic R&D advantages enable CATL to focus on real-world scenarios and user pain points, continuously launching a solution matrix that features "unique offerings and superior quality." In 2025, we successively launched the "Naxtra" battery with excellent low-temperature performance and reduced lithium dependency, the "Freevoy" dual-core series breaking through the performance limitations of single chemical systems, the "TECTRANS" commercial vehicle battery addressing pain points such as short range, slow charging, and fast degradation, as well as the "TENER Stack" large-capacity energy storage system achieving the optimal solution for safety and lifespan.

It's one thing to make a battery, but quite another to make a good one. In a highly scaled industry, even the slightest defect can be magnified infinitely by time and space. At CATL, quality is our lifeline, and to this end, we maintain an order-of-magnitude advantage over the industry average on key quality metrics. We possess the highest number of Lighthouse Factories as selected by the WEF, as well as the sole "Sustainabilility Lighthouse" in the industry. Higher reliability enables CATL's products to create superior comprehensive returns for customers across more complex scenarios and longer life cycles.

At the same time, we remain "customer-oriented" by providing customized products and localized services to customers around the world through technology licensing, joint R&D, local manufacturing, and localized operations.

The global new energy industry is currently in the ascendant, and the sector should focus on value over price competition. Only by adhering to a long-termism-oriented approach to technological and manufacturing innovation, while maintaining strict compliance, can we generate sustainable industrial returns and earn the respect of the world.

Respect also stems from a high regard for sustainable development and social responsibility. Our ESG management achievements have gained widespread international recognition, with an MSCI rating of AA leading the industry, and our first-time inclusion in the S&P Global Sustainability Yearbook. Furthermore, we actively give back to society as we, together with AutoFlight, one of our members, donated HKD15 million to support the rescue efforts for the Tai Po fire disaster in Hong Kong, fulfilling our corporate social responsibility.

Throughout the course of human civilization, technological revolutions have always been accompanied by energy revolutions, and energy utilization efficiency is a key variable in civilizational leaps.

In the next-generation new energy system dominated by renewable energy, batteries will no longer be merely components of transportation vehicles or energy storage equipment, but will become fundamental units supporting the buffering, stability, and dispatch of the energy system. New energy is also no longer a cyclical investment product, but a long-term, systematic infrastructure.

Relying on highly complex systems engineering capabilities, long-life cycle reliability, and consistency in mass delivery, CATL continuously reduces system costs and enhances overall efficiency, participating in defining the way energy flows and is used in the future, acting as a pioneer in zero-carbon technology innovation to drive a fundamental transformation of the global energy structure.

We remain committed to sharing these boundless opportunities with our shareholders. Upholding a high dividend payout ratio, the Company has distributed cash dividends equivalent to 50% of its net profit for three consecutive years. Once the dividend distribution for this year is completed, cumulative dividends will amount to close to RMB 100 billion. While driving business expansion through intensive technological innovation, we continue to deliver tangible returns to our shareholders via cash dividends.

CATL will will remain true to its founding aspirations, prepare for the future, and remain farsighted, Guided by the values of Refine Enable Strive Innovate, we will live up to the trust and support of all shareholders, and join hands towards a brighter future.

Chairman: Zeng Yuqun
Contemporary Amperex Technology Co., Limited
9 March 2026

Section IV Management Discussion and Analysis

I. BUSINESS REVIEW

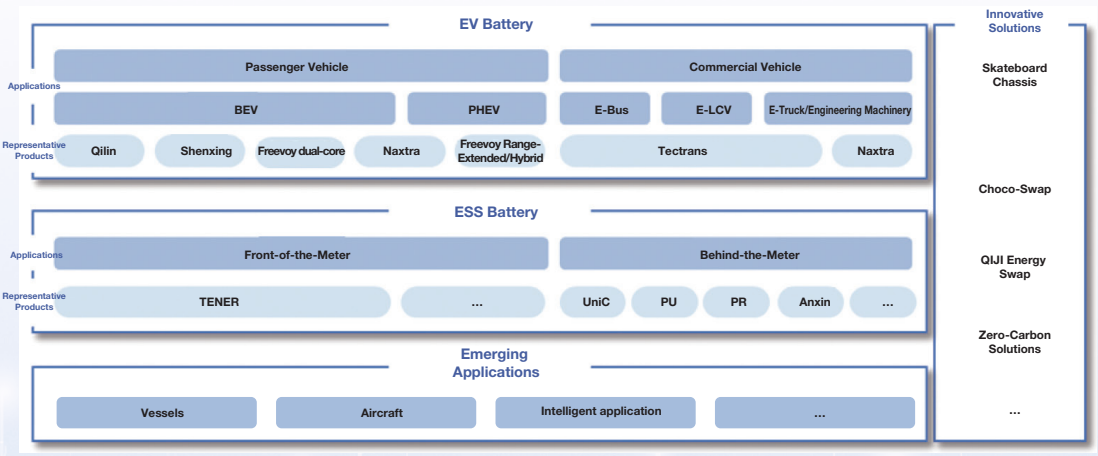
1. Principal Business

The Company is a global leading zero-carbon new energy innovative technology company, principally engaged in the R&D, production, and sales of power batteries and energy storage batteries, aiming to promote the efforts to replace the mobile fossil energy and stationary fossil energy, and to realize integrated innovation of market applications through electrification and intelligentization. As of the end of the Reporting Period, the Company had established six R&D centers and 24 battery factories globally, covering the extensive customer base in the application of new energy worldwide.

Having established a deep-rooted presence in the lithium battery industry for many years, the Company has developed comprehensive, independent, and highly efficient R&D capabilities covering the entire value chain. It holds core technological advantages and maintains forward-looking R&D initiatives across the industrial chain, including battery materials, battery systems, and battery recycling. Through innovations in material and electrochemistry systems, system structures, green extreme manufacturing, and business models, the Company provides premier solution and services for global new energy applications. Building on its deep expertise in the lithium battery industry, the Company has extended its capabilities to other chemical systems such as sodium-ion batteries to establish a comprehensive and advanced product portfolio. These products are applicable to a wide range of fields, including passenger vehicles, commercial vehicles, front-of-meter and behind-the-meter energy storage as well as emerging application scenarios such as ships, aircraft and data centers. The Company has introduced innovative solutions for complex scenarios, including battery swap services to promote full electrification and zero-carbon ecosystem development to enhance the industrial ecology and extends the value chain. By doing so, the Company is able to fully address the diverse and cross-sectoral needs of its customers, leading the way in the global zero-carbon new economy.

2. Principal Products and Their Uses

The Company is committed to providing first-class power battery and energy storage battery products and related innovative solutions for global new energy applications, which are set out below:



(1) Power Battery Systems

The Company's power battery products include cells, modules/battery boxes, and battery packs. The Company offers a variety of chemical system product series covering different energy density ranges, including lithium iron phosphate batteries, ternary high-voltage medium-nickel batteries, ternary high-nickel batteries, super hybrid battery, sodium-ion batteries, and condensed matter batteries, which can meet various functional requirements such as fast charging, long lifespan, long driving range, high safety, and wide temperature adaptability. The Company can also adopt dual-core/multi-core architectures within a single battery pack to achieve the integration of multiple chemical systems, thereby fully leveraging the performance advantages of various chemical systems. Based on application fields and customer requirements, the Company designs personalized product solutions through customization or joint R&D to satisfy customers' different needs for product performance.

In the passenger vehicle application field, the Company's products can be applied to different market segments such as BEV, REV, PHEV, and HEV, and are widely used in private cars and operating vehicles; in the commercial application field, the Company's products can be applied to buses and commercial vehicles for road passenger transport, urban distribution, heavy-duty transport, and road cleaning. Furthermore, the Company's products can be applied to vessels, aircraft, power tools, electric two-wheelers, and other fields.

(2) Energy Storage Battery Systems

The Company provides energy storage solutions such as cells, battery cabinets, energy storage containers, and system integration. The Company's energy storage batteries are widely used in front-of-the-meter and behind-the-meter energy storage fields, including utility energy storage, industrial and commercial energy storage, and data center energy storage.

In the front-of-the-meter field, relying on technologies such as intelligent liquid cooling temperature control, high-efficiency CTP, and NP (No Propagation) technology, the Company has launched outdoor liquid-cooled battery cabinets such as EnerOne and EnerOne Plus, containerized liquid-cooled battery cabinets such as EnerC, EnerC Plus, EnerD, and EnerX for all-weather scenarios, as well as the 6.25MWh per unit TENER energy storage system, the world's first mass-producible 9MWh ultra-large capacity energy storage system solution TENER Stack, and the TENER series solutions adapted to numerous application scenarios. In the behind-the-meter field, the Company's products have achieved full-scenario coverage from low-voltage and medium-voltage to high-voltage platforms. Among them, the PR series, Unic series, Anxin series, and PU series can meet the needs of home energy storage, industrial and commercial energy storage, and data center energy management, respectively.

Based on relevant requirements, the Company has developed battery cells of various specifications applicable to front-of-meter and behind-the-meter markets, covering multiple scenarios and operating conditions. These battery cells feature an ultra-long lifespan, zero degradation, high safety, and wide temperature adaptability.

(3) Battery Materials, Recycling and Mineral Resources

The Company's battery material products mainly include lithium salts, precursors, and cathode materials. The Company also processes, purifies, and synthesizes metal materials such as nickel, cobalt, manganese, lithium, phosphorus, iron, aluminum, and copper, as well as other materials, from spent batteries through recycling processes. It produces cathode materials, ternary precursors, iron-phosphate precursors, and lithium salts required for lithium battery production. Additionally, the collected copper, aluminum, and other metal materials are recycled through third parties, realizing the effective circular utilization of key metal resources required for battery production.

Furthermore, to further secure the supply of upstream key resources and materials required for battery production, the Company participates in the investment, construction, and operation of battery mineral resources such as lithium, nickel, cobalt, and phosphorus, as well as related products through various means such as self-construction, equity participation, and joint ventures.

3. Business Model

The Company has established an independent system for R&D, procurement, production and sales, and generates profits primarily through the sales of power batteries, energy storage batteries, battery materials, and other products and solutions. In terms of R&D, the Company has established a comprehensive R&D system and formed an R&D model featuring independent innovation as the core and external cooperation as the supplement. Through digital and intelligent means, it closely carries out innovations in the fields of material and electrochemistry systems, system structures, green extreme manufacturing, and business models to lead the industry's technological development. In terms of procurement, the Company selects qualified suppliers through strict evaluation and assessment procedures, and collaborates closely with global suppliers through long-term agreements, and joint ventures to ensure the technological advancement of raw materials and equipment, product reliability, and cost competitiveness. In terms of production and sales, the Company takes into account market conditions and customer demand when planning production. It primarily relies on self-built manufacturing bases, while also expanding capacity through joint ventures and technology licensing to meet the needs of global customers. In addition, the Company is extending electrification to broader areas such as low-altitude aviation, maritime applications, and smart solutions, while advancing the development of battery-swapping networks and a zero-carbon ecosystem.

4. Key Performance Drivers

(1) Sustained Industry Growth

In terms of power batteries, the growth in global new energy vehicle sales has driven the continuous growth in demand for power batteries. According to data from SNE Research, global new energy vehicle sales reached 21.470 million units in 2025, representing a year-on-year increase of 21.5%, and global power battery usage volume reached 1,187GWh, representing a year-on-year increase of 31.7%. In terms of energy storage batteries, driven by the clean energy transition goals of various countries, along with the increasing proportion of wind and solar power installed capacity, rising requirements for power system flexibility, advancements in energy storage technology and declining system costs, as well as demand from emerging fields such as data centers, the market demand for energy storage batteries continues to grow rapidly. According to statistics from SNE Research, global energy storage battery shipments were 550GWh in 2025, a year-on-year increase of 79%.

(2) Further Enhancement of the Company's Competitive Advantages

The Company adheres to the business philosophy of technological leadership, high-quality service, and operational excellence, dedicating itself to providing premier solution and solutions to global customers. Based on strong innovative genes, profound industry insights, and efficient operation management, the Company has further enhanced its competitive advantages in technological R&D, product innovation, branding and marketing, extreme manufacturing, ecosystem development, and zero-carbon development. Its comprehensive competitiveness leads the industry, achieving steady business growth and continuously creating value for shareholders.

II. INDUSTRY ANALYSIS

1. Development Status and Trends of the Industry

To address the challenges of global climate change and promote sustainable development, multiple countries have proposed strategies to promote clean energy transition and build a green and low-carbon economy. As of the end of the Reporting Period, according to data from the Nationally Determined Contributions (NDC) Registry of the United Nations Framework Convention on Climate Change (UNFCCC), a total of 195 countries globally have submitted their first batch of Nationally Determined Contributions (NDCs) to control global temperature rise, promote low-carbon transition, and jointly build a climate governance system.

Global carbon emissions originate from sectors such as power, transportation, and industry, with power and transportation contributing the major share of emissions. The primary method for carbon reduction in the power industry is to increase the proportion of green and clean energy power generation such as wind and solar power, while the primary method for carbon reduction in the transportation industry is to increase the electrification rate of means of transport and utilize green, clean energy. In recent years, driven by the trends of intelligence and electrification, the power and transportation sectors have undergone profound transformations in energy transition. As a core energy storage carrier, high-quality lithium batteries, by virtue of their performance advantages such as high energy density, long cycle life, good stability, and safety, will no longer be merely components of transportation vehicles or energy storage equipment in the next-generation new energy system dominated by renewable energy. Instead, they will become key units supporting the buffering, stabilization, and dispatching of the energy system, and their related industries are facing rapid and significant development opportunities.

(1) Power Battery Industry

Benefiting from factors such as the increase in the number of new energy vehicle models available for sale, the acceleration of intelligence, and the continuous improvement of charging and swapping infrastructure, the market demand for global new energy vehicles continues to grow. According to data from SNE Research, global new energy vehicle sales were 21.470 million units in 2025, a year-on-year increase of 21.5%. In the domestic market, according to data from the China Association of Automobile Manufacturers, China's new energy vehicle sales were 13.875 million units in 2025, among which new energy passenger vehicle sales were 13.005 million units, a year-on-year increase of 17.7%, with the penetration rate rising to 54.0%; new energy commercial vehicle sales were 871,000 units, a year-on-year increase of 63.7%, with the penetration rate rising to 26.9%. In the overseas market, according to data from the European Automobile Manufacturers Association, European new energy passenger vehicle sales were 3.858 million units in 2025, a year-on-year increase of 30.9%, with a penetration rate of 29.1%. The growth in new energy vehicle sales and the increase in battery capacity per vehicle have driven the continuous growth in demand for power batteries. According to data from SNE Research, global power battery usage volume was 1,187GWh in 2025, a year-on-year increase of 31.7%.

(2) Energy Storage Industry

Amidst growing global electricity demand and the trend towards low-carbon transition, the global energy storage market is experiencing rapid growth. According to the IEA, global electricity demand continues to grow, which is driven by the increasing electrification of industry, transport, and buildings. This increase in global electricity consumption is also propelled by emerging economic sectors such as artificial intelligence (AI), data centers, and evolving innovative applications. At the same time, the global power supply structure is rapidly transitioning towards low-carbon sources. Despite strong growth in power demand, fossil fuel power generation has been curbed due to the rapid deployment of renewable energy and increased nuclear power generation, and the growth of emissions in the power sector has slowed significantly.

In the domestic market, according to data from the National Energy Administration, China's newly grid-connected wind and solar power capacity was 438GW in 2025, a year-on-year increase of 22.3%. The cumulative installed capacity of photovoltaic and wind power exceeded coal power installed capacity for the first time, marking that new energy, represented by wind and solar, is accelerating its transition from a supplementary energy source to a main energy source. Benefiting from policy support, improved business models, and declining storage costs, energy storage demand grew rapidly. According to statistics from the China Energy Storage Alliance, China's newly installed capacity in the new-type energy storage sector reached 189.5GWh in 2025, a year-on-year increase of 73%. In overseas markets, there is an increase in energy demand from data centers and a growing need for flexible resource regulation. The widening peak-valley price difference has improved project economics, driving demand for energy storage. Europe and other regions overseas have continuously introduced supportive policies, fueling growth in the scale of energy storage tenders. According to SNE Research statistics, global shipments of energy storage batteries totaled 550GWh in 2025, a year-on-year increase of 79%.

(3) Battery Materials and Recycling Industry

With the sustained growth of the power battery and energy storage battery markets, the demand for battery materials and recycling has also increased accordingly. According to statistics from SMM, the total production of ternary and lithium iron phosphate cathode materials in China reached 4.565 million tons in 2025, a year-on-year increase of 51%. As lithium batteries put into the market in the early stages gradually enter the retirement phase, the demand for recycling retired batteries has gradually increased. According to data from Shanghai Ganglian the volume of retired lithium batteries in China reached 819,000 tons in 2025, a year-on-year increase of 9%.

2. The Company's Industry Position

The Company holds a global leading position in both the power battery and energy storage battery sectors. In the power battery sector, according to data from SNE Research, the Company's global market share in terms of power battery usage volume was 39.2% in 2025, an increase of 1.2 percentage points compared to the same period last year. The Company has ranked first globally in power battery usage volume for nine consecutive years (2017-2025). In the energy storage sector, the Company has ranked first globally in energy storage battery shipments for five consecutive years (2021-2025).

3. Major Laws, Regulations and Industry Policies

The major relevant industry laws, regulations and policies of China since 2025 are as follows:

Time	Issuing Authority	Document Name and Main Content
January 2025	National Development and Reform Commission, Ministry of Finance	**Document Name: Notice on Implementing Large-scale Equipment Upgrades and Consumer Goods Trade-in Policies in 2025** Main Content: Promote equipment renewal and upgrading, expand support for the scrapping and renewal of old operating trucks, and extend the subsidy scope to operating trucks with emission standards of National IV and below; raise the subsidy standards for the renewal of new energy city buses and power batteries; expand the scope of support for automobile scrapping and renewal to include eligible passenger vehicles with National IV emission standards; and improve the subsidy standards for automobile replacement and renewal.

Time	Issuing Authority	Document Name and Main Content
January 2025	National Development and Reform Commission, National Energy Administration	**Document Name: Notice on Deepening the Market-Based Reform of New Energy Feed-in Tariffs to Promote High-Quality Development of New Energy** Main Content: Cancel the "mandatory energy storage allocation" policy, that is, configuring energy storage must not be taken as a prerequisite for the approval, grid connection, and power sales of new energy projects; promote the full entry of new energy on-grid electricity into the power market and form prices through market transactions; improve spot trading mechanisms, medium and long-term trading mechanisms, and green power trading policies adapted to the development of new energy; promote the fair participation of new energy in market transactions; establish a sustainable price settlement mechanism for new energy, distinguish between stock and incremental projects, maintain policy continuity and stabilize income expectations; and improve the power market system to better support the realization of new energy development planning goals.
April 2025	National Development and Reform Commission, National Energy Administration	**Document Name: Notice on Comprehensively Accelerating the Construction of the Electricity Spot Market** Main Content: Centering on the requirements for building a national unified market, construct a national unified power market; comprehensively accelerate the construction of electricity spot markets, striving to basically achieve full coverage of electricity spot markets by the end of 2025; fully carry out continuous settlement operations, exerting the key role of spot markets in price discovery and supply-demand regulation; in regions with formal operation and continuous settlement trial operation, establish mechanisms for access requirements, registration procedures, quotation methods, assessment and settlement adapted to the needs of new business entities; require the verification of technical systems and third-party evaluations; and strengthen market regulation, risk prevention, and operational support.

Time	Issuing Authority	Document Name and Main Content
June 2025	Ministry of Ecology and Environment, General Administration of Customs, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Commerce, State Administration for Market Regulation	**Document Name: Announcement on Regulating the Import of Recycled Black Mass for Lithium-ion Batteries and Recycled Steel Raw Materials** Main Content: Implement standardized management for recycled black mass raw materials for lithium batteries, with key points including: (I) Clarify import standards; recycled black mass raw materials meeting the requirements are not classified as solid waste and can be freely imported as non-solid waste; they must be classified and packaged, and mixed packaging is prohibited; only the same type of recycled raw materials can be declared under a single customs declaration; bulk transportation is prohibited, and different categories must be stored in separate areas. (II) Clarify commodity codes and stipulate the customs commodity numbers for recycled black mass raw materials for lithium batteries. (III) Strengthen inspection and supervision; Customs will conduct inspections based on industry technical specifications, and commission professional institutions to conduct attribute identification and handle suspected solid waste according to the law. Clarify the supporting management requirements and inspection rules for recycled steel raw materials.

Time	Issuing Authority	Document Name and Main Content
September 2025	National Development and Reform Commission, National Energy Administration	**Document Name: Special Action Plan for Large-scale Construction of New-type Energy Storage Facilities (2025-2027)** Main Content: Propose that by 2027, the installed scale of new energy storage nationwide will exceed 180 million kilowatts, driving direct investment of approximately RMB250 billion. Key points include: (I) Scenario application: On the power supply side, promote the joint operation of new energy power stations and supporting new energy storage; on the grid side, promote the application of grid-forming energy storage in power grids with a high proportion of new energy, weak grids, and islanded grids; advance models such as green power direct connection, virtual power plants, smart microgrids, source-grid-load-storage integration, and vehicle-to-grid (V2G) interaction; and explore "Artificial Intelligence +" application scenarios. (II) Improve utilization rate: Actively carry out coordinated optimization and regulation between new energy storage and power sources. (III) Promote innovation and integration: Rely on pilot projects to promote diversified technological development. (IV) Improve market mechanisms: Promote the integrated participation of "new energy + energy storage" in electric energy market trading; improve capacity price mechanisms and capacity compensation mechanisms; and promote the standardized participation of various regulation resources in the market.

Time	Issuing Authority	Document Name and Main Content
December 2025	Ministry of Industry and Information Technology	**Document Name: Notice on Carrying Out Carbon Footprint Declaration Work for Automotive Power Batteries** Main Content: In accordance with the principles of "demand-driven approach, systematic advancement, open cooperation, and continuous improvement," clarify the carbon footprint accounting rules for power batteries; establish and improve the operational management system; collaboratively advance the construction of standards and specifications, background data, monitoring and metering, and evaluation and certification; promote international mutual recognition of rules, standards, and data; promote the formation of an operational system for carbon footprint accounting, data reporting, and verification and certification; and facilitate the high-quality development of the power battery industry.
December 2025	National Development and Reform Commission, Ministry of Finance	**Document Name: Notice on Implementing Large-scale Equipment Upgrades and Consumer Goods Trade-in Policies in 2026** Main Content: For the 2026 automobile "trade-in" subsidy scheme, while maintaining the automobile subsidy ceiling unchanged, adjust the fixed-amount subsidy to a subsidy based on a percentage of the vehicle price; clarify the subsidy ratios and corresponding ceilings for new energy passenger vehicles and fuel passenger vehicles; and propose the continued implementation of large-scale equipment renewal and consumer goods trade-in policies under the overall policy framework.

Time	Issuing Authority	Document Name and Main Content
December 2025	National Development and Reform Commission, Ministry of Industry and Information Technology and National Energy Administration	**Document Name: Notice on Issuing the List of National-Level Zero-Carbon industrial Parks for Construction (First Batch)** Main Content: This notice announces the release of the list of national-level zero-carbon industrial parks for construction (First Batch). It requires the Development and Reform Commissions, competent departments of industry and information technology, and energy administrations of all regions to work with relevant parties to strengthen guidance for the parks included in the list and to actively support the construction of national-level zero-carbon industrial parks within their respective regions. Regional development and reform commissions are instructed to collaborate with relevant parties to enhance the tracking and monitoring of the construction progress of these national-level zero-carbon industrial parks. Furthermore, the regional development and reform commissions, competent departments of industry and information technology, and energy administrations are required to strengthen the summarization of best practices and leverage the demonstrative and leading role of the national-level zero-carbon industrial parks.

The major relevant industry laws, regulations, and policies of overseas countries and regions since 2025 are as follows:

Time	Issuing Authority	Document Name and Main Content
March 2025	European Commission	**Document Name: Industrial Action Plan for the European Automotive Sector** Main Content: To address the challenges faced by the European automotive industry regarding insufficient competitiveness in electrification and intelligence, as well as challenges faced by some original equipment manufacturers (OEMs) such as tightening emission regulations, rising compliance costs, and potential high fines. The Action Plan proposes a package of policy measures to be implemented. Among them, key measures surrounding the promotion of electrification transition include: 1. Encouraging Member States to implement "Social Leasing Schemes" to improve the affordability of electric vehicles for low-income groups and the penetration rate of electric vehicles by lowering the threshold for use; 2. Formulating a "Corporate Fleet Regulation" to promote the proportion of zero-emission vehicles in centralized corporate procurement to reach around 60%; 3. Studying with Member States the launch of a unified electric vehicle stimulus plan at the EU level (rather than implemented individually by each Member State), including support measures such as fiscal subsidies; 4. Studying and promoting a special action plan to support clean buses to accelerate the electrification process in the public transport sector; 5. Accelerating the construction of charging infrastructure, with a focus on deploying charging networks for heavy commercial vehicles; 6. Providing financial support of up to EUR3 billion through grants and other means to promote the construction of local battery manufacturing capabilities in Europe.

Time	Issuing Authority	Document Name and Main Content
May 2025	European Commission	**Document Name: National Energy and Climate Plans** Main Content: These are ten-year national planning instruments compiled and submitted by EU Member States to achieve 2030 climate and energy targets. In terms of renewable energy and power system transformation, Member States generally emphasized in their NECPs enhancing project revenue certainty through long-term contract mechanisms (such as Power Purchase Agreements, PPAs), and combining flexibility resources like energy storage and demand response to strengthen system regulation capabilities. In its assessment and policy guidance on NECPs, the European Commission also emphasized the need to further improve market design and regulatory arrangements to reduce institutional barriers for entities like energy storage and demand response participating in power markets and system services, thereby supporting the scaled integration and consumption of renewable energy.
December 2025	European Commission	**Document Name: European Grids Package** Main Content: Accelerate the expansion and modernization of power grid infrastructure to enhance the power system's carrying capacity for renewable energy, electrified load growth, and the connection of flexibility resources. Driven by the established goals of achieving a 42.5% renewable energy share by 2030 and a 55% net reduction in greenhouse gas emissions by 2030, promote Member States to accelerate the implementation of key infrastructure projects. Meanwhile, by proposing a policy portfolio to accelerate permit granting and improve grid connection efficiency, alleviate cyclical bottlenecks in grid construction and connection processes, supporting comprehensive grid modernization by 2040.

III. ANALYSIS OF CORE COMPETITIVENESS

CATL's long-term core competitiveness is rooted in technological innovation and leading products as the cornerstone, continuously driving the evolution of business models and the expansion of customer markets, thereby forming a positive feedback loop. Driven by the "flywheel effect," the Company's overall value continues to grow, constantly reinforcing the competitive barriers of a "global leading zero-carbon new energy technology company."

Specifically, the Company's core competitiveness is manifested in the following aspects: **First, R&D as the core, with continuous iteration of the product matrix.** Leveraging a top-tier R&D team in the industry and sustained high-intensity R&D investment, the Company has established a full-chain independent R&D capability covering materials, cells, systems, and recycling. It stands as the sole enterprise in the industry selected for the "Top 100 Global Innovators," assisting Ningde City in ranking fourth globally in innovation intensity. During the Reporting Period, the total number of domestic and foreign patents owned and applied for by the Company reached 54,538, with innovation achievements being intensively launched. On this basis, the Company successively launched cutting-edge products such as the "second-generation Shenxing superfast charging battery", "Freevoy dual-core battery" and "Naxtra battery" providing solid support for market expansion with comprehensively leading

product competitiveness. **Second, market leadership with a solid foundation for globalization.** The Company's market share in power batteries and energy storage batteries has led the world for consecutive years. In the passenger vehicle sector, the Company maintains a solid dominant position in the mid-to-high-end market and continues to make breakthroughs in the economy market. In the energy storage sector, its system integration capabilities are continuously strengthened, and partnerships have been established with multiple global leading technology enterprises. Meanwhile, the Company steadily advances the construction of overseas factories and continuously improves its global service network, consolidating long-term competitive advantages with a robust global layout. **Third, extreme manufacturing with benchmarks for quality and efficiency.** The Company holds the world's largest existing and production capacity under development. Through stringent quality control standards and its independently developed extreme manufacturing lines, it continuously pushes the boundaries of manufacturing efficiency, quality, and safety. Its cell defect rate maintains an order-of-magnitude lead over industry peers. The Company owns the most "Lighthouse Factories" in the industry and the sole "Sustainability Lighthouse Factory." **Fourth, all-domain growth to broaden the ecosystem moat.** The Company extends electrification to broader fields such as low-altitude aviation and shipping. A ton-class eVTOL has completed key flight verifications, and the scale of safe operations for electric vessels continues to expand. Meanwhile, innovative solutions such as Choco-Swap and QIJI Energy Swap are expanding rapidly, collaborating with industry chain partners to build an open and win-win industrial ecosystem, injecting sustained momentum into comprehensive electrification. **Fifth, leadership in zero-carbon initiatives, and reshaping the industrial value chain.** The Company has taken the lead in achieving carbon neutrality in core operations and realized large-scale comprehensive recycling of spent batteries. By collaborating with various regions to advance zero-carbon demonstration projects, it assists high-carbon-emission industries in achieving new energy transition. The Company is profoundly reconstructing the industrial ecosystem with a "zero-carbon" philosophy, discovering and unleashing the green value of the entire industry chain.

IV. ANALYSIS OF PRINCIPAL BUSINESS

On 20 May 2025, the Company was successfully listed on the Main Board of The Hong Kong Stock Exchange. The total number of shares offered globally was 155,915,300 shares (after the exercise of the over-allotment option), with an issue price of HKD263.00 per share. The total amount of funds raised was HKD41.0 billion, which will be used for the construction and working capital of the Hungary project and general corporate purposes. Through this H-share listing, the Company established an overseas capital operation platform, which helps it further integrate into the global capital market, accelerate the advancement of its globalization strategic layout, and enhance its comprehensive competitiveness.

During the Reporting Period, the Company achieved lithium-ion battery sales of 661GWh, representing a year-on-year increase of 39.16%; a net profit attributable to shareholders of the listed company of RMB72.2 billion, representing a year-on-year increase of 42.28%; and net cash flows generated from operating activities amounted to RMB133.2 billion, representing a year-on-year increase of 37.35%. The major operating conditions are as follows:

1. Power Battery Business

During the Reporting Period, the Company achieved power battery sales of 541GWh, a year-on-year increase of 41.85%, with its global market share hitting a record high. According to statistics from SNE Research, the Company's global market share in terms of power battery usage volume increased by 1.2 percentage points to 39.2% in 2025, ranking No. 1 in the world for nine consecutive years. Domestically, according to statistics from the China Automotive Battery Industry Innovation Alliance, the Company's domestic power battery installed volume market share was 43.42% in 2025. Overseas, according to statistics from SNE Research, the Company's market share in terms of overseas power battery usage volume achieved a breakthrough in 2025, rising to 30.0%.

Leading the world with cutting-edge technologies, with innovative products continuously realized. In the passenger vehicle sector, the Company released new products such as the second-generation Shenxing superfast charging battery, Shenxing Pro battery, Freevoy dual-core battery, and Naxtra passenger vehicle power battery. Among them, the second-generation Shenxing superfast charging battery is the world's first LFP battery featuring both an 800 km range and a peak 12C superfast charging speed; the Shenxing Pro battery is equipped with advanced NP3.0 technology, offering a 1-million-kilometer long-life version and a 12C superfast charging version tailored to the diverse needs of the European market, such as low temperatures, long-distance travel, and leasing; the Freevoy dual-core battery pioneered a new cross-chemistry design, achieving a comprehensive enhancement of battery pack performance by combining cells of different chemical systems within the pack to meet users' customized needs; the Naxtra passenger vehicle power battery boasts excellent low-temperature energy retention and safety performance, effectively reducing reliance on lithium resources due to the abundant reserves of sodium. The Company launched its super hybrid battery, which achieves comprehensive performance enhancement beyond a single chemical system through innovation at the material mixing level, meeting the cost-performance requirements of the passenger vehicle market segment. In the commercial vehicle field, building on last year's Tectrans series, the Company further released the Naxtra starting-stationary integrated battery applicable to the heavy-duty truck field and the Kunshi chassis commercial vehicle ecosystem solution oriented towards efficient logistics scenarios. Meanwhile, the mass production of the Company's innovative products accelerated, with their proportion in the delivery of passenger vehicle and commercial vehicle product solutions continuously increasing.

A still dominant position in the high-end market, with breakthroughs in niche markets. The Company has built a long-term reputation through performance premiums and high-quality services, continuing to hold a leading position in the mid-to-high-end passenger vehicle market. In the 2025 Forbes China Smart Pure Electric Vehicle New Luxury Rating list, over 60% of the listed models are equipped with the Company's batteries. Furthermore, with the Freevoy Super Hybrid battery, the Company fully initiated the era of "large capacity" for range-extended vehicles, powering over 40 REV models and helping the Company secure a dominant position in the REV market. Furthermore, the Company has helped its passenger car customers successfully launch several best-selling models by providing high-volume product solutions characterized by short development cycles and low adaptation costs.

Deepening strategic customer cooperation and implementing solutions across multiple niche scenarios. The Company continues to gain recognition from commercial vehicle customers through targeted scenario solutions and the efficient integration of various advantageous resources. During the Reporting Period, the Company deepened strategic cooperation with FAW Jiefang, BAIC Foton, and Dongfeng Commercial Vehicle, jointly leading the acceleration of commercial vehicle electrification. The Company also collaborated with multiple partners to promote the green and low-carbon transformation of scenarios such as unmanned logistics and autonomous mining.

Steadily advancing overseas business, and continuously improving after-sales system. As the construction and operation of the Company's overseas bases gradually matured, and strategic cooperation with overseas customers deepened, during the Reporting Period, the Company's overseas market share and delivery capabilities improved steadily. Leveraging leading products and high-quality services, the Company continued to secure a number of design-wins from overseas customers such as VW, BMW, Stellantis, Volvo and DMG.

As of the end of the Reporting Period, the Company's after-sales service network covered 75 countries or regions, with approximately 1,200 service stations. It operates 11 "NING Service" experience centers worldwide. Relying on "NING Service," the Company extended after-sales services to the vehicle end, providing users with one-stop comprehensive services including maintenance, battery care, health inspection, annual inspection, and mobile rescue.

2. Energy Storage Business

During the Reporting Period, the Company achieved sales of energy storage batteries of 121GWh, a year-on-year increase of 29.13%, continuously building energy storage system solutions and service capabilities. According to SNE Research, the Company ranked first globally in energy storage battery shipments for the fifth consecutive year in 2025. While maintaining its leading position, the Company upheld the concept of "win-win cooperation," deeply integrated global supply chain resources, and enhanced its capabilities in whole-station optimization and engineering design for energy storage systems. Globally, the Company has delivered over 70 projects in system integration, with shipments growing by more than 160% year-on-year.

Continuously launching innovative products to lead industry standards. For domestic market, the Company achieved batch delivery and grid connection of its TENER 6.25MWh containerized liquid-cooled battery compartments. Compared to the system of the previous generation, the energy density per unit area increased by 30%, and the footprint of the entire station was reduced by 20%. The equipped 587Ah large-capacity energy storage dedicated cell achieved comprehensive upgrades in core performance indicators such as safety and reliability, energy density, life degradation, and system efficiency; and for overseas market, the Company released the world's first mass-producible 9MWh ultra-large capacity energy storage system solution, TENER Stack. It significantly improves volume utilization and energy density. The Company also launched the TENER H container system adapted for high-temperature scenarios, utilizing industry-leading high-temperature battery technology to reduce auxiliary power consumption during power station operations, thereby helping to improve project returns.

Advancing ecosystem synergy and open cooperation to achieve win-win results. Upholding an open and win-win cooperation philosophy, the Company works with global system integrators, investors, developers, grid companies, EPC contractors, and core supply chain partners to promote ecosystem co-development and mutually beneficial collaboration, while also exploring investments in energy storage power stations. During the Reporting Period, the Company entered into long-term strategic partnerships with industry players such as Hyperstrong, CRRC Zhuzhou Institute, and Sieyuan Electric. It further delivered GWh-level system integration projects overseas and secured system integration orders in multiple mainstream international markets, earning broad recognition from global customers for its technological expertise and project experience.

Continuously building system solutions and service capabilities. The Company enhances its energy storage system solution capabilities through R&D collaboration, strategic investments, and the recruitment of specialized talent. It has added multiple subsidiaries, representative offices, or service outlets in key overseas markets to grasp market dynamics in real-time and provide customers with comprehensive on-site services ranging from solution discussion and product delivery to after-sales operation and maintenance. Meanwhile, the Company constructed the Xiamen Electrochemical Energy Storage Empirical Platform with a capacity scale leading globally. It possesses the capability for one-stop empirical testing of the safety and reliability of energy storage systems under extreme and complex conditions, effectively saving time for on-site grid-connected commissioning tests.

3. Emerging Fields

In addition to the aforementioned businesses, the Company is extending electrification into broader domains such as low-altitude aviation, maritime applications, and data centers. It is rapidly expanding its battery-swapping network and services, advancing the development of a zero-carbon ecosystem, thereby refining the industrial ecosystem and extending the value chain.

Battery swap ecosystem gaining momentum

To enhance energy replenishment efficiency and optimize user experience, the Company has collaborated with various industry parties to accelerate the construction of the Choco-Swap ecosystem. As of the end of the Reporting Period, the Company had built over 1,000 Choco-Swap stations, distributed across 45 cities nationwide, covering the four core economic belts of the Yangtze River Delta, Beijing-Tianjin-Hebei, Sichuan-Chongqing, and the Greater Bay Area, and took the lead in achieving profitability in Chongqing. The Company has established strategic cooperation on battery swapping with multiple automakers including GAC, Changan, FAW, SAIC, and Chery, and the aforementioned automakers have released over 20 battery-swapping models, including sedans and SUVs such as the AION UT super, covering diverse scenarios such as operational travel, family travel, executive business, and youth commuting. During the Reporting Period, the Company reached strategic cooperation with ecosystem partners such as Sinopec, State Grid, China Southern Power Grid, Didi, JD, CAR Inc., and CMB Financial Leasing, collaborating in areas such as battery swapping network construction, operational vehicle application, and battery leasing scheme optimization, thereby forming an ecosystem synergy characterized by resource sharing and complementary advantages.

In the commercial vehicle sector, by the end of the Reporting Period, the Company's QIJI Energy Swap business had built over 300 stations, distributed across 26 provinces nationwide, achieving coverage of key nodes on multiple national highways, providing fundamental support for the electrification transformation of core logistics routes. During the Reporting Period, the strategic cooperation between QIJI Energy Swap and vehicle manufacturers continues to deepen. Working with over 10 companies such as FAW Jiefang and SHACMAN, the Company has launched over 30 standardized battery-swapping models, covering multiple vehicle types such as tractors and trucks, providing product assurance for the full-scenario electrification of heavy-duty trucks. The Company also established strategic cooperation with over 30 highway and transportation investment companies nationwide, including Chongqing Expressway, Ganyue Expressway, Henan Transport Investment, and Jinhua Communications Investment, to jointly layout the new infrastructure for the heavy-duty truck battery swapping network.

During the Reporting Period, Choco-Swap and QIJI Energy Swap provided a total of over 1.15 million swapping services to users, with a cumulative swapping volume of 80 million kWh.

Advancing construction of zero-carbon ecosystem

Leveraging its product and business strengths, and based on its own carbon reduction practices, the Company is committed to developing comprehensive and integrated zero-carbon solutions, including direct green power supply, zero-carbon industrial parks, source-grid-load-storage integration, and grid-forming energy storage.

As of the end of the Reporting Period, the Company had signed cooperation agreements with governments including Hainan Province, Dongying, Shandong, Xiamen, Fujian, Yancheng, Jiangsu, and Ningde, Fujian to promote the demonstration construction of zero-carbon projects. Projects including the Fujian Ningde Fuding Industrial Park, the Eastern Industrial Park of Sichuan Yibin Lingang Economic Development Zone, the Shandong Dongying Kenli Economic Development Zone, and the Hainan Haikou National High-tech Industrial Development Zone were included in the national-level zero-carbon industrial park construction list. CATL Virtual Power Plant Project in Ningde City, Fujian Province, was included in the National Energy Administration's pilot list for new power system construction capability enhancement. This project will utilize advanced technologies such as big data, cloud platforms, and the Internet of Things to build application scenarios oriented towards group management and regional virtual power plant operations.

In addition, the Company joined hands with enterprises such as SINOPEC, Conch Group, Liaoning Fangda Group, and Zenith Steel Group to jointly promote the implementation of source-grid-load-storage integration and zero-carbon factory solutions, expanding the zero-carbon scenario layout and exploring zero-carbon development paths for high-carbon-emission industries.

Ushering in the era of "all-domain growth"

During the Reporting Period, the Company's ecosystem enterprise AutoFlight successfully developed the world's first ton-class eVTOL aircraft to be awarded three major airworthiness certificates – the Carryall – and successfully launched the world's first zero-carbon water take-off and landing platform, possessing the capability to extend low-altitude infrastructure to rivers, lakes, and seas. The cargo version of the EV battery developed by the Company for AutoFlight has passed the manufacturing compliance review of the Civil Aviation Administration of China. In addition, the Company has obtained the AS9100D aerospace quality system certification.

In the shipping sector, the Company released the world's first "Ship-Shore-Cloud" integrated zero-carbon shipping solution capable of achieving megawatt-level charging for ships, minute-level battery swapping replenishment, and high-precision fusion of multi-source cloud data. It continued to advance strategic cooperation with upstream and downstream partners in industries such as port and shipping trade, financial investment, ship repair and construction, and research institutes. As of the end of the Reporting Period, the Company has supported nearly 900 electric vessels with cumulative safe operations, contributing to the low-carbon transformation of global waterborne transportation.

In addition, the Company also launched products such as the E30P two-wheel cylindrical lithium battery and the Snow Leopard battery series, featuring high performance, long life, and strong power, to meet customer needs in fields such as electric motorcycles, electric two-wheelers, power tools and data centers.

4. Supply Chain and Production Capacity

The Company is committed to building a resilient supply chain that is efficient, agile, technologically innovative, continuously cost-reducing, and green and low-carbon. The Company promoted close coordination among technology, procurement, and quality systems, ensuring supply stability by establishing rapid import mechanisms, signing long-term agreements, and engaging in joint ventures and cooperation. It achieved cost reduction by strengthening bulk metal management, promoting the implementation of low-cost alternative solutions, and assisting suppliers in process optimization and upgrading. In addition, to further guarantee the supply of key upstream resources and materials required for battery production, the Company actively promoted the investment, construction, and operation of proprietary and cooperative mineral resource projects.

To meet market and customer demands, during the Reporting Period, the Company increased investment in the construction of domestic and overseas lithium battery production bases, continuously enhancing delivery capabilities. The Company steadily advanced the construction of projects including bases in Zhongzhou, Jining, Fuding, Liyang, and Yibin. Overseas, the Company steadily advanced the construction of the Hungary factory, the Spain factory joint-ventured with Stellantis, and the Indonesia battery industry chain project. During the Reporting Period, the Company's lithium battery production capacity was 772GWh, with 321GWh of capacity under construction as of the end of the period.

5. Sustainable development

The Company attaches great importance to sustainable development and fulfilling social responsibilities. During the Reporting Period, ESG ratings continued to improve, and management achievements gained wide international recognition. The MSCI ESG rating was maintained at AA, EcoVadis was awarded the Silver Medal for Sustainability, and the Company was selected for the S&P Global Sustainability Yearbook and the FTSE4Good Emerging Indices for the first time. Meanwhile, the Company advanced the "Zero Carbon Strategy" in an orderly manner. Leveraging zero-carbon technologies such as zero-carbon electricity and factory energy efficiency optimization, it achieved carbon neutrality in core operations, solemnly fulfilling its climate commitments. It also continued to deepen the green and low-carbon transition of the value chain, driving the achievement of carbon neutrality goals across the value chain. The Company led the initiation of the Global Energy Circularity Commitment (GECC), conducting systematic research on the battery circular economy, building a global ecosystem network, sharing frontier practices in battery cycling, and creating benchmark cities for the battery circular economy. During the Reporting Period, the Company's comprehensive recycling volume of spent batteries and materials reached 210,000 tons, a year-on-year increase of 63.2%, regenerating 24,000 tons of lithium salts, a year-on-year increase of 40.4%.

V. FINANCIAL REVIEW

1. Revenue Analysis

During the Reporting Period, the Group's revenue primarily derived from EV batteries and ESS batteries. During the Reporting Period, the Group generated revenue of RMB423,701,834 thousand, representing an increase of 17.04% compared to RMB362,012,554 thousand for the same period in 2024, mainly due to the continuous growth in the demand in the new energy EV batteries and energy storage market during the Reporting Period.

The following table sets forth the Group's revenue analysis by industry, product, and sales region:

Unit: RMB'000

	2025		2024		
Item	**Amount**	**Percentage of Revenue**	Amount	Percentage of Revenue	**Year-on-year Change**
Total Revenue	**423,701,834**	**100%**	362,012,554	100.00%	17.04%
By industry					
Electrical machinery and equipment manufacturing	**417,723,738**	**98.59%**	356,519,551	98.48%	17.17%
Mining, processing and smelting Industry	**5,978,096**	**1.41%**	5,493,003	1.52%	8.83%
By product					
EV batteries	**316,506,369**	**74.70%**	253,041,337	69.90%	25.08%
ESS batteries	**62,439,820**	**14.74%**	57,290,460	15.83%	8.99%
Battery materials and recycling	**21,860,936**	**5.16%**	28,699,935	7.93%	-23.83%
Battery mineral resources	**5,978,096**	**1.41%**	5,493,003	1.52%	8.83%
Other businesses	**16,916,612**	**3.99%**	17,487,818	4.83%	-3.27%
By region					
Domestic	**294,060,576**	**69.40%**	251,677,045	69.52%	16.84%
Overseas	**129,641,258**	**30.60%**	110,335,509	30.48%	17.50%

2. Gross Profit and Gross Profit Margin

During the Reporting Period, the Group recorded a gross profit of RMB111,318,537 thousand, representing an increase of 25.79% compared to RMB88,493,595 thousand for the same period in 2024; the overall gross profit margin was 26.27%, representing an increase of 1.83 percentage points compared to 24.44% for the same period in 2024. The increase in gross profit margin was primarily due to the improvement in the gross profit margin of the battery materials, recycling business and other businesses.

The following table sets forth the analysis over the Group's gross profit and gross profit margin by industry, product, and sales region:

Unit: RMB'000

	2025		2024	
Item	**Gross Profit**	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
Total Gross Profit	**111,318,537**	**26.27%**	88,493,595	24.44%
By industry				
Electrical machinery and equipment manufacturing	**110,646,040**	**26.49%**	88,025,203	24.69%
Mining, processing and smelting industry	**672,497**	**11.25%**	468,392	8.53%
By product				
EV batteries	**75,441,972**	**23.84%**	60,580,055	23.94%
ESS batteries	**16,676,131**	**26.71%**	15,376,457	26.84%
Battery materials and recycling	**5,961,123**	**27.27%**	3,017,019	10.51%
Battery mineral resources	**672,497**	**11.25%**	468,392	8.53%
By region				
Domestic	**70,562,691**	**24.00%**	55,998,857	22.25%
Overseas	**40,755,846**	**31.44%**	32,494,738	29.45%

3. Fees

Unit: RMB'000

Item	2025	2024	Year-on-Year Change	Explanations
Selling expenses	**3,735,118**	3,562,797	4.84%	
Administrative expenses	**11,666,741**	9,689,839	20.40%	
Financial expenses	**-7,939,863**	-4,131,918	92.16%	Decrease in interest expense, increase in interest income, and increase in foreign currency exchange gain arising from changes in foreign currency exchange rate on foreign currency monetary items held
Research and development expenses	**22,146,581**	18,606,756	19.02%	

4. Assets and Liabilities

(1) Description of Balance Sheet Items

Unit: RMB'000

Item	As at the End of 2025 Amount	As at the End of 2025 The Percentage to the Total Assets	As at the Beginning of 2025 Amount	As at the Beginning of 2025 The Percentage to the Total Assets	Increase or Decrease	Explanations about Material Changes
Monetary funds	**333,512,927**	**34.21%**	303,511,993	38.58%	-4.37%	Increase in proportion of other assets
Financial assets held for trading	**58,993,528**	**6.05%**	14,282,253	1.82%	4.23%	Strengthening capital management and adding new purchases of wealth management products
Receivables	**76,403,264**	**7.84%**	64,135,510	8.15%	-0.31%	No material changes
Contract assets	**375,468**	**0.04%**	400,626	0.05%	-0.01%	No material changes
Inventories	**94,526,239**	**9.70%**	59,835,533	7.61%	2.09%	Increase in business scale, with a corresponding increase in inventories
Long-term equity investments	**64,884,321**	**6.66%**	54,791,525	6.97%	-0.31%	No material changes
Fixed assets	**146,400,592**	**15.02%**	112,589,053	14.31%	0.71%	No material changes
Construction in progress	**29,733,108**	**3.05%**	29,754,703	3.78%	-0.73%	No material changes
Right-of-use assets	**3,268,966**	**0.34%**	889,995	0.11%	0.23%	No material changes
Short-term borrowings	**12,935,498**	**1.33%**	19,696,282	2.50%	-1.17%	No material changes
Contract liabilities	**49,233,377**	**5.05%**	27,834,446	3.54%	1.51%	No material changes
Long-term borrowings	**78,234,935**	**8.03%**	81,238,456	10.33%	-2.30%	Repayment of borrowings during the period
Lease liabilities	**2,805,081**	**0.29%**	662,814	0.08%	0.21%	No material changes

(2) Asset-liability ratio

As at 31 December 2025, the Group's asset-liability ratio was 61.94% (as at 31 December 2024: 65.24%). The decrease in the asset-liability ratio was primarily attributable to the increase in net assets following the Company's receipt of proceeds from its H Share IPO during the Reporting Period, coupled with a reduction in interest-bearing liabilities. The following table sets forth the absolute amounts of the Group's total assets and total liabilities, asset-liability ratio, defined as the proportion of total liabilities to total assets and liability-equity ratio (defined as the ratio of total liabilities to net assets), as of 31 December 2025 and 31 December 2024:

Unit: RMB'000

Item	**31 December 2025**	31 December 2024
Total assets	**974,827,544**	786,658,123
Total liabilities	**603,801,220**	513,201,949
Asset-liability ratio	**61.94%**	65.24%
Liability-equity ratio	**162.74%**	187.67%

(3) Pledge/Mortgage of Assets

As at 31 December 2025, the net book value of the Group's pledged/mortgaged assets used for bank acceptance bills and bank borrowings amounted to RMB26,918,971 thousand (as at 31 December 2024: RMB32,152,553 thousand). Such assets primarily include cash, properties, plant and equipment, etc.

5. Cash Flows

Unit: RMB'000

Item	**2025**	2024	Year-on-Year Change
Sub-total of cash inflows from operating activities	**511,868,353**	444,879,417	15.06%
Sub-total of cash outflows from operating activities	**378,648,372**	347,889,072	8.84%
Net cash flows from operating activities	**133,219,982**	96,990,345	37.35%
Sub-total of cash inflows from investing activities	**8,303,785**	4,906,012	69.26%
Sub-total of cash outflow from investing activities	**102,779,575**	53,781,323	91.11%
Net cash flows from investing activities	**-94,475,790**	-48,875,311	-93.30%
Sub-total of cash inflows from financing activities	**85,607,537**	33,392,735	156.37%
Sub-total of cash outflow from financing activities	**91,917,080**	47,916,971	91.83%
Net cash flows from financing activities	**-6,309,543**	-14,524,236	56.56%
Net increase in cash and cash equivalents	**29,770,008**	31,994,247	-6.95%

In 2025, the net cash flows from operating activities of the Company increased by RMB36.2 billion or 37.35% as compared to the previous year, which was mainly due to the growth in sales scale and the increase in sales collection; in 2025, the net cash flows from investing activities of the Company decreased by RMB45.6 billion or 93.30% as compared to the previous year, which was mainly due to the increase in the purchase of wealth management products; and in 2025, the net cash flows from financing activities of the Company increased by RMB8.2 billion or 56.56% as compared to the previous year, which was mainly due to receipt of the proceeds from the H Share IPO.

6. Liquidity, Financial Resources and Capital Structure

As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB299,929,741 thousand (as at 31 December 2024: RMB270,159,734 thousand), primarily consisting of deposits denominated in RMB, EUR, and USD.

As at 31 December 2025, the Group's total borrowings amounted to RMB117,850,621 thousand (as at 31 December 2024: RMB136,984,817 thousand), of which RMB34,672,252 thousand shall be repayable within one year. As at 31 December 2025, the Group's outstanding loans mainly comprised RMB loans and USD loans. Approximately 29% of such outstanding loans (as at 31 December 2024: 42%) bore interest at fixed rates, while the remainder bore interest at floating rates.

The Group primarily funded its development needs through cash generated from operating activities, as well as through financing activities such as share issuances and external borrowings.

The Group has sufficient liquidity to meet its daily liquidity management, repay its debts as and when they become due and satisfy its capital expenditure needs.

7. Foreign Exchange Fluctuation Risks and Any Related Hedging

A substantial portion of the Group's revenue and cost of sales is denominated in RMB. However, as the Group also operates a part of its business in certain countries and regions outside of mainland China, and has certain debts and assets denominated in foreign currencies, the Group is exposed to risks associated with foreign currency exchange fluctuations. Foreign currencies that lead to such risks are primarily the USD and EUR.

In managing the foreign exchange risks, the Group implements natural hedges and certain hedging instruments (such as derivatives, mainly including forward, option and swap contracts). The Group decides to utilize certain hedging instruments, depending on the nature of the transaction and financial market conditions, after conducting a detailed assessment. These combined measures are intended to reduce foreign exchange exposure and mitigate the impact of exchange rate fluctuations on the Group's operating results.

8. Material Investments, Acquisitions, and Disposals

As of 31 December 2025, the Group did not hold any material investment, which refer to an investment with investment amounts in an investee company that accounted for 5% or more of the Group's total assets.

In 2025, the Group did not undertake any material acquisitions or disposals of subsidiaries, associates, and joint ventures.

As of 31 December 2025, the Group had no other plans for material investments or acquisitions of capital assets.

9. Contingent Liabilities

For details regarding contingent liabilities, please refer to "2. Contingent Liabilities" under "XV. Commitments and Contingent Liabilities" in "Section VIII. Financial Report" of this Report.

VI. THE COMPANY'S FUTURE OUTLOOK

1. Industry Landscape and Trends

Amid the increasingly intensified challenges posed by global climate change, there is a growing attention among governments to carbon reduction and energy transition. As the electrification transformation in the transportation sector continues to unfold and the clean energy penetration in the power generation sector continues to increase across the globe, while electrification is also gradually being adopted in industrial and other sectors. The global market is transitioning from the industrialization phase of new energy to a phase where various industries are becoming new-energy-centric, presenting vast opportunities for technological innovation and market application in the new energy industry. In addition, with the rapid development and wide adoption of intelligent technologies accelerating innovation and transformation across various sectors, NEVs have further gained traction in the market, facilitating the electrification of the transportation sector, while significantly boosting the demand for energy storage installations and applications.

2. Corporate Development Strategy

The Company drives its business development guided by the three strategic directions and four innovation systems. The Company is committed to revolutionary battery technology innovation and the realization of large-scale commercialization, continuously expanding the applications of EV and ESS batteries. Through integrated innovation and zero-carbon solutions, the Company aims to reduce society's dependence on fossil fuels and contribute to global sustainable development.

(1) The Company's Three Strategic Directions

The Company adopts three strategic directions: utilizing renewable energy generation + energy storage to replace stationary fossil energy, thereby eliminating dependence upon thermal power generation; utilizing EV batteries + NEV to replace mobile fossil energy, thereby ending our reliance on petroleum in the transportation sector; and utilizing electrification + intelligentization to realize integrated innovation of market applications, which provides sustainable, accessible, and reliable energy sources for various industries, thus promoting the development of regional zero-carbon ecosystems and facilitating green and low-carbon transformation across all sectors.

(2) The Company's Four Innovation Systems

Innovation is in the DNA of the Company and serves as the driving force behind its sustainable development. Guided by the Company's three strategic directions, the Company has established four innovation systems: "Innovation in Material and Electrochemistry System", "System Structure Innovation", "Green Extreme Manufacturing Innovation", and "Business Model Innovation" to support its business development. The Company promotes the four innovation systems through "open innovation". The Company will implement digitalization and intelligent technologies across all stages including R&D, manufacturing, sales, and management, while enhancing the efficiencies in battery material system innovation, cell development and design, and manufacturing process design. This will facilitate the efficient crystallization of scientific advancements into technology, products, and ultimately, successful commercialization and high-quality mass production, ensuring the Company's continued market leadership.

Innovation in Material and Electrochemistry System: The Company will continue to enhance its intelligent development platforms, such as the high-throughput materials integration computing platform. Leveraging advanced algorithms and computing power, and utilizing proven platform technologies, the Company conducts materials simulation calculations and design simulations at the atomic level to efficiently screen promising material systems. This enables comprehensive innovation in material and electrochemistry systems. Simultaneously, the Company will advance the application of its intelligent battery cell design platform, achieving a paradigm shift in battery R&D through intelligent and data-driven approaches to improve battery design efficiency. In this way, the Company maintains its foresight and leadership in the development of new products and technologies.

System Structure Innovation: the Company will optimize the system structure design of battery packs and chassis integration by leveraging digitized design tools and methodologies, while continuing to iterate and upgrade its existing CTP and CTC technologies. This will improve the integration of its battery systems and its skateboard chassis products, resulting in more efficient, safer, and cost-effective products. These innovations effectively facilitate the development of EV and enhance the key performance of EV and ESS.

Green Extreme Manufacturing Innovation: the Company is dedicated to establishing a green and extreme manufacturing system with high efficiency to ensure the safety and reliability of battery products throughout their life cycle. Through sustained R&D investment and experience accumulation, the Company has continuously upgraded the Prismatic Super Line and applied it in new production bases, continuously improving its production efficiency and achieving an industry-leading single-unit cell failure rate at the DPPB level. Looking ahead, the Company will leverage technologies such as big data, cloud computing, digital twins, and 3D printing to enhance its industrial digitalization capabilities, optimize production processes, improve product quality and productivity, and create high-quality delivery capabilities at the "TWh" scale.

Business Model Innovation: the Company will fully leverage the advantages of its existing business, and continue to expand into new application scenarios, including vessels, aircraft and others. The Company successfully launched Choco-Swap, QIJI Energy Swap and various other innovative solutions. At the same time, leveraging its extensive experience in carbon reduction across operations and the value chain, the Company will use regional pilot projects as entry points to actively promote the implementation of zero-carbon technology products and solutions. This will support the development of regional zero-carbon ecosystems and drive green, low-carbon transitions across various sectors.

Achieving a global green and low-carbon transition requires concerted efforts of the entire society. The Company will continue to uphold the spirit of open innovation and implement the four innovative systems complementing the strengths of internal and external innovation capabilities. By doing so, the Company will help achieve the efficient allocation of resources across society, drive technological advancement together with other forces, and ultimately yield shared benefits and common success for all.

3. Business Operation Plan

Rooted in the landmark convergence of the global energy revolution and technological transformation, the Company upholds the core philosophy of "Innovation-driven Growth, Green Development, Open Cooperation, and Shared Benefits", striving to build a world-class enterprise specializing in zero-carbon new energy technology and to create a new energy industry ecosystem across the entire spectrum and the whole chain. Looking ahead, leveraging "zero-carbon technology" as its core engine, the Company will adhere to its digital, global, and low-carbon operational approach, with "Zero-Carbon Technology" as its core driver. It will comprehensively seize the strategic opportunities presented by "all-domain growth "to propel itself towards high-quality, sustainable, and leapfrog growth.

In the realm of digital and intelligentization, the Company fully integrates digital and intelligent technologies into all aspects of its operations, including R&D, procurement, manufacturing, sales, and management. It continuously advances the integrated innovation of materials science and intelligent platforms, accelerating the intelligentization of manufacturing processes and battery cell design. By constructing a virtual-real interactive digital twin system, the Company ensures an efficient value chain transformation – from fundamental scientific breakthroughs to technology applications and ultimately to product commercialization – thereby achieving extreme manufacturing capabilities that enable large-scale, high-quality, and agile delivery.

In terms of globalization, the Company will leverage "Zero-Carbon New Energy Technology" to promote its global business development, systematically constructing a "comprehensive growth opportunities" value chain to support its global business expansion. Concurrently, it will accelerate the large-scale development and localized operations of its overseas production capacity, refine its global supply chain network and the layout of key resources and recycling infrastructure, and extensively attract top-tier international talent. Through these efforts, the Company aims to establish an efficient, synergistic, compliant, and stable transnational operations and management control system.

In the area of low-carbon development, the Company is comprehensively advancing the construction of zero-carbon factories and the development of a zero-carbon ecosystem. On the basis of achieving carbon neutrality in its own core operations, it collaborates with upstream and downstream partners across the industrial chain to systematically reduce the carbon footprint across the entire product lifecycle. Furthermore, the Company actively works with industry chain partners to explore and establish regional zero-carbon ecosystems, transforming its low-carbon competitiveness into a strategic advantage that creates new growth drivers and shapes the future energy landscape.

4. Potential Risks

(1) Risks of Macroeconomy and Market Fluctuations

There are uncertainties in the global macroeconomy. If the economic growth slows down and the market demand declines in the future, the development of the entire new energy, EV battery and ESS battery industry will be affected, which may, in turn, adversely impact the Company's results of operations and financial condition.

Response measures: The Company actively promotes innovation in battery materials and electro-chemistries, system structures, and green extreme manufacturing, business model, etc., and continuously launches leading and market-competitive new technologies and products to meet the diversified needs of customers. Meanwhile, the Company continuously explores and expands into new application scenarios, thus applying innovative technologies and products in more scenarios, and promoting market development. In addition, the Company flexibly uses innovative business cooperation models, actively expands into overseas markets, and enhances its global competitiveness.

(2) Risks of Intensified Market Competition

In recent years, with the rapid development of the global new energy market, battery production capacity of domestic and foreign enterprises has been expanded rapidly, leading to the risk of intensified market competition.

Response measures: The Company responds to market competition with higher-quality products and services. The Company continuously takes R&D innovation as the fundamental driving force for development, constantly upgrades the performance and quality of products, enhances operational efficiency and reduces production costs, so as to maintain the Company's product competitiveness at a leading level. Based on the extensive and in-depth customer relationships accumulated in the early stage, the Company actively promotes innovative business cooperation models to meet the diversified needs of end consumers. The Company accelerates its brand promotion and takes full advantage of online and offline communication channels, so as to enhance end consumers' awareness of the Company's products and brands, and improve the comprehensive competitiveness of products. In addition, the Company establishes a service brand to provide end consumers with one-stop and comprehensive services, including repair, battery maintenance and health testing.

(3) Risks of New Product and New Technology Development

Driven by the pursuit of higher-performance battery technologies such as energy density, cycle life, charging efficiency, and safety, globally renowned automotive OEMs, battery enterprises, material enterprises and research institutions all increase their R&D investment in new technical routes. If the Company fails to effectively predict and maintain its R&D capability at the industry-leading level, its market competitiveness and profitability may be affected.

Response measures: Based on the advanced R&D system and sound R&D capabilities, the Company, with high-intensity R&D investment and an excellent R&D talent team, uses the intelligent development platform driven by computing power to efficiently screen promising electro-chemistries, rapidly promote battery design, and improve its manufacturing and operational efficiency. The Company maintains foresight and leadership in the development of new products and technologies, and rapidly promotes the commercialization of new products and technologies through its advanced battery engineering capabilities and supply chain system, so as to achieve high-quality development of the Company.

(4) Risks of Fluctuations in Raw Material Price and Supply

The main raw materials required for the Company's production and operation include cathode, anode, separator, electrolyte, etc. Such raw materials are highly affected by the prices of bulk commodities such as lithium, nickel, cobalt or chemical raw materials. Affected by changes in the prices of relevant materials and market supply and demand, the procurement price and scale of the Company's raw materials also fluctuate to a certain extent.

Response measures: The Company continuously deepens the global supply chain layout, and continuously improves its supply chain management system, and keeps up with the supply and demand and price changes in key raw material markets, so as to ensure the supply of raw materials and optimize procurement costs. The Company has taken measures such as self-operated mining and production of raw materials, investment partnerships, and signing long-term procurement agreements to ensure the safety and stability of the supply chain. The Company continuously attaches importance to the development and application of recycling technologies to realize the sustainable utilization of resources.

VII. CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE HONG KONG LISTING RULES

1. Financial assistance and guarantees provided by the Company to affiliated companies

☐Applicable ☑Not applicable

During the Reporting Period, the Group did not provide any financial assistance or guarantees to its affiliated companies in an amount exceeding 8% of the Group's total assets and there were no matters required to be disclosed under Rules 13.16 and 13.22 of the Hong Kong Listing Rules.

2. Loan to an entity

☐Applicable ☑Not applicable

During the Reporting Period, the Group did not grant any loans to any entity in an amount exceeding 8% of the Group's total assets, and there were no loans required to be disclosed under Rules 13.13 and 13.20 of the Hong Kong Listing Rules.

3. Pledge of shares by controlling shareholder

☐Applicable ☑Not applicable

During the Reporting Period, the controlling shareholder of the Company did not register any pledge over any shares of the Company held by it, and there were no circumstances where the shares held were used to secure the Company's debts or to provide support for the Company's guarantee obligations or other liabilities.

4. Loan facility with covenants relating to specific performance of the controlling shareholder

☐Applicable ☑Not applicable

During the Reporting Period, none of the loan agreements entered into by the Group contained any specific performance obligations imposed on the controlling shareholder of the Company, and there were no loan agreements required to be disclosed under Rules 13.18 of the Hong Kong Listing Rules.

5. Breach of loan agreements by the Company

☐Applicable ☑Not applicable

During the Reporting Period, there were no instances of loans involved in any breaches of loan agreements that had a material impact on the Group's business operations.

6. Any guarantee information about the financial performance of the acquired company or business

☐Applicable ☑Not applicable

During the Reporting Period, no guarantee about the financial performance of the acquired company or business that shall be subject to the disclosure requirements under Rules 14.36B and/or 14A.63 of the Hong Kong Listing Rules.

VIII. ISSUANCE OF SECURITIES AND USE OF NET PROCEEDS

1. Issuance of H-Share securities

To further advance the Company's globalization, build an international capital operation platform, and enhance our comprehensive competitiveness, the Company issued 135,578,600 H Shares (before the exercise of the over-allotment option) on the Main Board of the Hong Kong Stock Exchange on 20 May 2025 for listing and trading, following the approval of the Hong Kong Stock Exchange. On the same day, the Company agreed for the Overall Coordinators (on behalf of the international underwriters) to fully exercise the over-allotment option, and completed the issuance of 20,336,700 H shares on 23 May 2025. Following the full exercise of the aforementioned over-allotment option, a total of 155,915,300 H Shares were issued at an Offer Price of HKD263.00 per share, and gross proceeds of HKD41,005,724 thousand were raised with net proceeds of approximately HKD40,627,103 thousand (with net proceeds per share of approximately HKD260.57), after deducting underwriting commissions, fees and other expenses related to the Global Offering.

During the Reporting Period, the Company has utilized the net proceeds from the issuance of H Shares in the same manner, purposes and proportions as described in the Prospectus. Details of the utilization of proceeds as of 31 December 2025 are as follows:

Unit: HKD '000

Item	Percentage of net proceeds	Planned use of net proceeds	Amount utilized as of 31 December 2025	Remaining balance as of 31 December 2025	Expected timeline for utilization of unutilized net proceeds[1]
(i) being used to advance the construction of Phase I and II of our Hungary project	90%	36,564,393	1,092,690	35,471,703	By 31 December 2030
(ii) being used for working capital and other general corporate purposes	10%	4,062,710	0	4,062,710	By 31 December 2027
Total	**100%**	**40,627,103**	**1,092,690**	**39,534,413**	**–**

Note:

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

2. Issuance of A-Share securities

To implement the Company's overall development strategy, capture industry development opportunities, strengthen and expand the Company's flagship business operations, and further consolidate and enhance its competitive advantages, the Company, following the approval by the China Securities Regulatory Commission of "Reply on Approving the Registration of Issuance of Shares to Specific Targets by Contemporary Amperex Technology Co., Limited" (CSRC License 2022 No. 901), issued 109,756,097 A Shares to specific targets on 4 July 2022 at an offer price of RMB410.00 per share, and gross proceeds of RMB45,000,000 thousand were raised with net proceeds of RMB44,870,113 thousand (net proceeds per share of approximately RMB408.82), after deducting relevant issuance costs.

During the Reporting Period, the Company has used the net proceeds from the issuance of A Shares in the same manner, purposes and proportions as described in the Offering Memorandum for the Issuance of Shares to Specific Targets and Listing on the ChiNext. Details of the utilization of proceeds as of 31 December 2025 are as follows:

Unit: RMB'000

Item		Percentage of net proceeds	Planned use of net proceeds	Unutilized amount as of 1 January 2025	Amount utilized during the Reporting Period	Amount utilized as of 31 December 2025[1]	Remaining balance as of 31 December 2025	Expected timeline for utilization of unutilized net proceeds[2]
(i)	CATL-FD Lithium-ion Battery Production Base Project	33.88%	15,200,000	3	/	15,397,434	3	The project investment has been fully completed, and the remaining balance will be settled subsequently.
(ii)	CATL-RQ Lithium-ion Battery Production Project Phase I	26.08%	11,700,000	5,273,271	461,856	7,057,941	5,292,549	31 December 2026
(iii)	CATL-JS EV and ESS Lithium-ion Battery R&D and Production Project (Phase IV)	14.49%	6,500,000	336,617	364,774	6,731,234	6	The project investment has been fully completed, and the remaining balance will be settled subsequently.
(iv)	CATL-JC Lithium-ion EV Battery Production Base Project (Cheliwan Project)	10.25%	4,600,000	/	/	4,607,773	/	Fully utilized
(v)	CATL New Energy Advanced Technology R&D and Application Project	15.31%	6,870,113	2,336,356	577,615	5,278,254	1,839,397	1 July 2026
Total		**100.00%**	**44,870,113**	**7,946,247**	**1,404,245**	**39,072,636**	**7,131,955**	**-**

Notes:

(1) The excess of the amount utilized as of 31 December 2025 listed in the table above over the planned use of net proceeds and the excess of the amount utilized during the Reporting Period over the unutilized as of 1 January 2025 is attributable to interest income generated from the proceeds.

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

Section V Directors, Supervisors and Senior Management

I. DIRECTORS

The following table sets forth the key information about the Company's Directors from the date of the listing of H Shares to the date of this Report.

Name	Gender	Age	Position	Status of office	Time of first joining the Group	Time of first appointment as a Director
Mr. Zeng Yuqun (曾毓群)	Male	57	Chairman of the Board, executive Director and general manager	Current	December 2011	December 2011
Mr. Pan Jian (潘健)	Male	50	Co-chairman of the Board and executive Director	Current	November 2014	November 2014
Mr. Li Ping (李平)	Male	57	Vice chairman of the Board and executive Director	Current	October 2014	November 2014
Mr. Zhou Jia (周佳)	Male	48	Vice chairman of the Board and executive Director	Current	December 2015	December 2015
Dr. Ouyang Chuying (歐陽楚英)	Male	49	Executive Director and employee representative Director	Current	September 2019	August 2023
Mr. Wu Yingming (吳映明)	Male	59	Executive Director	Current	December 2015	December 2025
Dr. Wu Yuhui (吳育輝)	Male	47	Independent non-executive Director	Current	August 2023	August 2023
Mr. Lin Xiaoxiong (林小雄)	Male	64	Independent non-executive Director	Current	August 2023	August 2023
Dr. Zhao Bei (趙蓓)	Female	68	Independent non-executive Director	Current	August 2023	August 2023
Mr. Zhao Fenggang (趙豐剛)	Male	59	Executive Director	Former	December 2015	December 2024

Note: Mr. Zhao Fenggang has resigned as an executive Director due to adjustments to the corporate governance structure, with effect from 5 December 2025. However, following his resignation as an executive Director, he continues to serve as the Company's co-president of R&D system and engineering manufacturing system.

As of the date of this Report, the biographical details of current Directors of the Company are as follows:

Zeng Yuqun

Mr. Zeng Yuqun (曾毓群), aged 57, is the Company's chairman of the Board, executive Director and general manager. He is primarily responsible for the overall strategic planning and development of the Group. Mr. Zeng founded the Group in December 2011 and served as the Company's Director since our inception until May 2013, as the Company's chairman of the Board since June 2017 and as our general manager since August 2022. He currently holds directorships in a number of subsidiaries of the Group.

Prior to joining the Company, Mr. Zeng served as (i) the president, chief executive officer and director of Amperex Technology Limited (新能源科技有限公司); (ii) the chairman of Ningde Amperex Technology Co., Ltd. (寧德新能源科技有限公司); (iii) the chairman and general manager of Dongguan Amperex Technology Co., Ltd. (東莞新能源科技有限公司) and Dongguan Amperex Electronic Technology Co., Ltd. (東莞新能源電子科技有限公司); (iv) the executive director of Dongguan NVT Technology Limited (東莞新能德科技有限公司); and (v) the vice president and senior vice president of TDK Corporation, a comprehensive electronic components manufacturer listed on the Tokyo Stock Exchange (stock code: 6762).

Mr. Zeng obtained a bachelor's degree from Shanghai Jiao Tong University (上海交通大學) in July 1989, and obtained his doctoral degree in physics in 2006.

Pan Jian

Mr. Pan Jian (潘健), aged 50, is the Company's co-chairman of the Board and executive Director. Mr. Pan is primarily responsible for management and business development of the Group. Mr. Pan joined the Company and served as the Company's Director since November 2014. From June 2017 to January 2025, he has served successively as the Company's vice chairman of the Board and Director, and was appointed as the Company's co-chairman of the Board in January 2025.

Prior to joining the Company, Mr. Pan served as (i) a consulting advisor of A.T. Kearney Inc.; (ii) a consulting advisor of Bain & Company; (iii) vice president of the investment fund of MBK Partners; and (iv) the managing director of CDH Investments Management (Hong Kong) Limited.

Mr. Pan was (i) a non-executive director of Luye Pharma Group Ltd. (綠葉製藥集團有限公司), a company listed on the Stock Exchange (stock code: 2186); and (ii) a director of Shanghai M&G Stationery Inc. (上海晨光文具股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603899) from 2011 to May 2017 and has been an independent director since April 2023.

Mr. Pan obtained an MBA degree from University of Chicago in March 2005.

Li Ping

Mr. Li Ping (李平), aged 57, is the Company's vice chairman of the Board and executive Director. Mr. Li is primarily responsible for management and business development of the Group. Mr. Li joined the Company in October 2014 and served as the Company's chairman of the Board from November 2014 to June 2017. He has been serving as the Company's vice chairman of the Board since June 2017. He currently holds directorships in a number of subsidiaries of the Company.

Moreover, Mr. Li has been (i) an executive director of Shanghai Shida Investment Management Co., Ltd. (上海適達投資管理有限公司) since January 2014, and (ii) the chairman of Shanghai Pangu Dynamic Technology Co., Ltd. (上海盤轂動力科技股份有限公司) during May 2019 to February 2026.

Mr. Li obtained a bachelor's degree from Fudan University (復旦大學) in July 1989 and an EMBA degree from China Europe International Business School (中歐國際工商學院) in September 2005.

Zhou Jia

Mr. Zhou Jia (周佳), aged 48, is the Company's vice chairman of the Board and executive Director. Mr. Zhou is primarily responsible for management and business development of the Group. Mr. Zhou joined the Company in December 2015 and successively served as the Company's Director, executive vice general manager, chief financial officer and general manager. He has been serving as the Company's vice chairman of the Board since August 2022. He currently holds directorships in a number of subsidiaries of the Group.

Prior to joining the Company, Mr. Zhou served as (i) a strategic consulting advisor of Bain & Company; (ii) an investment manager of U.S. Capital Group; (iii) an executive director of CDH Jiaye (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (鼎暉嘉業(天津)股權投資基金合夥企業(有限合夥)); and (iv) the chief financial officer, senior human resources director and director of president office of Ningde Amperex Technology Co., Ltd. successively.

Mr. Zhou obtained an MBA degree from University of Chicago in June 2007.

Ouyang Chuying

Dr. Ouyang Chuying (歐陽楚英), aged 49, is the Company's employee representative Director and executive Director. He is primarily responsible for management of R&D system of the Company. Dr. Ouyang joined the Company in September 2019 and currently serves as the Company's co-president of R&D system and executive vice director of innovation laboratory. He has been serving as the Company's Director since August 2023 and an employee representative Director of the Company since December 2025. He currently holds directorships in a number of subsidiaries of the Group.

Prior to joining the Company, since the 1990s, Dr. Ouyang has been engaged in scientific research in the field of physics. He had been a professor of Jiangxi Normal University (江西師範大學) since November 2009 and was its chief professor from 2012 to 2015. From January 2010 to December 2010, Dr. Ouyang was a visiting scholar at Korea Institute of Science and Technology.

Dr. Ouyang obtained a Ph.D. from the Institute of Physics, Chinese Academy of Sciences in July 2005. From August 2005 to August 2008, he was conducting post-doctoral research at Swiss Federal Institute of Technology of Lausanne.

Wu Yingming

Mr. Wu Yingming (吳映明), aged 59, is the Company's executive Director. He is primarily responsible for the management of the Group's subsidiaries and the development of zero-carbon ecosystem business. Mr. Wu joined the Company in December 2015 and served as the Company's procurement and information technology director until May 2017. He served as the chairperson of the Supervisory Committee of the Company from December 2015 to December 2025. Due to the adjustments to the corporate governance structure, he was appointed as an executive Director of the Company in December 2025. Mr. Wu currently serves as regional management head of the Company, and holds directorships and managerial positions in a number of subsidiaries of the Group.

Prior to joining the Company, Mr. Wu served as (i) the procurement and information technology director of Dongguan Amperex Technology Co., Ltd. from 2006 to 2012; and (ii) the procurement director of Ningde Amperex Technology Co., Ltd. from 2012 to 2015.

Mr. Wu obtained a bachelor's degree in computer software from Northeastern University of Technology (東北工學院) (currently known as Northeastern University (東北大學)) in July 1989.

Wu Yuhui

Dr. Wu Yuhui (吳育輝), aged 47, is the Company's independent non-executive Director. Mr. Wu is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Wu has been teaching at the School of Management of Xiamen University (廈門大學) since September 2010, and is now the vice dean, a professor and a Ph.D. supervisor.

Dr. Wu has been holding or held independent directorships in multiple listed companies, including (i) an independent non-executive director of Fuyao Glass Industry Group Co., Ltd. (福耀玻璃工業集團股份有限公司), a company listed on both the Shanghai Stock Exchange (stock code: 600660) and the Hong Kong Stock Exchange (stock code: 3606), from October 2013 to October 2019; (ii) an independent director of Holitech Technology Co., Ltd. (合力泰科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002217), from April 2014 to December 2018; (iii) an independent director of YOOZOO Interactive Co., Ltd. (游族網絡股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002174), from October 2014 to February 2018; (iv) an independent director of

Shenzhen Sunlord Electronics Co., Ltd. (深圳順絡電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002138), from October 2014 to December 2020; (v) an independent director of Shenzhen BGI Genomics Co., Ltd. (深圳華大基因股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300676), from June 2017 to June 2023; (vi) an independent director of Fujian Septwolves Industry Co., Ltd. (福建七匹狼實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002029), from May 2020 to July 2022; (vii) an independent director of Qingdao Zhenghe Industrial Co., Ltd. (青島徵和工業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 003033), from November 2019 to May 2025; and (viii) an independent director of Xiamen C&D Corporation Limited (廈門建發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600153), since May 2022.

Dr. Wu obtained a Ph.D. in business administration (finance) from Xiamen University in September 2010. Dr. Wu is also a non-practicing member of Chinese Institute of Certified Public Accountants.

Lin Xiaoxiong

Mr. Lin Xiaoxiong (林小雄), aged 64, is the Company's independent non-executive Director. Mr. Lin is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Lin has been serving as the chairman of Fujian Yacht Industry Development Association (福建省遊艇產業發展協會) since 2016 and the honorary chairman of Fujianese Business Research Association of Fujian Province (福建省閩商研究會). Prior to these roles, Mr. Lin served as (i) the division chief and assistant to the director of Xiamen Economic Development Commission (廈門市經濟發展委員會); (ii) the chairman and general manager of Xiamen King Long Motor Group Co., Ltd. (廈門金龍汽車集團股份有限公司) (formerly known as Xiamen Automobile Co., Ltd. (廈門汽車股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 600686); (iii) the general manager of Xiamen State-owned Assets Investment Corporation (廈門國有資產投資公司); (iv) the chairman of Xiamen Road & Bridge Construction Group Co., Ltd. (廈門路橋建設集團有限公司); and (v) an adjunct professor at the School of Management of Xiamen University, a member of the Board of Trustees at Jimei University, and the vice chairman of Huaxia College University.

Mr. Lin obtained a bachelor of engineering in architecture materials from Nanjing Institute of Technology (南京工學院) (currently known as Southeast University (東南大學)) in July 1982 and an MBA degree from La Trobe University in September 2011. Mr. Lin also holds the qualification as senior engineer.

Zhao Bei

Dr. Zhao Bei (趙蓓), aged 68, is the Company's independent non-executive Director. Dr. Zhao is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Zhao has been a professor and a Ph.D. supervisor at the School of Management of Xiamen University since 2005. Ms. Zhao previously (i) taught at Acadia University, Algoma University and Mount Allison University from 1989 to 1990, from 1990 to 1994 and from 1994 to 1996, respectively; and (ii) served as a personal financial manager at Royal Bank of Canada from 1995 to 1996.

Dr. Zhao has been holding or held independent directorships in multiple listed companies, including (i) an independent director of Fujian Septwolves Industry Co., Ltd. from April 2017 to July 2022; (ii) an independent director of Huaxia Eye Hospital Group Co., Ltd. (華廈眼科醫院集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301267), from December 2016 to December 2022; (iii) an independent director of Xiamen King Long Motor Group Co., Ltd. since September 2020; and (iv) an independent director of Anjoy Food Group Co., Ltd. (安井食品集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603345), and the Hong Kong Stock Exchange (stock code: 2648) since May 2023.

Dr. Zhao obtained a bachelor's degree in economics from Xiamen University in July 1982, an MBA degree from Dalhousie University in February 1986, and a Ph.D. from the University of Hong Kong in December 2003.

II. SUPERVISORS

The following table sets forth the key information about the Company's Supervisor from the date of the listing of H Shares to the date of this Report.

Name	Gender	Age	Position	Status of office	Time of first joining the Group	Time of first appointment as a Supervisor
Mr. Wu Yingming (吴映明)	Male	59	Chairperson of the Board of Supervisors	Former	December 2015	December 2015
Ms. Feng Chunyan (馮春艷)	Female	51	Supervisor	Former	January 2016	December 2016
Dr. Liu Na (柳娜)	Female	46	Supervisor (employee representative Supervisor)	Former	January 2016	December 2021

Note: Pursuant to the requirements of the Company Law, the Guidelines for the Articles of Association of Listed Companies and other relevant laws, regulations and normative documents, as well as the Company's actual corporate governance practices, the Company held the second Extraordinary General Meeting for 2025 on 25 December 2025, at which the resolution about the amendment to the Articles of Association was deliberated and approved, and the corporate governance structure was adjusted, and abolished the Supervisory Committee and Supervisors. The relevant functions and powers of the former Supervisory Committee shall be assumed by the Audit Committee under the Company's Board of Directors. After the abolishment of the Supervisory Committee, Mr. Wu Yingming was selected to serve as the Company's executive Director and continue to serve as our regional management head, Ms. Feng Chunyan continues to serve as our co-president of the supply chain and operation system, and Ms. Liu Na continues to serve as our vice president of the research institute.

III. SENIOR MANAGEMENT

The following table sets forth the key information about the Company's senior management from the date of the listing of H Shares to the date of this Report.

Name	Gender	Age	Position	Status of office	Time of first joining the Group	Time of first appointment as a member of the senior management
Mr. Zeng Yuqun (曾毓群)	Male	57	Chairman of the Board, executive Director and general manager	Current	December 2011	August 2022
Mr. Tan Libin (譚立斌)	Male	57	Vice general manager	Current	December 2015	December 2015
Mr. Jiang Li (蔣理)	Male	46	Vice general manager, Board secretary and joint company secretary	Current	June 2017	June 2017
Mr. Zheng Shu (鄭舒)	Male	46	Chief financial officer	Current	April 2016	June 2017

As of the date of this Report, the biographical details of the current senior management members of the Company are as follows:

For the biography of Mr. Zeng Yuqun (曾毓群), see "－biographical details of Directors."

Tan Libin

Mr. Tan Libin (譚立斌), aged 57, is the Company's vice general manager. Mr. Tan is primarily responsible for sales operations of the Group. Mr. Tan joined the Company in December 2015 and served as the Company's Director until May 2017. Currently, he serves as the Company's vice general manager, chief customer officer and co-president of marketing system.

Prior to joining the Company, Mr. Tan served as (i) a department manager of Dongguan Xinke Magnetic Power Plant from 1991 to 1998; (ii) the NPI manager of Dell (China) Computer Co., Ltd. (戴爾(中國)計算機公司) from 1999 to 2001; (iii) the sales manager of Dongguan Amperex Electronic Technology Co., Ltd. from 2001 to 2004; (iv) the sales director of Dongguan Amperex Technology Co., Ltd. from 2004 to 2013; and (v) the vice president of sales of Ningde Amperex Technology Co., Ltd. from 2013 to 2015.

Mr. Tan obtained a bachelor's degree in mechanical design and manufacture from Zhejiang University (浙江大學) in July 1991.

Jiang Li

Mr. Jiang Li (蔣理), aged 46, is the Company's vice general manager, Board secretary and joint company secretary. Joining the Company in June 2017, Mr. Jiang is primarily responsible for Board related matters, capital market matters and corporate governance of the Group. He currently holds directorships and managerial positions in a number of subsidiaries of the Group.

Prior to joining the Group, Mr. Jiang served as (i) an associate of investment banking department of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司), a company listed on both the Shanghai Stock Exchange (stock code: 601881) and the Hong Kong Stock Exchange (stock code: 6881), from 2004 to 2007; (ii) the associate director, director and executive director of investment banking department of UBS Securities Co., Ltd. (瑞銀証券有限責任公司) successively from 2008 to 2015; and (iii) the office manager of the board of directors of CDB Securities Company Limited (國開證券有限責任公司) from 2015 to 2017.

Mr. Jiang obtained a master's degree in finance from Peking University (北京大學) in June 2004.

Zheng Shu

Mr. Zheng Shu (鄭舒), aged 46, is the Company's chief financial officer. Mr. Zheng is primarily responsible for overall financial matters of the Group. Mr. Zheng joined the Company in April 2016 and served as the head of financial department of the Company. He has been serving as the Company's chief financial officer since June 2017.

Prior to joining the Company, Mr. Zheng served as (i) the vice manager of financial department at Fujian branch of China Tietong Telecommunications Corporation (中國鐵通集團有限公司) from 2002 to 2006; (ii) the budget manager of overseas regions of Huawei Technologies Co., Ltd. (華為技術有限公司) and financial manager of its subsidiary from 2006 to 2009; (iii) the general manager of financial department of Oneding Silicon Steel Group Company Limited (萬鼎硅鋼集團有限公司) from 2009 to 2013; and (iv) the chief financial officer of Changyou.com Limited (搜狐暢遊), a company listed on the NASDAQ (stock code: CYOU) from 2013 to 2016.

Mr. Zheng obtained dual bachelor's degrees in accounting and in computer science and technology from Fuzhou University (福州大學) in July 2002. Mr. Zheng is also a Chartered Institute of Management Accountant (CIMA) and a Chartered Global Management Accountant (CGMA).

To the best of the knowledge of the Company, none of the Directors, Supervisors, or senior management members has any connected relationship with any other Director, Supervisor, or senior management member.

IV. CHANGES IN DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES, AND CHANGES IN THEIR INFORMATION

During the period from the date of the listing of H Shares to the date of this Report, changes in the Company's Directors, Supervisors and chief executives, and changes in their information, are set out in the following table:

Name	Position	Type	Reason	Date
Zhao Fenggang (趙豐剛)	Executive Director	Resigned	Adjustments to the corporate governance structure	5 December 2025
Ouyang Chuying (歐陽楚英)	Employee representative Director	Election	Being elected as an employee representative Director of the Company following adjustments in corporate governance structure	25 December 2025
Wu Yingming (吳映明)	Chairman of the Supervisory Committee	Ceased	Adjustments to the corporate governance structure and abolition of the Supervisory Committee; and being elected as a Director of the Fourth Session of the Board of Directors of the Company	25 December 2025
	Executive Director	Election		
Feng Chunyan (馮春艷)	Supervisor	Ceased	Adjustments to the corporate governance structure and abolition of the Supervisory Committee	25 December 2025
Liu Na (柳娜)	Supervisor	Ceased	Adjustments to the corporate governance structure and abolition of the Supervisory Committee	25 December 2025

Pursuant to Rule 13.51B of the Hong Kong Listing Rules, there were no changes in the information about the Directors, Supervisors, or senior management of the Company other than those disclosed in this Annual Report.

I. CORPORATE GOVERNANCE CULTURE AND VALUES

Our Vision

Rooted in Chinese civilization and embracing global culture, striving to be a world-class technology innovator, delivering superior contributions to green energy for the world, and providing a platform of pursuing spiritual and material well-being for employees.

Our Mission

Innovating for customers.

Our Core Values

Refine, enable, strive, innovate.

II. CORPORATE GOVERNANCE PRACTICES

The Board and each Board committee are responsible for performing the functions set out in the Corporate Governance Code. During the year, the Board reviewed the Company's corporate governance policies and practices; the training and continuous professional development of Directors and senior management; the Company's policies and practices on compliance with legal and regulatory requirements; compliance with the Model Code and information disclosure regulations; and the Company's compliance with the Corporate Governance Code and the disclosure in this Corporate Governance Report.

The Board is of the view that from the date of the listing of its H Shares up to the end of the Reporting Period, the Company has implemented corporate governance practices to comply with all the provisions and most of the recommended best practices of the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules. Save for Code Provision C.1.5 and C.2.1 of Part 2 of the Corporate Governance Code (as described below), the Company has complied with the applicable code provisions of the Corporate Governance Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim of maintaining a high standard of corporate governance.

Requirements of the Code	Description
Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.	The roles of chairman of the Board and general manager of the Company are currently performed by Mr. Zeng Yuqun. In view of Mr. Zeng Yuqun's substantial contribution to the Group since our establishment and his extensive experience, the Group considers that having Mr. Zeng Yuqun acting as both the Company's chairman of the Board and general manager will provide strong and consistent leadership to the Group and facilitate the efficient execution of our business strategies. The Company considers it appropriate and beneficial to its business development and prospects that Mr. Zeng Yuqun continues to act as both the Company's chairman of the Board and general manager after the Listing, and therefore currently does not propose to separate the functions of chairman of the Board and general manager. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (a) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Company's Directors, and the Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Hong Kong Listing Rules; (b) Mr. Zeng Yuqun and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (c) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether the separation of the roles of chairman of the Board and general manager is necessary.
Code provision C.1.5 of the Corporate Governance Code stipulates that independent non-executive directors and other non-executive directors shall attend Shareholder's general meetings.	Given that an independent non-executive Director of the Company shall perform important official duties during the Reporting Period, such Director did not attend the second Extraordinary General Meeting of the Company held on 25 December 2025. Although this constitutes a deviation from Code provision C.1.5 of the Corporate Governance Code, the Board believes that relevant absences are reasonable and non-recurring. The absent independent non-executive Directors had comprehensively reviewed the meeting documents before the meeting, fully understood the contents of each proposal, and performed their duties as Directors through written opinions. Executive directors and the management shall be fully responsible for the daily operation and management of the Company. The temporary absences in this meeting will not have any material adverse effect on the Company's corporate governance standards, the normal functioning of the Board or the daily business operations.

III. BOARD OF DIRECTORS

1. Composition of our Board of Directors

Our Board currently comprises nine Directors, including six executive Directors, three independent non-executive Directors, as well as an employee representative Director. The composition of our Board and the biographical details of each Director are set out in the chapter headed "Section V Directors, Supervisors and Senior Management" of this Report.

Pursuant to the Articles of Association, the Company's Directors (other than the employee representative Director) are elected and appointed by the Shareholders' general meeting for a term of three years and are eligible for re-election upon expiry of their terms of office. According to the relevant PRC laws and regulations, an independent non-executive Director shall not serve for more than six consecutive years. The employee representative Director shall be elected and removed through the employee representatives meeting, employee meeting or otherwise democratically, which is not required to be submitted to the general meeting for consideration.

The Board has the necessary balance among the requisite good skills, experience and diversity, which is appropriate for the business needs and development objectives of the Group and for making independent judgments.

2. Responsibilities of Directors and Management

The Board is the standing operational and management decision-making body of the Company. Within the scope of authority granted by the Articles of Association and the general meeting, the Board is responsible for making decisions on the Company's development goals and major business activities, and shall exercise its functions and powers in accordance with applicable laws and regulations. The Board of Directors has established a Strategy Committee, an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee. It has also formulated detailed working rules for each special committee, clarifying their primary duties, decision-making procedures, and rules of procedure. Each special committee is accountable to the Board and shall perform its duties within the scope of authority granted by the Articles of Association and the Board. Relevant proposals shall be submitted to the Board for consideration and decision.

The daily business, administration, and operations of the Company are jointly led by the Board and senior management. Relevant operational and management decisions are made by the executive Directors and senior management in accordance with the law. The Company has formulated and implemented a written policy on the division of powers and responsibilities between the Board and management, which clearly specifies matters reserved for the Board and matters delegated to management, ensuring a balance between the exercise of power and the division of delegated responsibilities. In the course of performing their duties, Directors and senior management shall abide by their duty of good faith, strictly comply with relevant laws, regulations, and regulatory requirements, and always act in accordance with the principle of maximizing the interests of the Company and its shareholders as a whole.

Except for matters requiring approval by the general meeting pursuant to laws, regulations, regulatory requirements, the Articles of Association, and other provisions, the Board reserves the final decision-making power over material matters of the Company. These include, but are not limited to, business plans and investment proposals, major transactions, the appointment and removal of senior management, and other material financial and operational matters. The Board shall also periodically review and evaluate the status of such delegations and the performance of duties thereunder. The responsibilities for implementing the Board's decisions and for directing and coordinating the daily operations and management of the Company are delegated to the management.

3. Requirements on Independent Non-executive Director

For the period commencing from the date of the listing of H Shares to 31 December 2025, the Board has been in compliance with the requirements under the Hong Kong Listing Rules that at least three independent non-executive directors (representing not less than one-third of the Board members) shall be appointed and that at least one of the independent non-executive directors shall possess appropriate professional qualifications or accounting or related financial management expertise.

The Company has received annual written confirmation from each of the independent non-executive Directors in respect of his/her independence according to the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules. The Company believes all independent non-executive Directors are independent.

4. Board Independence

There are no financial, business, family or other material/relevant relationships among the Directors of the Company, or between the Directors and senior management. Mr. Zeng Yuqun, the Chairman, executive Director, General Manager and the substantial shareholder of the Company, is the de facto controller and an executive director of Xiamen Ruiting Investment Co., Ltd. (廈門瑞庭投資有限公司). Save as disclosed above, none of the other Directors and senior management members has any of the aforementioned relationships with the substantial shareholders.

The Company has established feasible and effective mechanisms to ensure that the Board of Directors can obtain independent views and opinions. All Directors have access to all relevant information and the advice and services from the joint company secretaries and senior management of the Company in time, so as to ensure compliance with Board procedures and all applicable laws and regulations. Any Director, upon reasonable request to the Board, can seek independent professional advice in appropriate circumstances, at the Company's expenses. During the period from the date of the listing of H Shares to the date of this Report, the Board has reviewed the Board independence mechanisms and thinks that such mechanisms have been effectively implemented.

5. Nomination Policy

The list of Director candidates shall be submitted to the Shareholders' general meeting for voting by a proposal. The ways and procedures for nominating Directors are:

(1) When a re-election of the Board of Directors or an additional or replacement of Director made by the Board of Directors takes place, incumbent Board of Directors, and Shareholders individually or collectively holding over 1% of the Company's shares may nominate candidates, without exceeding the number of persons to be elected, for the position of Director for the next session of the Board of Directors or additional candidates for the position of Director who are not employee representatives; and candidates for independent Directors may be nominated by incumbent Board of Directors, or by Shareholders individually or collectively holding over 1% of the issued shares of the company.

(2) The list of nominated Director candidates shall be submitted to the Shareholders' general meeting for election following the qualification review conducted by incumbent Board of Directors.

(3) At request of the Company, Director candidates shall undertake to the Company in written, including but not limited to, agreeing to accept the nomination, undertaking that the information submitted about themselves are true, accurate and complete, and warranting that they will duly perform the duties upon successful election.

When two or more independent Directors are to be elected at a Shareholders' general meeting, the cumulative voting system shall be adopted.

The cumulative voting system referred to in the preceding paragraph means that When Directors are elected at a Shareholders' general meeting, each share shall have the same number of voting rights as the number of Directors to be elected, and the voting rights owned by the shareholders may be collectively used. The Board shall announce the biographical details and basic information of Director candidates to the Shareholders.

When Directors are elected at a Shareholders' general meeting, voting for independent Directors and non-independent Directors shall be conducted separately.

6. Board Meetings and Shareholders' General Meetings

For the period commencing from the date of the listing of H Shares to 31 December 2025, the Board held 6 meetings to review and approve various proposals, including the Company's periodic reports, profit distribution scheme, amendments to the Articles of Association of the Company, and registration of issues of bonds. Board meetings of the Company may be held by telephone or by other electronic communication means.

For the period commencing from the date of the listing of H Shares to 31 December 2025, the Company held one Shareholders' general meeting to review and approve various proposals, including amendments to the Articles of Association of the Company, amendments to the Company's rules and regulations, election of non-independent Directors of the Fourth Session of the Board, and the registration and issuance of bonds. Shareholders' general meetings are held through a combination of on-site voting and on-line voting.

The following table shows the attendance of Directors at Board meetings and Shareholders' general meetings for the period commencing from the date of the listing of H Shares to 31 December 2025:

Name	Position	Number of Board Meetings attended/held	Number of Shareholders' general meetings attended/held
Mr. Zeng Yuqun (曾毓群)	Chairman of the Board, executive Director and general manager	6/6	1/1
Mr. Pan Jian (潘健)	Co-chairman of the Board and executive Director	6/6	0/1
Mr. Li Ping (李平)	Vice chairman of the Board and executive Director	6/6	0/1
Mr. Zhou Jia (周佳)	Vice chairman of the Board and executive Director	6/6	0/1
Dr. Ouyang Chuying (歐陽楚英)	Executive Director and employee representative Director	6/6	0/1
Mr. Zhao Fenggang (趙豐剛)[1]	Executive Director	4/4	0/0
Dr. Wu Yuhui (吳育輝)	Independent non-executive Director	6/6	0/1
Mr. Lin Xiaoxiong (林小雄)	Independent non-executive Director	6/6	1/1
Dr. Zhao Bei (趙蓓)	Independent non-executive Director	6/6	1/1
Mr. Wu Yingming (吳映明)	Executive Director	0/0	1/1

Notes: (1) Mr. Zhao Fenggang resigned as an executive Director of the Company on 5 December 2025. For the period commencing from the date of the listing of H Shares to 31 December 2025, Mr. Zhao Fenggang was required to attend 4 Board meetings and actually attended 4 Board meetings; and he was required to attend 0 Shareholders' general meeting and actually attended 0 Shareholders' general meeting.

(2) Mr. Wu Yingming was appointed as an executive Director of the Company on 25 December 2025. During the period from the date of appointment to 31 December 2025, Mr. Wu Yingming was required to attend 0 Board meeting and actually attended 0 Board meeting; and he was required to attend 1 Shareholders' general meeting and actually attended 1 Shareholders' general meeting.

7. Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board on an informed and relevant basis.

Every Director has received formal and comprehensive induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements. Mr. Wu Yingming, the newly appointed Director of the Company during the Reporting Period, confirms that he (i) has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on 25 December 2025, and (ii) understands his obligations as a director of a listed issuer under the Hong Kong Listing Rules.

Directors should participate in appropriate continuous professional development training to develop and refresh their knowledge and skills. The Company arranges lectures, seminars and relevant training for Directors, and provides them with reading materials relating to the Company's business and the roles and responsibilities of Directors, as well as up-to-date information on applicable laws, corporate governance and regulations applicable to the Group from time to time for their study and reference.

Directors' training records during the period from the date of the listing of H Shares to 31 December 2025 are summarized as follows:

Directors	Attending Training	Reading Materials
Executive Directors:		
Mr. Zeng Yuqun (曾毓群)	✓	✓
Mr. Pan Jian (潘健)	✓	✓
Mr. Li Ping (李平)	✓	✓
Mr. Zhou Jia (周佳)	✓	✓
Dr. Ouyang Chuying (歐陽楚英)	✓	✓
Mr. Zhao Fenggang (趙豐剛)	✓	✓
Mr. Wu Yingming (吳映明)	✓	✓
Independent Non-executive Directors:		
Dr. Wu Yuhui (吳育輝)	✓	✓
Mr. Lin Xiaoxiong (林小雄)	✓	✓
Dr. Zhao Bei (趙蓓)	✓	✓

IV. BOARD COMMITTEES

1. Strategy Committee

The Company has established the Strategy Committee in compliance with the Articles of Association. The Strategy Committee comprises six executive Directors, namely Mr. Zeng Yuqun, Mr. Pan Jian, Mr. Li Ping, Mr. Zhou Jia, Dr. Ouyang Chuying, Mr. Zhao Fenggang (resigned on 5 December 2025) and Mr. Wu Yingming (being appointed on 25 December 2025). Mr. Zeng Yuqun is the chairperson of the Strategy Committee.

The primary duties of the Strategy Committee include: conducting research and making recommendations on the long-term development plans, business objectives, and development policies of the Company; conducting research and making recommendations on the business strategies of the Company, including but not limited to product strategy, market strategy, marketing strategy, research and development strategy, and human resources strategy; conducting research and making recommendations on major strategic investment and financing plans of the Company; conducting research and making recommendations on major capital operations and asset management projects of the Company; conducting research and making recommendations on other major matters affecting the development strategy of the Company; tracking and inspecting the implementation of the above matters; and performing other matters authorized by the Board of the Company.

During the period from the date of the listing of H Shares to 31 December 2025, the Strategy Committee held one meeting to review and approve the registration and issuance of bonds.

The following table shows the attendance of members of the Strategy Committee at meetings for the period commencing from the date of the listing of H Shares to 31 December 2025:

Member of the Strategy Committee	Position	Number of Strategy Committee Meetings Attended/Held
Mr. Zeng Yuqun (曾毓群) (Chairperson)	Chairman of the Board, executive Director and general manager	1/1
Mr. Pan Jian (潘健)	Co-chairman of the Board and executive Director	1/1
Mr. Li Ping (李平)	Vice chairman of the Board and executive Director	1/1
Mr. Zhou Jia (周佳)	Vice chairman of the Board and executive Director	1/1
Dr. Ouyang Chuying (歐陽楚英)	Executive Director and employee representative Director	1/1
Mr. Zhao Fenggang (趙豐剛)[1]	Executive Director	0/0
Mr. Wu Yingming (吳映明)[2]	Executive Director	0/0

Notes: (1) Mr. Zhao Fenggang resigned as an executive Director and a member of the Strategy Committee of the Company on 5 December 2025.

(2) Mr. Wu Yingming was appointed as a member of the Strategy Committee under the Board of the Company on 25 December 2025.

2. Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely, Dr. Wu Yuhui, Mr. Lin Xiaoxiong and Dr. Zhao Bei. Dr. Wu Yuhui is the chairperson of the Audit Committee. He holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules.

The primary duties of the Audit Committee of the Company include: making recommendations to the Board on the appointment, reappointment, remuneration and terms of engagement of the external auditor; reviewing and monitoring the external auditor's independence, objectivity and the effectiveness of the audit process in accordance with applicable standards; reviewing the Company's financial information and monitoring the integrity of the Company's financial statements, annual reports and accounts, interim reports and quarterly reports (if to be published), and reviewing the financial information contained therein; overseeing the Company's financial reporting system, risk management and internal control systems; and performing other duties and exercising other powers conferred by the regulatory rules of the place where the Company's shares are listed, the Articles of Association and the Board. In addition, pursuant to the Company Law, the Audit Committee may exercise the powers and functions of the board of supervisors as stipulated thereunder.

During the period from the date of the listing of H Shares to 31 December 2025, the Audit Committee held three meetings to: (i) review and approve 2025 Semi-annual Financial Report and 2025 Third Quarterly Financial Report; (ii) review and approve amendments to the Working Rules of the Audit Committee under the Board and the Internal Audit System; (iii) review and approve an addition to the foreign exchange hedging quota for 2025; and (iv) discuss the audit work for the first half and the third quarter of 2025.

The Audit Committee of the Company holds meetings with the auditors to review the accounting policies and practices adopted by the Group, and to discuss the internal audit, internal control, risk management and financial report for recommendations to the Board for approval.

The following table shows the attendance of members of the Audit Committee at meetings for the period commencing from the date of the listing of H Shares to 31 December 2025:

Member of the Audit Committee	Position	Number of Audit Committee Meetings Attended/Held
Dr. Wu Yuhui (吴育辉) (Chairperson)	Independent non-executive Director	3/3
Mr. Lin Xiaoxiong (林小雄)	Independent non-executive Director	3/3
Dr. Zhao Bei (赵蓓)	Independent non-executive Director	3/3

3. Nomination Committee

The Company has established the Nomination Committee in compliance with the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely, Mr. Lin Xiaoxiong, Mr. Zeng Yuqun, Dr. Wu Yuhui (resigned on 5 December 2025) and Dr. Zhao Bei (being appointed on 5 December 2025), with Mr. Lin Xiaoxiong serving as the chairperson of the Nomination Committee.

The primary responsibilities of the Nomination Committee of the Company include: formulating the selection criteria and procedures for directors and senior management, and selecting and reviewing candidates for directors and senior management; making recommendations to the Board on the size, composition, and diversity policy of the Board; reviewing the independence of independent directors; evaluating the performance of the Board, etc.; and performing other duties and powers as conferred by the regulatory rules of the place where the shares of the Company are listed, the Articles of Association of the Company and the Board.

The Nomination Committee has performed the foregoing duties during the year, including selecting candidates and reviewing the implementation and effectiveness of the Company's Board diversity policy. Taking into account the Group's business and development needs, the Nomination Committee believes that the incumbent Board demonstrates a satisfactory diversity of skills, experience, knowledge, length of service and independence.

During the period from the date of the listing of H Shares to 31 December 2025, the Nomination Committee held one meeting to (i) review and approve the amendment to the Working Rules of the Nomination Committee under the Board; and (ii) review and approve the election of Mr. Wu Yingming as an executive Director.

The following table shows the attendance of members of the Nomination Committee at meetings for the period commencing from the date of the listing of H Shares to 31 December 2025:

Member of the Nomination Committee	Position	Number of Nomination Committee Meetings Attended/Held
Mr. Lin Xiaoxiong (Chairperson)	Independent non-executive Director	1/1
Mr. Zeng Yuqun (曾毓群)	Chairman of the Board, executive Director and general manager	1/1
Dr. Wu Yuhui (吳育輝)[1]	Independent non-executive Director	1/1
Dr. Zhao Bei (趙蓓)[1]	Independent non-executive Director	0/0

Note: (1) On 5 December 2025, the Board replaced Dr. Wu Yuhui with Dr. Zhao Bei as a member of the Nomination Committee.

4. Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Hong Kong Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee of the Company comprises one executive Director and two independent non-executive Directors, namely, Dr. Zhao Bei, Mr. Lin Xiaoxiong and Mr. Li Ping, with Dr. Zhao Bei serving as the chairperson of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee include: researching and formulating remuneration policies and proposals for directors and senior management; reviewing the performance of duties by the company's directors and senior management and conducting annual performance appraisals on them; making recommendations to the board of directors on matters such as equity incentives and employee stock ownership plans; and performing other duties and powers as conferred by the regulatory rules of the place where the shares of the Company are listed, the Articles of Association of the Company and the Board.

In 2025, the Remuneration and Appraisal Committee reviewed its terms of reference (available on the websites of the Hong Kong Stock Exchange and the Company) to ensure compliance with the Code.

During the period from the date of the listing of H Shares to 31 December 2025, the Remuneration and Appraisal Committee held four meetings to manage our share incentive plans.

The following table shows the attendance of members of the Remuneration and Appraisal Committee at meetings for the period commencing from the date of the listing of H Shares to 31 December 2025:

Member of the Remuneration and Appraisal Committee	Position	Number of Remuneration and Appraisal Committee Meetings Attended/Held
Dr. Zhao Bei (趙蓓) (Chairperson)	Independent non-executive Director	4/4
Mr. Li Ping (李平)	Vice chairman of the Board and executive Director	4/4
Mr. Lin Xiaoxiong (林小雄)	Independent non-executive Director	4/4

V. BOARD DIVERSITY POLICY

The Company has adopted a Board diversity policy which sets out the approach to achieve diversity of the Board. We see diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. 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 factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. In particular, the Company currently has one female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. Our 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 Company's Directors, the composition of the Board satisfies our Board diversity policy.

The Company is committed to enhancing the level of gender diversity among the Board of Directors, senior management and all employees. As of the end of the Reporting Period, the percentage of female employees in the Group to the total number of employees was approximately 21.76%. Subject to the GDPR, some employees have kept their gender, age, education background and other information confidential. Therefore, the above statistics are only based on the data of employees who have provided relevant information. In the future, the Group will continue to optimize its personnel structure in the recruitment and selection of senior management and other talents, and steadily advance the gender diversity within its workforce.

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

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as its code of conduct for securities transactions by Directors and Supervisors. Having made specific enquiry of all Directors and Supervisors, all Directors and Supervisors have confirmed that they have complied with the required standards set out in the Model Code from the date of the listing of H Share to the end of the Reporting Period.

The Company has also established written guidelines on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. To the best of the Company's knowledge, for the period from the date of the listing of H Share to 31 December 2025, the Company is not aware of any incidents of non-compliance with the written guidelines by any employee.

VII. THE REMUNERATION POLICIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Company has established formal and transparent procedures for formulating the remuneration policies of Directors, Supervisors, and senior management of the Group. The Directors, Supervisors and senior management who receive remuneration from the Company are paid in forms of salaries, allowances and bonuses and share-based compensation. When reviewing and determining the specific remuneration packages for the Company's Directors, Supervisors and senior management, the Shareholders' general meeting and the Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in the Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

For the year ended 31 December 2025, details of the remuneration of Directors and Supervisors are set out in "1. Remuneration of Directors and Supervisors" under "XVII. OTHER IMPORTANT MATTERS" of "Section VIII Financial Report".

For the year ended 31 December 2025, information on the five highest paid individuals of the Company is set out in "2. Five Highest Paid Individuals" under "XVII. OTHER IMPORTANT MATTERS" of "Section VIII Financial Report".

For the year ended 31 December 2025, details of the senior management of the Company by remuneration are set out below:

Unit: RMB'000

No.	Name	Position	Salaries, allowances and bonuses	Retirement, medical, housing and other welfare expenses	Share-based compensation expenses	Total
1	Zeng Yuqun	Chairman, Executive Director and General Manager	5,690	102	–	5,792
2	Tan Libin	Deputy General Manager	2,642	98	1,101	3,842
3	Jiang Li	Deputy General Manager, Secretary to the Board, Joint Company Secretary	1,942	99	329	2,370
4	Zheng Shu	Chief Financial Officer	2,829	102	272	3,203

For the year ended 31 December 2025, no remuneration was paid by the Group to 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. For the year ended 31 December 2025, none of the Company's Directors waived or agreed to waive any remuneration. Save as disclosed in this Report, no other remuneration was paid or payable by the Group to any Director or his/her representative during the Reporting Period.

VIII. RISK MANAGEMENT AND INTERNAL CONTROL

The Company attaches great importance to the effective operation of our risk management and internal control system, and try its best to continuously explore a risk management system that aligns with its business objectives to support the high-quality development of the Company.

The Board shall be responsible for the establishment, improvement and effective implementation of the Company's risk management and internal control systems The Audit Committee under the Board shall be responsible for supervising the Company's financial reporting system, and risk management and internal control system. Under the leadership of the Board and the Audit Committee, the Company has established three lines of defence for the risk governance structure, which specifies the risk management responsibilities of all departments. The first line of defence is the business department. The management personnel of the business department are directly managing and assuming risks and shall be responsible for identifying key risks within their respective business scope, reporting risk changes in time, and conducting reasonable assessment and control of relevant risks. The second line of defence is the risk management department. Risk management roles have been assigned to the senior management, and a risk management team has been formed that shall be responsible for formulating risk management standards, and monitoring and guiding the implementation of such standards by the first line of defence. The third line of defence is the internal audit department. The Company has established an audit department under the Audit Committee, which shall be responsible for carrying out independent and objective inspection and review on the effectiveness of material risk management and internal control. The audit department reports directly to the Audit Committee to ensure the objectivity, authority and reliability of internal audit results.

To achieve the internal control objectives of ensuring lawful and compliant business operations, and safeguarding assets safety, the authenticity and integrity of financial reports and relevant information, and the operational efficiency and effectiveness, the Company has established a complete evaluation system for the risk management and internal control system. This system covers six risk domains, i.e. strategic, operational, market, reputation, environmental and social risks, and fully incorporates such elements as control environment, risk assessment, control activities, information and communication, and monitoring. The Company has also established and operated a digital and intelligent risk management system to support the closed-loop tracking of risks from identification to rectification. The system integrates analytical tools, such as early warning with red and yellow lights, risk thermodynamic chart and data visualization, so as to facilitate trans-department collaboration and enable timely response and closed-loop management of risks. The system is fully effective for the Company's current business development stage and will be continuously optimized dynamically. These systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and the Board can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board conducts at least one comprehensive review of the effectiveness of internal control and risk management each year. Based on reports from the Audit Committee, management reports and internal audit findings, the Board carries out a comprehensive assessment of the design and operating effectiveness of internal control. After reviewing the internal control system as of the year ended 31 December 2025, the Board believes the system is effective and adequate.

IX. INSIDE INFORMATION DISCLOSURE POLICY

The Group has formulated an inside information management policy to ensure that its procedures and control measures for managing inside information comply with domestic and overseas regulatory requirements, including the Securities Law of the People's Republic of China, the Administrative Measures for the Disclosure of Information of Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the Hong Kong Listing Rules. Unless the inside information falls within the exemptions or safe harbor provisions permitted by laws, regulations and regulatory rules, the Group shall promptly and fairly disclose such information to the public through the designated disclosure platform of the Shenzhen Stock Exchange and the electronic disclosure platform of the Hong Kong Stock Exchange. All Directors, senior management and relevant employees must take reasonable precautions to maintain strict confidentiality of unpublished inside information and its proposed content prior to the publication of an announcement. If the Group considers that the necessary degree of confidentiality cannot be maintained, it will promptly disclose the relevant inside information to the public as soon as is reasonably practicable.

The Group will periodically review the implementation and effectiveness of the inside information management policy to ensure continuous compliance with the regulatory requirements for A+H share listed companies.

X. DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The consolidated financial statements of the Group are prepared in accordance with the China Accounting Standards for Business Enterprises. In view of the fact that the financial statements prepared under the China Accounting Standards for Business Enterprises and International Financial Reporting Standards have largely converged, the Company has adopted the China Accounting Standards for Business Enterprises for the preparation of financial statements and disclosure of related financial information on a uniform basis commencing from the 2025 annual financial report. Details of this matter are set out in the announcement dated 9 January 2026. The Directors are of the view that these financial statements give a true and fair view of the financial position, results of operations and cash flows of the Group for the year ended 31 December 2025, and that other financial information and report disclosures contained in these financial statements comply with the relevant statutory requirements.

The reporting responsibilities of the Group's independent auditor in respect of the consolidated financial statements of the Group for the year ended 31 December 2025 are set out in "I. AUDIT REPORT" under "Section VIII Financial Report" in this Report.

XI. AUDITORS' REMUNERATION AND AUDITOR-RELATED MATTERS

The auditor of the Group for the year 2025 is Grant Thornton Zhitong Certified Public Accountants LLP. The Group has not changed its auditor in the past three years.

The following table sets forth the nature of services provided by the auditor to the Group and its remuneration in 2025.

Unit: RMB'000

Nature of Service	Remuneration
Audit service[1]	6,600
Non-audit service[2]	62

Notes:

(1) The remuneration for the audit service set out in the above table include the audit of the financial statements for 2025 and internal controls.

(2) Non-audit service mainly includes financial due diligence services provided to the Group.

XII. COMPANY SECRETARY

The Group has appointed Mr. Jiang Li, Vice general manager and Board secretary, and Ms. Jian Xuegen, an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (a professional corporate consultation service provider), as the joint company secretaries of the Company. Mr. Jiang Li is the main contact person of Ms. Jian Xuegen in the Group.

For the year ended 31 December 2025, Mr. Jiang Li and Ms. Jian Xuegen have received no less than 15 hours of relevant professional training and have complied with Rule 3.29 of the Hong Kong Listing Rules.

XIII. SHAREHOLDERS' RIGHTS

1. Convening of Shareholders' General Meetings

Any Shareholder(s) individually or jointly holding over 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original request made in the notice shall be approved by the relevant Shareholders. If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such request, the Shareholder(s) individually or jointly holding over 10% of the shares of the Company shall request the Audit Committee to convene an extraordinary general meeting, and such request shall be made in writing. If the Audit Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting, and the Shareholder(s) individually or jointly holding over 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its/their own.

See the Company's Articles of Association for details.

2. Proposals of Shareholders' General Meetings

The Shareholder(s) individually or jointly holding more than 1% of the Company's shares may put forward interim proposals and submit such proposals in writing to the convener ten days before the general meeting is held. Interim proposals should have a clear topic and specific resolutions. The convener shall issue a supplementary notice of the general meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the general meeting for consideration, provided that such proposals shall not violate laws, administrative regulations or the Articles of Association, and shall fall within the scope of authority of the general meeting. If, according to the securities regulatory rules of the place(s) where the Company's shares are listed, the general meeting must be postponed due to the issuance of a supplementary notice of such meeting, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place(s) where the Company's shares are listed.

3. Enquiries to the Board of Directors

Shareholders may at any time put forward their enquires, requirements, suggestions and concerns to the Board of Directors in writing through the Company. The Company generally does not handle oral or anonymous enquiries.

4. Contact Details

Shareholders may send the above enquiries or requirements to the Company via the following means:

Address: No. 2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City, Fujian Province, China (for the attention of the Board secretary/Company secretaries)

E-mail: CATL-IR@catl.com

For the avoidance of doubt, Shareholders 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 for the Company's response. Shareholders' information may be disclosed as required by law.

Shareholders may contact the Company by telephone at 0593-8901666.

XIV. INVESTOR RELATIONS

The Company believes that effective communication with investors is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company provides information regarding the Group to Shareholders and investors and answers inquiries from Shareholders by publishing notices, announcements and circulars on the designated information disclosure platform of the Company and Shenzhen Stock Exchange and the electronic disclosure platform of the Hong Kong Stock Exchange, by dispatching H Share interim reports, annual reports and circulars to H shareholders, and through results briefings, investor research, daily emails and telephone inquiries.

The Company's website (https://www.catl.com) contains the latest information, updates on the Group's business operations and development, the Company's financial information, corporate governance practices and other data for public inspection. Shareholders may communicate with the Company through the Company's website, new media platforms, telephone for investor relations, email and other channels, participating Shareholders' general meetings, presentations for investors, roadshows, analysts' meetings, receptions, discussions and exchanges, etc.

The Company is committed to maintaining an ongoing dialogue with shareholders, particularly through the annual general meeting and other Shareholders' general meetings. At the annual general meeting, Directors may meet with Shareholders and answer their questions.

To protect Shareholders' interests and rights, the Company will table separate proposals in respect of each substantially separate matter (including the election of individual Directors) at general meetings. All proposals tabled at general meetings will be voted by poll in accordance with the Hong Kong Listing Rules, and the poll results will be published on the websites of the Company and the Hong Kong Stock Exchange following the conclusion of each general meeting.

The Board reviews the shareholders' communication policy regularly every year to ensure its effectiveness. Having considered the diverse channels of communication in place, the Board is satisfied that the Shareholder communication policy has been effectively implemented during the Reporting Period.

XV. AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

During the period from the date of the listing of H Shares to 31 December 2025, the Company has amended the Articles of Association. Details of such amendments are set out in the circular to shareholders dated 9 December 2025 and the announcement dated 28 December 2025 of the Company. The latest version of the Articles of Association of the Company is also available on the Company's website and the website of the Hong Kong Stock Exchange. Save as disclosed above, there were no other material changes to the Articles of Association of the Company during the period from the date of the listing of H Shares to 31 December 2025.

The Board of Directors of the Company (the "Board") agreed to hereby submit the annual report together with the audited consolidated financial statements of Contemporary Amperex Technology Co., Limited (hereinafter referred to as the "Company") and its subsidiaries (together with the Company collectively referred to as the "Group") for the year ended 31 December 2025. All relevant sections of this Report referred to in this Board Report shall form part of this Board Report.

I. PRINCIPAL ACTIVITIES

Business Overview

The Company is a globally leading zero-carbon new energy technology company, primarily engaged in the research, development, production, and sales of EV batteries and ESS batteries, with an aim to replace stationary fossil energy, replace mobile fossil energy, and utilize electrification and intelligentization to realize integrated innovation of market applications. As of the end of the Reporting Period, the Company had established six major R&D centers and 24 battery factories worldwide, covering a wide range of new energy application customers globally. As of 31 December 2025, there is no material change in the nature of the principal activities of the Group.

Business Review

For further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including description of the Group's response to major risks and uncertainties and forecast for the future development of the Group's business are set out in "Management Discussion and Analysis" of this Report. The foregoing discussion forms part of this Board Report.

II. PROFIT DISTRIBUTION

1. Profits Distribution Policy

In accordance with the relevant provisions of the Articles of Association, the Company's profit distribution may take the form of cash, shares, or a combination of both. In principle, the Company prioritizes cash dividends as the profit distribution method if the conditions for cash dividends are met. When the Company has major investment plans or significant cash expenditures, it may distribute dividends in the form of share equity. If there are no major investment plans or significant cash expenditures, the profits distributed in cash shall be no less than 10% of the distributable profits achieved in the year. At the same time, the Group's cumulative profits distributed in cash over the past three years shall be no less than 30% of the average annual distributable profits achieved in the past three years. Any proposed profit distribution plan shall be formulated at the discretion of the Board and is subject to approval at a general meeting. In determining a profit distribution plan, the Board will take into comprehensive consideration the Company's operating results, financial position, operational needs, capital expenditure plans, the overall interests of shareholders, and other relevant factors as the Board deems appropriate.

The Board confirms that, during the Reporting Period, the Company has strictly considered and implemented all profit distribution plans in accordance with the profit distribution policy set out in the Articles of Association. The dividend standards and ratios are clear and specific, and the relevant decision-making procedures and mechanisms are complete. Once considered and approved, the profit distribution plan was implemented within the prescribed time limit to safeguard the interests of all shareholders. During the Reporting Period, the Company did not change its profit distribution policy.

2. Implementation of the Interim Dividend for 2025

As authorized by the 2024 annual general meeting of the Company, the Board of the Company considered and approved the 2025 interim dividend plan on 30 July 2025, proposing to distribute a cash dividend of RMB10.07 (tax inclusive) for every 10 shares to all shareholders. The cash dividend is denominated and declared in RMB, and will be paid to A Shareholders in RMB and to H Shareholders in HKD (the amount of interim dividend payable for every 10 shares is HKD11.04 (tax inclusive)).

The Company distributed the 2025 interim dividend to all A Shareholders on 20 August 2025 and to all H Shareholders in 15 September 2025. The interim dividend was distributed to all shareholders based on the share capital of 4,536,677,821 shares, which is the total share capital of 4,559,310,331 shares (of which the total A share capital is 4,403,395,031 shares and the total H share capital is 155,915,300 shares) as recorded on the record date, after deducting 22,632,510 shares already repurchased in the A share repurchase special account.

3. Proposal for 2025 Profit Distribution

Details of the Proposal

The Company has always adhered to the philosophy of actively rewarding shareholders and sharing operating results with shareholders. After taking into comprehensive consideration factors such as business development, financial position and funding arrangements, and in strict compliance with the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association, the Board proposes the following plan for the 2025 final profit distribution:

The Company intends to distribute the annual cash dividend and special cash dividend of RMB36,100,640,883.92 equal to 50% of net profit attributable to shareholders of the listed company as set out in the 2025 consolidated financial statements as the distribution amount. After deducting the interim cash dividend of RMB4,568,434,565.75 distributed by the Company, the remaining amount of the annual cash dividend and special cash dividend to be distributed is RMB31,532,206,318.17. Accordingly, based on the 4,531,886,650 shares eligible for distribution (being the Company's existing total share capital of 4,563,868,956 shares less the 31,982,306 shares repurchased and held in the A Share dedicated repurchase account), a cash dividend of RMB69.57 (tax inclusive, rounded down to two decimal places without rounding up, hereinafter referred to as the "Cash Dividend Distribution Ratio", comprising an annual cash dividend of RMB21.78 and a special cash dividend of RMB47.79) will be distributed to all shareholders for every 10 shares. The cash dividend is denominated and declared in RMB, with payments to be made in RMB to A Shareholders and in HKD to H Shareholders. The actual amount of the H share dividend conversion will be calculated based on the central parity rate of RMB to HKD as announced by the People's Bank of China on the trading day immediately preceding the date on which the Board of Directors of the Company considered this proposal (6 March 2026) (HKD1 to RMB0.88253), and accordingly, the dividend payable per 10 H Shares is HKD78.83 (inclusive of tax). In 2025, the Company did not convert its capital reserve into share capital or issue any bonus shares.

If there is any change in the total share capital of the Company or the number of repurchased shares during the period from the date of disclosure of this proposal to the record date for the implementation of the equity distribution, the Company will, based on the total share capital on the implementation record date less the repurchased shares held in the dedicated repurchase account, adjust the total cash dividend amount accordingly, based on the principle that the cash dividend distribution ratio will remain unchanged.

The above proposal for the final profit distribution is subject to approval at the Company's 2025 annual general meeting. The Company will publish a circular and notice of the 2025 annual general meeting in accordance with the Hong Kong Listing Rules and the Articles of Association.

Closure of register of members for H Shares

In order to determine the entitlement of H Shareholders to the 2025 final dividend and special dividend, the H Share Registrar of the Company will be closed from Tuesday, 14 April 2026 to Friday, 17 April 2026 (both days inclusive), during which period no registration of H Shares will be effected. Shareholders whose names appear on the register of members of H Shareholders of the Company on Friday, 17 April 2026 shall be entitled to the 2025 final dividend and special dividend. In order to be eligible for the 2025 final dividend and special dividend, the holders of H Shares of the Company must lodge all transfer documents, accompanied by the relevant share certificates with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than 4:30 p.m. on Monday, 13 April 2026.

Dividend Payment Arrangements

The Company will pay the 2025 final dividend and special dividend on Thursday, 14 May 2026 to H share holders whose names appear on the register of members of the Company at the close of business on Friday, 17 April 2026. In accordance with the relevant regulations of the Shenzhen Stock Exchange and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company will make a separate announcement regarding the implementation of the 2025 final dividend and special dividend distribution for its A Shareholders. Investors are advised to pay attention to such announcement.

4. TAX RELIEF AND EXEMPTION OF DIVIDEND

A Shareholders

A. Individual Income Tax

Pursuant to the provisions of the Notice on Issues Concerning the Implementation of Differentiated Individual Income Tax Policies on Dividends and Bonuses 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201285 號) and the Notice on Issues Concerning the Differentiated Individual Income Tax Policies on Dividends and Bonuses 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2015101 號), for dividends and bonuses received by individual investors from listed companies, from the date when the individual investors obtain the shares of the companies to the record date, if the holding period exceeds one year, the individual income tax shall be temporarily exempted. If the holding period does not exceed one year (including one year), the listed company will not withhold and remit individual income tax and the amount of tax payable will be calculated on the transfer of shares by an individual investor based on the period of holding the shares.

B. Enterprise Income Tax

As for Shareholders of resident enterprises, income tax of cash bonuses 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200947 號)). If the QFII shareholders intend to claim the preferential treatment as stipulated in tax treaties (arrangements) for their dividend and bonus incomes, they may by themselves, or may entrust a withholding agent on their behalf to, apply to the competent tax authority of the listed company for the treatment as stipulated in such tax treaties. Pursuant to the provisions under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (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2016127 號)), for dividends and bonus incomes received by investors (including enterprises and individuals) in the Hong Kong market from investing in A Shares listed on the SZSE, the implementation of differentiated tax policies based on period of shareholding is suspended before Hong Kong Securities Clearing Co., Ltd. meets the conditions of providing identification, terms of shareholding and other specific data of investors to China Securities Depository and Clearing Corporation Limited, and the income taxes thereof are withheld and paid by the listed company at the rate of 10%, which should be duly declared to the competent tax authority. For Hong Kong investors who are tax residents from another country and that country has entered into a tax treaty with the PRC stipulating a tax rate of lower than 10% for dividends and bonus, those enterprises or individuals may by themselves, or may entrust a withholding agent on their behalf to, apply to the competent tax authority of the listed company for the treatment as stipulated in such tax treaties.

H Shareholders

A. Individual Income Tax

In accordance with the provisions of the "Notice of the State Administration of Taxation on Individual Income Tax Collection Issues Following the Repeal of the Document with the Number of Guo Shui Fa 1993 No. 045" (Guo Shui Han 2011 No. 348) (《國家税務總局關於國税發1993045 號文件廢止後有關個人所得税徵管問題的通知》(國税函2011348 號)), withholding and remitting obligor will withhold and remit individual income tax as per item of "interest, dividends and bonus income" for dividends and bonuses income of overseas resident individual shareholders from the domestic non-foreign-funded enterprises by issuing shares in Hong Kong. When the domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with the tax convention signed by China and the country stated in the residential identity and tax arrangement of Mainland China and Hong Kong (Macau). In general, the tax rate for dividend is 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign funded enterprise that has issued shares in Hong Kong distributes dividends and bonuses, individual income tax will be generally withheld and remitted at the tax rate of 10% and application is not necessary. If the tax rate for dividends is not fall within 10%, the following provisions shall apply: (1) for residents from countries which have entered into tax treaties with a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the competent tax authorities, the excess tax amounts withheld will be refunded; (2) for residents from countries which have entered into tax treaties with a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the effective tax rate under the treaties when distributing dividends without application; (3) for residents from countries without tax treaties or otherwise, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

B. Enterprise Income Tax

In accordance with the 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税有關問題的通知》(國税函2008897 號)), when PRC resident enterprises distribute dividends for 2008 and future years to overseas non-resident enterprise shareholders of H shares, they will withhold and remit enterprise income tax at the tax rate of 10%.

C. Shenzhen-Hong Kong Stock Connect

For domestic investors (including enterprises and individuals) who invest in the H Shares of the Company through the Shenzhen Stock Exchange, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee for investors of H Shares under the Shenzhen-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute such cash dividends to the relevant investors of H Shares under the Shenzhen-Hong Kong Stock Connect through its depository and clearing system. Cash dividends for investors of H Shares under the Shenzhen-Hong Kong Stock Connect will be paid in RMB. 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2016127 號)), issued by the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission of the PRC: (1) H-share companies will withhold individual income tax at the tax rate of 20% for dividend and bonus of individual investors in Mainland China who invest in H shares listed on the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect; (2) individual income tax will be collected with reference to individual investors for dividends and bonuses income of the securities investment fund in Mainland China which invests in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect; (3) H-share companies will not withhold dividend and bonus income tax for dividends and bonuses of enterprise investors in Mainland China who invest in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect and the payable tax will be paid by the enterprises themselves. Dividends and bonuses income obtained by resident enterprises in Mainland China as they have continuously held H shares for 12 months will be exempted from enterprise income tax according to laws.

The schedule for the record date, cash dividend payment date, and other arrangements for Shenzhen-Hong Kong Stock Connect investors shall be consistent with those for the H-share shareholders of the Company.

D. Shanghai-Hong Kong Stock Connect

For domestic investors (including enterprises and individuals) who invest in the H Shares of the Company through the Shanghai Stock Exchange, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee for investors of H Shares under the Shanghai-Hong Kong Stock Connect, will receive the cash dividends distributed by the Company and distribute such cash dividends to the relevant investors of H Shares under the Shanghai-Hong Kong Stock Connect through its depository and clearing system. Cash dividends for investors of H Shares under the Shanghai-Hong Kong Stock Connect will be paid in RMB. In accordance with provisions of the "Notice on Tax Policies about Inter-communication Pilot of Shanghai-Hong Kong Stock Exchange Mechanism" (Cai Shui 2014 No. 81) (《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税201481 號)) issued by the Ministry of Finance, the State Taxation Administration, and the China Securities Regulatory Commission of the PRC: (1) H-share companies will withhold individual income tax at the tax rate of 20% for dividend and bonus of individual investors in Mainland China who invest in H shares listed on the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect; (2) Individual income tax will be collected with reference to individual investors for dividends and bonuses income of the securities investment fund in Mainland China which invests in listed shares of the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect; (3) H-share companies will not withhold dividend and bonus income tax for dividends and bonuses of enterprise investors in Mainland China who invest in listed shares of the Hong Kong Stock Exchange via the Shanghai-Hong Kong Stock Connect and the payable tax will be paid by the enterprises themselves. Dividends and bonuses income obtained by resident enterprises in Mainland China as they have continuously held H shares for 12 months will be exempted from enterprise income tax according to laws.

The schedule for the record date, cash dividend payment date, and other arrangements for Shanghai-Hong Kong Stock Connect investors shall be consistent with those for the H-share shareholders of the Company.

Special announcement

The Company will withhold payment of the relevant income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and strictly based on the Company's register of members of H Shares on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the mechanism of withholding arrangement. The Company will not be liable for any claim or dispute over the withholding mechanism arising from any delay in, or inaccurate determination of the status of the Shareholders.

5. Other Information

For H Shareholders of the Company other than those holding shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the Company intends to appoint Bank of China (Hong Kong) Limited as the dividend agent for H Shareholders (the "Dividend Agent"). The 2025 final dividend and special dividend, upon consideration and approval at the 2025 annual general meeting of the Company, will be deposited into the relevant account of the Dividend Agent for payment to the relevant H Shareholders. The general meeting of the Company has agreed to authorize the General Manager or an appropriate person authorized by him/her to give instructions to the Dividend Agent and sign documents to handle matters relating to the distribution of the 2025 final dividend and special dividend. For H Shareholders of the Company holding shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the Company will pay the 2025 final dividend and special dividend to such shareholders through the clearing and settlement system of China Securities Depository and Clearing Corporation Limited. For H Shareholders of the Company other than those holding shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the Dividend Agent will pay the dividend on or about Thursday, 14 May 2026. The relevant cheques will be dispatched on the same day by ordinary post to the H Shareholders entitled to receive such dividend, at their own risk.

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Particulars of Directors, Supervisors and Senior Management

From the date of the listing of H Shares to the date of this Report, the general information and biographical details of Directors, Supervisors and senior management of the Company are set out in "Section V Directors, Supervisors and Senior Management" of this Report.

2. Directors' Service Contracts

All incumbent Directors have entered into their service contracts with the Company. Save for Mr. Wu Yingming, whose term of office is from 25 December 2025 to 25 December 2027 (i.e. the expiration of the term of the Fourth Session of the Board), the term of the service contracts for all other Directors is three years from 26 December 2024.

During the Reporting Period, save for the relevant contracts entered into by Directors in respect of other management positions held in the Group, none of the Company's Directors have entered into relevant service contracts with the Company or any of its subsidiaries.

3. Interests and Short Positions of the Directors and Chief Executives in the Shares, Underlying Shares and Debentures of the Company and our Associated Corporation

As of 31 December 2025, to the knowledge of the Directors of the Company, the interests and short positions of the Company's Directors and chief executives in the share capital and underlying Shares of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or 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 or the Model Code, were set out as follows:

Interests in the Shares of the Company

Unit: Share

Name	Position	Nature of interest	Class of shares	Long position/ Short position	Number of shares directly or indirectly held	Approximate percentage of shareholding in the relevant class of shares [5]	Approximate percentage of shareholding in the Company's issued shares [5]
Zeng Yuqun [1]	Chairman of the Board, executive Director and general manager	Interest in a controlled corporation	A Share	Long position	1,024,704,949	23.25%	22.45%
Pan Jian [2]	Co-chairman of the Board and executive Director	Interest in a controlled corporation	A Share	Long position	17,826,700	0.40%	0.39%
Li Ping [3]	Vice chairman of the Board and executive Director	Beneficial owner	A Share	Long position	197,460,277	4.48%	4.33%
Zhou Jia [4]	Vice chairman of the Board and executive Director	Beneficial owner	A Share	Long position	249,200	0.01%	0.01%

Notes:

(1) As at 31 December 2025, Xiamen Ruiting was owned as to 55% by Mr. Zeng Yuqun and 45% by Ruihua Investment, which was in turn wholly owned by Mr. Zeng Yuqun. Therefore, each of Mr. Zeng Yuqun and Ruihua Investment is deemed to be interested in the Shares held by Xiamen Ruiting under the SFO.

(2) As at 31 December 2025, Mr. Pan Jian held 17,826,700 A Shares through An Sheng Investment Co., Limited (安晟投資有限公司).

(3) As at 31 December 2025, Mr. Li Ping held 197,460,277 A Shares, of which 31,920,000 shares have been pledged.

(4) As at 31 December 2025, Mr. Zhou Jia is entitled to subscribe for 249,200 A Shares pursuant to the stock options granted to him under the 2022 Share Incentive Plan.

(5) The calculation is based on the total issued Shares of 4,563,803,488 shares as at 31 December 2025 (including 4,407,888,188 A Shares and 155,915,300 H Shares).

Interests in the Shares of the Company's Associated Corporations:

Name	Position	Nature of interest	associated corporation	Long position/ Short position	Number of shares directly or indirectly held [3]	Percentage of shareholding
Zeng Yuqun [1]	Chairman of the Board, executive Director and general manager	Interest in a controlled corporation	Ningbo Contemporary Brunp Lygend Co., Ltd.	Long position	838,095,300	12.57%
Li Ping [2]	Vice chairman of the Board and executive Director	Interest in a controlled corporation	Suzhou Contemporary Synland Technology Co., Ltd.	Long position	250,000,000	10.00%

Notes:

(1) As at 31 December 2025, (i) Xiamen Ruiting was owned as to 55% by Mr. Zeng Yuqun and as to 45% by Ruihua Investment, which in turn is wholly owned by Mr. Zeng Yuqun; and (ii) Ningbo Contemporary Brunp Lygend Co., Ltd. was owned as to 12.57% by Xiamen Ruiting. Therefore, Mr. Zeng Yuqun is deemed to be interested in the equity interest in Ningbo Contemporary Brunp Lygend Co., Ltd. held by Xiamen Ruiting under the SFO.

(2) As at 31 December 2025, (i) Mr. Li Ping owned 90% of the equity interests in Shanghai Shida Investment Management Co., Ltd. ("Shanghai Shida"); and (ii) Shanghai Shida owned 10% of the equity interests in Suzhou Contemporary Synland Technology Co., Ltd. Therefore, Mr. Li Ping is deemed to be interested in the equity interest in Suzhou Contemporary Synland Technology Co., Ltd. held by Shanghai Shida under the SFO.

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

Save as disclosed above, as at 31 December 2025, to the knowledge of the Directors of the Company, none of the Directors or chief executives of the Company had any interests or short positions or interest in debentures in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into 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.

4. Directors' and Supervisors' Interests in Transactions, Arrangements and Contracts

At the end of the Reporting Period or at any time during the Reporting Period, save as disclosed in the subsection headed "IX. Connected (Related-party) Transactions" below in this Report, none of the persons who served as a Director or Supervisor of the Company at any time during the Reporting Period engaged in transaction, arrangement or contract that was significant to the Group's business to which the Company or any of its subsidiaries was a party, and in which any person who served as a Director or Supervisor of the Company at any time during the Reporting Period, or any of their connected entities, had a material direct or indirect interest.

5. Loans or guarantees to Directors or their Connected Persons

Save for connected subsidiaries of the Company, during the Reporting Period, the Company had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors of the Company, or their respective connected persons.

6. Directors' Interests in Competing Business

For the year ended 31 December 2025, none of the Directors had an interest in any business that directly or indirectly competed with the Group's business under rule 8.10(2) of the Hong Kong Listing Rules.

7. Rights of Directors, Supervisors and Chief Executives to Acquire Shares or Debentures

Save for the share incentives and related interests disclosed in this Report, during the Reporting Period, neither the Company nor any of its subsidiaries was a party to any arrangement that would enable the Directors, Supervisors and chief executive to acquire benefits by means of the acquisition of Shares or debentures of the Company or any of its subsidiaries.

8. Permitted Indemnity Provisions

During the Reporting Period, the Company has made appropriate insurance arrangements in respect of possible legal actions and liabilities that may be involved with Directors, Supervisors and senior management.

IV. SHARE CAPITAL AND SHAREHOLDERS

1. Shares in Issue

As at 31 December 2025, the Company issued a total of 4,563,803,488 ordinary shares. Details of changes in the Company's share capital for the year ended 31 December 2025 are set out below:

Unit: Share

		Changes in 2025			
Item	Number of shares as at 1 January 2025	Issue of new shares	Cancellation of repurchased shares	Subtotal	Number of shares as at 31 December 2025
A Share	4,403,466,458	4,493,277	-71,547	4,421,730	4,407,888,188
H Shares	0	155,915,300	0	155,915,300	155,915,300
Total	4,403,466,458	160,408,577	-71,547	160,337,030	4,563,803,488

2. Shareholding of the Top Ten Shareholders

As at 31 December 2025, the total number of Shareholders of the Company was 249,777, including 53 H Shareholders and 249,724 A Shareholders. Based on the percentage of shareholding in the Company's share capital, the top ten Shareholders of the Company are as follows:

No.	Name of Shareholders	Class of shares	Number of shares (share)	Approximate percentage of shareholding in the relevant class of shares	Approximate percentage of the issued shares
1	Xiamen Ruiting Investment Co., Ltd. (廈門瑞庭投資有限公司)	A Shares	1,024,704,949	23.25%	22.45%
2	Hong Kong Central Clearing Company Limited	A Shares	692,541,784	15.71%	15.17%
3	Huang Shilin[(1)]	A Shares	420,388,947	9.54%	9.21%
4	Ningbo United Innovation of New Energy Investment Management Partnership (Limited Partnership) (寧波聯合創新新能源投資管理合夥企業(有限合夥))	A Shares	284,220,608	6.45%	6.23%
5	Li Ping	A Shares	197,460,277	4.48%	4.33%
6	HKSCC NOMINEES LIMITED	H Shares	155,906,787	99.99%	3.42%
7	Industrial and Commercial Bank of China Limited – E Fund Growth Enterprise Market Exchange-Traded Open-ended Index Securities Investment Fund (中國工商銀行股份有限公司 – 易方達創業板交易型開放式指數證券投資基金)	A Shares	49,005,734	1.11%	1.07%
8	Industrial and Commercial Bank of China Limited – Huatai – PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	A Shares	43,712,032	0.99%	0.96%
9	Honda Motor (China) Investment Co., Ltd.	A Shares	41,400,000	0.94%	0.91%
10	China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-End Index Seed Securities Investment Fund (中國建設銀行股份有限公司 – 易方達滬深 300 交易型開放式指數發起式證券投資基金)	A Shares	31,173,566	0.71%	0.68%

Notes:

(1) The Company lists the top ten shareholders at the end of the Reporting Period based on the register of shareholders of A Shares issued by China Securities Depository and Clearing Corporation Limited Shenzhen Branch and the register of shareholders of H Shares provided by the H Share Registrar, respectively. The number of shares held by Mr. Huang Shilin in the table above represents those he directly held.

(2) As at the end of the Reporting Period, the dedicated securities account for share repurchase of Contemporary Amperex Technology Co., Limited held 31,982,306 Shares of the Company, representing 0.7% of the Company's total share capital, making it the Company's tenth largest shareholder. Such shares are not included in the list of the top ten shareholders above.

3. Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2025, to the knowledge of Directors, the following Shareholders had interests in A Shares and H Shares which were required to be disclosed to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded into the register kept by the Company under section 336 of the SFO:

Unit: Share

Shareholder	Nature of interest	Class of shares	Long position/ Short position	Number of shares directly or indirectly held	Approximate percentage of shareholding in the relevant class of shares [4]	Approximate percentage of shareholding in the Company's issued shares [4]
Xiamen Ruiting Investment Co., Ltd. ("Xiamen Ruiting") [1]	Beneficial owner	A Share	Long position	1,024,704,949	23.25%	22.45%
Ruihua Investment (Hong Kong) Company Limited (香港瑞華投資有限公司) ("Ruihua Investment") [1]	Interest in a controlled corporation	A Share	Long position	1,024,704,949	23.25%	22.45%
Zeng Yuqun [1]	Interest in a controlled corporation	A Share	Long position	1,024,704,949	23.25%	22.45%
Huang Shilin [2]	Beneficial owner/ Interest in a controlled corporation	A Share	Long position	423,988,946	9.62%	9.29%
Ningbo United Innovation of New Energy Investment Management Partnership (Limited Partnership) ("Ningbo United Innovation") [3]	Beneficial owner	A Share	Long position	284,220,608	6.45%	6.23%
Zhejiang University United Innovation Investment Management Partnership (Limited Partnership) (浙江浙大聯合創新投資管理合夥企業(有限合夥)) ("ZJU United Innovation") [3]	Interest in a controlled corporation	A Share	Long position	284,220,608	6.45%	6.23%
Ningbo Meishan Free Trade Zone Port Area Shengshi Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區晟視創業投資合夥企業(有限合夥)) ("Ningbo Shengshi") [3]	Interest in a controlled corporation	A Share	Long position	284,220,608	6.45%	6.23%
Hangzhou Yilu Investment Management Partnership (Limited Partnership) (杭州一爐投資管理合夥企業(有限合夥)) ("Hangzhou Yilu") [3]	Interest in a controlled corporation	A Share	Long position	284,220,608	6.45%	6.23%

Shareholder	Nature of interest	Class of shares	Long position/ Short position	Number of shares directly or indirectly held	Approximate percentage of shareholding in the relevant class of shares [4]	Approximate percentage of shareholding in the Company's issued shares [4]
Hangzhou Agan Investment Management Co., Ltd. (杭州阿甘投資管理有限公司) ("Hangzhou Agan") [3]	Interest in a controlled corporation	A Share	Long position	284,220,608	6.45%	6.23%
Lin Guang [3]	Interest in a controlled corporation	A Share	Long position	284,220,608	6.45%	6.23%
Pei Zhenhua [3]	Interest in a controlled corporation	A Share	Long position	284,220,608	6.45%	6.23%
J.P. MORGAN SECURITIES PLC	Beneficial owner	H Shares	Long position	16,300,400	10.45%	0.36%
	Beneficial owner	H Shares	Short position	2,966,075	1.90%	0.06%
	Holder of a secured interest in shares	H Shares	Long position	133,927	0.09%	0.00%
Kuwait investment authority	Beneficial owner	H Shares	Long position	14,736,800	9.45%	0.32%
SINOPEC (HONGKONG) LIMITED	Beneficial owner	H Shares	Long position	14,736,800	9.45%	0.32%
JPMorgan Chase & Co.	Beneficial owner	H Shares	Long position	6,266,853	4.02%	0.14%
	Beneficial owner	H Shares	Short position	8,622,619	5.53%	0.19%
	Investment manager	H Shares	Long position	1,682,700	1.08%	0.04%
	Holder of a secured interest in shares	H Shares	Long position	161,400	0.10%	0.00%
	Trustee	H Shares	Long position	12,126	0.01%	0.00%
	Approved Lending Agent	H Shares	Long position	2,162,292	1.38%	0.05%
BlackRock, Inc.	Interest in a controlled corporation	H Shares	Long position	8,330,783	5.34%	0.18%
		H Shares	Short position	159,900	0.10%	0.00%

Notes:

(1) As at 31 December 2025, Xiamen Ruiting was owned as to 55% by Mr. Zeng Yuqun and 45% by Ruihua Investment, which was in turn wholly owned by Mr. Zeng Yuqun. Therefore, each of Mr. Zeng Yuqun and Ruihua Investment is deemed to be interested in the Shares held by Xiamen Ruiting under the SFO.

(2) As at 31 December 2025, Mr. Huang Shilin (i) directly held 420,388,947 A Shares of the Company; and (ii) indirectly interested in a total of 3,599,999 A Shares of the Company through Tongyi Jingyun No. 5 Private Securities Investment Fund, Tong Yi Chunxiao No. 3 Private Securities Investment Fund, Tong Yi Chunxiao No. 5 Private Securities Investment Fund, Tongyi Xiangyang No. 7 Private Securities Investment Fund, Tongyi Xiangyang No. 8 Private Securities Investment Fund and Tongyi Xiangyang No. 9 Private Securities Investment Fund where he acted as the single investor. Therefore, Mr. Huang Shilin is deemed to be interested in the Shares held by Tongyi Jingyun No. 5 Private Securities Investment Fund, Tong Yi Chunxiao No. 3 Private Securities Investment Fund, Tong Yi Chunxiao No. 5 Private Securities Investment Fund, Tong Yi Xiangyang No. 7 Private Securities Investment Fund, Tongyi Xiangyang No. 8 Private Securities Investment Fund and Tongyi Xiangyang No. 9 Private Securities Investment Fund under the SFO.

(3) As at 31 December 2025, (i) Mr. Pei Zhenhua contributed approximately 84.11% of the capital as a limited partner in Ningbo United Innovation, and ZJU United Innovation contributed approximately 0.12% as a general partner; (ii) Ningbo Shengshi contributed 40% of the capital as a limited partner in ZJU United Innovation, and Hangzhou Yilu contributed 20% as a general partner. None of the other limited partners held one third of the partnership interest in ZJU United Innovation; (iii) Mr. Lin Guang contributed approximately 60.07% of the capital as a general partner in Ningbo Shengshi. None of the limited partners held over one third of the partnership interest in Ningbo Shengshi; (iv) Ningbo Shengshi contributed approximately 99.01% of the capital as a limited partner in Hangzhou Yilu, and Hangzhou Agan contributed approximately 0.50% as a general partner; and (v) Hangzhou Agan was held as to approximately 59.59% by Mr. Lin Guang. None of the other shareholders held over one third of the equity interest in Hangzhou Agan. Therefore, each of Mr. Pei Zhenhua, ZJU United Innovation, Ningbo Shengshi, Hangzhou Yilu, Mr. Lin Guang and Hangzhou Agan was deemed to be interested in the Shares held by Ningbo United Innovation under the SFO.

(4) The calculation is based on the total issued Shares of 4,563,803,488 shares as at 31 December 2025 (including 4,407,888,188 A Shares and 155,915,300 H Shares).

Save as disclosed above, as at 31 December 2025, to the knowledge of the Directors of the Company, none of persons (other than Directors or chief executives of the Company) had any interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register referred to therein pursuant to section 336 of the SFO.

4. Public Float

The Hong Kong Stock Exchange has granted the Company, a waiver from complying with Rules 8.08(1)(b) and 19A.13A of the Hong Kong Listing Rules, so that the minimum percentage of the H Shares of the Company held by the public is 1.6% of the total number of issued Shares of the Company upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised (as defined in the Prospectus).

As of 31 December 2025, based on the available information and to the best knowledge of the Directors, the Company's public float complies with the minimum public float requirements under Rule 8.08 of the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange upon the listing of the H Shares of the Company.

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

Repurchase of Shares through Centralized Bidding

On 7 April 2025, the Company convened the third meeting of the fourth session of the Board of Directors and approved, among other matters, the A Share repurchase mandate through centralized bidding (the "Share Repurchase Mandate"). Under the Share Repurchase Mandate, the Company will allocate between RMB4 billion and RMB8 billion of our own or raised funds to make share repurchase at a price not exceeding 150% of the average trading price for the 30 trading days immediately preceding the approval of the share repurchase resolutions by the Board. The repurchase period is within 12 months following the approval of the Share Repurchase Mandate.

During the Reporting Period, the Company completed the repurchase of 15,990,782 A Shares by way of centralized bidding transactions in accordance with the Share Repurchase Mandate, with a total transaction amount of RMB4,385,504,687.90 (excluding transaction costs).

As at 31 December 2025, the Company cumulatively purchased a total of 31,982,306 A Shares through centralized bidding (including shares repurchased during and prior to the Reporting Period), representing 0.73% of total A-share capital of the Company as of the same date. Such treasury shares will be subsequently used for the implementation of equity incentive schemes or employee stocks plans.

The table below sets out the details the Company's repurchase of A Shares through centralized bidding during the Reporting Period:

Month of redemption	Class of shares redeemed	Number of shares redeemed (share)	Price per Share (RMB/share) paid		Total Consideration (RMB '000)
			Highest	Lowest	
April 2025	A Ordinary Shares	6,640,986	237.37	231.50	1,550,810
August 2025	A Ordinary Shares	2,049,020	290.00	274.67	579,735
September 2025	A Ordinary Shares	7,300,776	317.63	300.70	2,254,960

Repurchase and Cancellation of Restricted Shares

Pursuant to a resolution passed at the first extraordinary general meeting of the Company in 2024, on 21 February 2025, the Company repurchased and cancelled a total of 71,547 A restricted shares granted to certain incentive recipients under the 2019 Restricted Share Incentive Scheme (which did not meet the conditions of lifting restrictions) in accordance with the rules of such scheme at the repurchase price of RMB19.74 per share, with a total consideration paid amounting to RMB1,412,337.78 (excluding interest).

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the treasury shares) during the year ended 31 December 2025.

6. Equity-Linked Agreements

Save for Share Incentive Plans, the Company did not enter into or participate in any equity-linked agreements during the year ended 31 December 2025 that would or may result in the issue of shares by the Company.

7. Pre-emptive Rights

In accordance with the PRC laws and the Articles of Association, Shareholders of the Company do not have any pre-emptive rights.

V. SHARE INCENTIVE PLANS

During the Reporting Period, the Company had three Share Incentive Plans in effect, including the 2021 Share Incentive Plan, the 2022 Share Incentive Plan, and the 2023 Share Incentive Plan.

1. Summary of the Key Terms of the Share Incentive Plans

The following is a summary of the key terms of the Share Incentive Plans currently being implemented by the Company. The terms of Share Incentive Plans do not involve any grant of Share Incentives by the Company upon the Listing of H Shares and are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules. The terms of each of Share Incentive Plans are summarized as follows.

A. Purposes

The purposes of the Share Incentive Plans are to further establish and improve the Group's long-term incentive mechanism, attract and retain outstanding talents, and fully motivate their enthusiasm and innovation to enhance cohesion and core competitiveness of the Company. The Share Incentive Plans are implemented to align the interests of our Shareholders, the Company and our core team members, which is beneficial to the sustainable development of the Group and ensures the realization of the Group's development strategy and business objectives.

B. Type of Share Incentive

The Share Incentives are granted in two forms: (i) Type II restricted share(s) (hereinafter referred to as "Restricted Share(s)") and (ii) stock options. Under the 2021 Share Incentive Plan and the 2022 Share Incentive Plan, the Company may grant both restricted stocks and stock options to eligible participants. Under the 2023 Share Incentive Plan, the Company may grant restricted stocks to eligible participants only.

The major difference between the Restricted Shares and the stock option of the Company is that (i) the initial grant price of the restricted stock is the higher of 50% of the average trading price of the A Shares over the following periods prior to the announcement of the draft Share Incentive Plans: (A) one trading day or (B) 60 or 120 trading days; while (ii) the initial exercise price of the stock option is the higher of the average trading price of the A Shares over the following periods prior to the announcement of the draft Share Incentive Plans: (A) one trading day or (B) 60 or 120 trading days.

The A Shares underlying the Restricted Shares or the stock options under the Share Incentive Plans can only be issued after the vesting or exercise thereof.

C. Administration

Each of the Share Incentive Plans is subject to the approval of the Company's general meeting, administration of the Board and the supervision of the Board of Supervisors (the Company considered and approved new Articles of Association on 25 December 2025, which abolished the Board of Supervisors and provided for the Audit Committee of the Board of the Company to exercise the powers and functions of the Board of Supervisors as prescribed under the Company Law of the People's Republic of China) and the independent non-executive Directors.

D. Participants

Participants under the Share Incentive Plans include (as the case may be), (i) directors and senior management, (ii) mid-level management, and (iii) core key employees of the Company (including its subsidiaries), but exclude (i) independent non-executive directors, (ii) supervisors, and (iii) Shareholders who, individually or in aggregate, hold 5% or more of the Shares of the Company, or actual controller(s) and their respective spouse, parents and children.

E. Source and Maximum Number of Shares

The underlying Shares for the Share Incentives are new A Shares to be issued by the Company. The number of Shares granted to any individual grantee under all the share incentive plans of the Company currently in effect shall not exceed 1% of the Company's total share capital.

Subject to the adjustment mechanisms set out in paragraph K below, the maximum number of Share Incentives initially available to be granted under each of Share Incentive Plans is as follows:

Share Incentive Plans	Class of Shares	Maximum number of Shares corresponding to initial Share Incentives that may be granted
2021 Share Incentive Plan	A Shares	5,161,040 Shares
2022 Share Incentive Plan	A Shares	5,134,064 shares
2023 Share Incentive Plan	A Shares	12,595,589 Shares

As at the beginning and end of the Reporting Period, save for the Share Incentives that have already been granted under the Share Incentive Plans and disclosed in this report, there are no additional Share Incentives available for grant under the Share Incentive Plans.

F. Date of Grant and Term of the Plans

The grant date of Share Incentives shall be determined by the Board after the approval of the Share Incentive Plans by the Shareholders at a general meeting. Unless otherwise stipulated by laws and regulations, the grant date must be a trading day of the Shenzhen Stock Exchange. The grant of Share Incentives is subject to the approval of the Board and shall be registered and announced within 60 days after the approval of the Share Incentive Plans at a general meeting. The reserved portion must be granted within 12 months after the Share Incentive Plans is approved at a general meeting of the Company.

The term of the Share Incentive Plans shall commence from the date of the completion of the first tranche of the grant of Share Incentives under the relevant plans and continue until the Share Incentives are fully exercised, canceled, vested, or lapsed, whichever is earlier. This term shall not exceed 72 months, 75 months, or 84 months, as applicable.

G. Conditions to the Grant of Share Incentives

Share Incentives will only be granted to eligible participants if the following conditions are fulfilled:

(i) With respect to the Company, none of the following circumstances having occurred: (A) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to our accountant's report for the most recent fiscal year; (B) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the certified public accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year; (C) the Company has failed to distributed profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing on the Shenzhen Stock Exchange; (D) implementation of any share incentive plan is prohibited under applicable laws and regulations; or (E) any other circumstances determined by the CSRC.

(ii) With respect to a grantee, none of the following circumstances having occurred: (A) he or she has been regarded as an inappropriate participant by Shenzhen Stock Exchange within the last 12 months; (B) he or she has been regarded as an inappropriate participant by the CSRC or its local office within the last 12 months; (C) he or she has been punished or prohibited from entering into the securities market by the CSRC or its local office due to material non-compliance of laws and regulations within the last 12 months; (D) he or she is not qualified to serve as a director or senior management according to the PRC Company Law; (E) he or she is prohibited from participating in any share incentive plans of listed companies according to applicable laws and regulations; or (F) any other circumstances determined by the CSRC.

H. Lock-up Arrangements

The lock-up arrangements under the Share Incentive Plans are determined according to the Articles of Association and applicable PRC laws and regulations:

(i) if the grantee is a Director or a senior management of the Company, the Shares to be transferred each year during his or her tenure shall not exceed 25% of the total Shares he or she holds. No Shares held by such Director or senior management may be transferred within six months after termination of his or her employment; and

(ii) if the grantee is a Director or senior management of the Company and their respective spouse, parents and child(ren), income gained through sale of Shares of the Company within six months of the purchase or repurchase of Shares of the Company within six months of the sale, shall belong to the Company and be reclaimed by the Board; and

(iii) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the Share Incentive Plans, the grantee shall comply with the amended laws and regulations and the Articles of Association.

I. Vesting (Exercise) of Share Incentives

The Share Incentives will be vested or exercised when (i) the conditions set out under paragraph G above are fulfilled; and (ii) the performance targets of the Company and the grantees as set out under the relevant plans are achieved. The granted Share Incentives will be vested (exercised) in accordance with the schedules under the relevant plans after the lock-up period as follows:

Share Incentive Plan	Type of Share Incentives	Vesting schedule (for restricted stock) and exercise schedule (for stock options)
2021 Share Incentive Plan	Restricted stocks and stock options	(i) The restricted stocks may be vested and the stock options may be exercised in three tranches of 20%, 30% and 50% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 48 months of the date of grant; or (ii) The restricted stocks may be vested and the stock options may be exercised in four tranches of 20%, 25%, 25% and 30% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 60 months of the date of grant.

Share Incentive Plan	Type of Share Incentives	Vesting schedule (for restricted stock) and exercise schedule (for stock options)
2022 Share Incentive Plan	Restricted stocks and stock options	(i) The restricted stocks may be vested and the stock options may be exercised in three tranches of 20%, 30% and 50% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 48 months of the date of grant; (ii) The restricted stocks may be vested and the stock options may be exercised in four tranches of 20%, 25%, 25% and 30% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 60 months of the date of grant; or (iii) The restricted stocks may be vested and the stock options may be exercised in five tranches of 15%, 15%, 20%, 20% and 30% during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 72 months of the date of grant.
2023 Share Incentive Plan	Restricted stocks	(i) The restricted stocks may be vested in two equal tranches of 50% each during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 36 months of the date of grant; or (ii) The restricted stocks may be vested in five equal tranches of 20% each during the respective 12-month periods between the first trading date after the 12 months from the date of grant and the last trading day within the 72 months of the date of grant.

Stock options are exercised under a voluntary exercise model. According to the actual operation of voluntary exercise procedures, the actual exercisable period shall be from the date when the voluntary exercise procedures are completed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the last trading day within 12 months from the date when the exercise conditions are fulfilled.

The vesting (exercise) of the Share Incentives granted shall be on a trading day, which shall not fall within any prohibited period stipulated by the CSRC and the Shenzhen Stock Exchange.

J. Exercise Price

The exercise price of each Share Incentives 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 stipulated in the relevant Share Incentive Plans):

Share Incentive Plan	Type of Share Incentives	Pricing Mechanism
2021 Share Incentive Plan	Restricted stocks	The higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the 2021 Share Incentive Plan; and (ii) 50% of the average trading price of A Shares during the 120 trading days immediately preceding the announcement of the 2021 Share Incentive Plan.
	Share options	The higher of (i) the average trading price of A Shares on the trading day immediately preceding the announcement of the 2021 Share Incentive Plan; and (ii) the average trading price of A Shares during the 120 trading days immediately preceding the announcement of the 2021 Share Incentive Plan.

Share Incentive Plan	Type of Share Incentives	Pricing Mechanism
2022 Share Incentive Plan	Restricted stocks	The higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the 2022 Share Incentive Plan; and (ii) 50% of the average trading price of A Shares during the 60 trading days immediately preceding the announcement of the 2022 Share Incentive Plan.
	Share options	The higher of (i) the average trading price of the A Shares on the trading day immediately preceding the announcement of the 2022 Share Incentive Plan; and (ii) the average trading price of the A Shares during the 60 trading days immediately preceding the announcement of the 2022 Share Incentive Plan.
2023 Share Incentive Plan	Restricted stocks	The higher of (i) 50% of the average trading price of A Shares on the trading day immediately preceding the announcement of the 2023 Share Incentive Plan; and (ii) 50% of the average trading price of A Shares during the 60 trading days immediately preceding the announcement of the 2023 Share Incentive Plan.

K. Adjustment

Subject to the other terms and conditions contained in the Share Incentive Plans, the number and/or exercise price of granted Share Incentives may be adjusted upon the occurrence of certain events from the date of the announcement of the relevant Share Incentive Plan to the completion of relevant registration or exercise by the grantee. These events include, as the case may be, (i) capitalization of reserves, (ii) distribution of stock dividends, (iii) distribution of cash dividends, (iv) share subdivision, and (v) share issuance or share consolidation.

L. Dividend and Voting Rights

Upon the vesting (exercise) of Share Incentives in accordance with the relevant Share Incentive Plans, the grantees will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and right to vote at the general meeting.

2. Movements of Restricted Stocks and Stock Options During the Reporting Period

As at 31 December 2025, the number of the outstanding Share Incentives granted under the Share Incentive Plans was 7,138,949 Shares, representing 0.16% of the Company's issued A Shares (excluding treasury shares) as of the same date. The following table sets forth the details of Share Incentives granted to all grantees (including Directors, senior management members, other connected persons and employees of the Company) under the Share Incentive Plans as at 31 December 2025.

Restricted stocks

Unit: Share

Name of participant	Position of participant	Exercise price per share (RMB)	Number of restricted stocks[1] Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2025	Weighted average closing price immediately before the exercise date (RMB)	Date of grant
Directors or senior management members										
Mr. Zhao Fenggang	Executive Director	132.66	32,834		14,924			17,910	354.70	8 September 2022
		100.89	208,352			52,087		156,265	/	8 September 2023
Mr. Tan Libin	Vice general manager	132.66	50,744		32,834			17,910	354.70	8 September 2022
		100.89	194,094			48,523		145,571	/	8 September 2023

Name of participant	Position of participant	Exercise price per share (RMB)	Number of restricted stocks[1] Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2025	Weighted average closing price immediately before the exercise date (RMB)	Date of grant
Mr. Jiang Li	Vice general manager, Board secretary and joint company secretary	132.66	14,264		5,970			8,294	354.70	8 September 2022
		100.89	148,173			37,043		111,130	/	8 September 2023
Mr. Zheng Shu	Chief Financial Officer	132.66	11,609		3,316			8,293	354.70	8 September 2022
		100.89	151,507			37,876		113,631	/	8 September 2023
Connected persons										
Other connected persons[2]	Middle-level management personnel	156.44	1,951		1,951			0	391.10	19 November 2021
		132.66	60,487		41,580			18,907	354.70	8 September 2022
		100.89	759,297			198,550		560,747	/	8 September 2023
Other grantees										
Employee[3]	Middle-level management personnels or core employees	156.44	344,725		298,431	46,294		0	391.10	19 November 2021
		132.66	2,274,850		1,551,800	221,079		501,971	354.70	8 September 2022
		100.89	6,656,490			2,544,286		4,112,204	/	8 September 2023
Total	2021 Share Incentive Plan	156.44	346,676		300,382	46,294		0	391.10	19 November 2021
	2022 Share Incentive Plan	132.66	2,444,788		1,650,424	221,079		573,285	354.70	8 September 2022
	2023 Share Incentive Plan	100.89	8,117,913			2,918,365		5,199,548	/	8 September 2023

Notes:

(1) Individual grantees may be granted restricted stocks and/or stock options under one or more Share Incentive Plans.

(2) The connected persons set out in the table above include associates of a Director, or substantial Shareholder of the Company, as well as connected persons at subsidiary level of the Company.

(3) No employee grantees have been granted Share Incentives in excess of 1% of the issued Shares of the Company on a standalone basis.

Share options

Unit: Share

Name of participant	Position of participant	Exercise price per share (RMB)	Number of stock options[1]						Weighted average closing price immediately before the exercise date (RMB)	Date of grant
			Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2025		
Directors or senior management members										
Mr. Zhou Jia	Vice chairman of the Board and executive Director	278.90	379,403			130,203		249,200	/	8 September 2022
Mr. Zhao Fenggang	Executive Director	278.90	85,963			32,235		53,728	/	8 September 2022
Connected persons										
Other connected persons[2]	Middle-level management personnel	326.46	49,144		41,702			7,442	368.91	19 November 2021
		278.90	12,739		12,739			0	345.56	8 September 2022

Name of participant	Position of participant	Exercise price per share (RMB)	Number of stock options[1] Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2025	Weighted average closing price immediately before the exercise date (RMB)	Date of grant
Other grantees										
Employee[3]	Middle-level management personnels or core employees	326.46	1,970,927		1,339,141	113,809		517,977	368.23	19 November 2021
		278.90	1,822,077		1,148,889	135,419		537,769	341.87	8 September 2022
Total	2021 Share Incentive Plan	326.46	2,020,071		1,380,843	113,809		525,419	368.25	19 November 2021
	2022 Share Incentive Plan	278.90	2,300,182		1,161,628	297,857		840,697	341.91	8 September 2022

Notes:

(1) Individual grantees may be granted restricted stocks and/or stock options under one or more Share Incentive Plans.

(2) The connected persons set out in the table above include associates of a Director, or substantial Shareholder of the Company, as well as connected persons at subsidiary level of the Company.

(3) No employee grantees have been granted Share Incentives in excess of 1% of the issued Shares of the Company on a standalone basis.

VI. INFORMATION ON BONDS

1. Corporate Bonds (公司債券)

Unit: USD'000

Bond Name	Bond Abbreviation	Bond Code	Issue Date	Value Date	Maturity Date	Outstanding Bond Balance	Interest Rate	Method of Principal and Interest Repayment	Trading Venue	Total Proceeds
Contemporary Ruiding Development Limited[1] USD500 Million Bonds	–	40382	10 September 2020	17 September 2020	17 September 2030	500,000	2.625%	Interest is payable semi-annually. The principal is repayable in a single installment upon maturity. The final interest payment is made together with the repayment of principal.	The Stock Exchange of Hong Kong Limited	500,000
Contemporary Ruiding Development Limited USD500 Million Bonds	–	40833	2 September 2021	9 September 2021	9 September 2026	500,000	1.50%			500,000

Note:

(1) Contemporary Ruiding Development Limited is a wholly-owned subsidiary of the Company and is included within the scope of its consolidated financial statements.

2. Debt Financing Instruments of Non-financial Enterprises

Unit: RMB'000

Bond Name	Bond Abbreviation	Bond Code	Issue Date	Value Date	Maturity Date	Outstanding Bond Balance	Interest Rate	Method of Principal and Interest Repayment	Trading Venue	Total Proceeds
Contemporary Amperex Technology Co., Limited 2022 First Tranche Green Medium-Term Notes	22 CATL GN001	132280119	12 December 2022	14 December 2022	14 December 2027	10,000	2.90% for the first three years, 1.83% for the last two years	Interest is payable annually. The principal is repayable in a single installment upon maturity. The final interest payment is made together with the repayment of principal.	China Interbank Bond Market	5,000,000

3. Convertible Corporate Bonds

During the Reporting Period, the Company had no convertible corporate bonds.

VII. EMPLOYEES, REMUNERATION POLICIES AND TRAINING

1. Relationship with Employees

Sharing success with employees and empowering them to grow is one of the core elements of the Group's corporate culture. The Group always strives to provide employees with comprehensive social benefits, a safe working environment and diverse career development opportunities. Meanwhile, the Group strictly abides by the laws, regulations and standards on workplace safety in relevant countries and regions, and is committed to fostering a safe and healthy working environment for employees, and ensuring the safety and physical and mental health of employees by implementing a highly efficient management system.

2. Number of Employee and Remuneration Policies

As at 31 December 2025, the Group had approximately 185,839 employees, most of whom were based in China.

To ensure the sustainable and healthy development of the Company, the Company has established a scientific, reasonable, and market-competitive overall remuneration system. Employee remuneration primarily comprises basic salary, bonuses and other benefits, and is determined with comprehensive reference to factors such as job grade, service qualifications and performance appraisal. The Company also fully stimulates the initiative and creativity of employees through diversified incentive methods such as equity incentives and career promotion.

During the Reporting Period, total employee remuneration cost amounted to RMB37,555,335 thousand, accounting for approximately 8.86% of the Group's revenue.

3. Employee Training

As for learning and development, the Group firmly believes that the training and fast growth of talents provide fundamental support for the achievement of the Company's strategic objectives. The Group is committed to establishing a sound training system and mechanism. Based on business development requirements, the Group specifies the key competencies to be enhanced, and systematically designs special programmes, including onboarding training, professional capability development, leadership promotion and internationalisation, thus help employees have a good career, from new hand to old hand, then becoming a backbone member, and further becoming an expert or management member. Meanwhile, the Company actively promotes the accumulation and inheritance of knowledge and skills, and has established sound systems for knowledge management as well as for the management and motivation of internal trainers. The Company is committed to independently developing learning resources, encouraging employees to engage in self-learning and self-improvement, and building a self-education organisation.

4. Retirement Scheme

The Group participates in local statutory retirement and social security schemes (the "Schemes") for its eligible employees in accordance with the relevant laws and regulations of the places in which they are employed. The Group makes contributions to the Schemes at a certain percentage of salary costs in accordance with the relevant regulations of each country and region. Upon making the statutory contributions, the Group has no further pension payment obligations. The relevant retirement benefits are payable by the local government or statutory authorities.

Save for the aforesaid statutory contributions, the Group has no other material defined benefit plans or material pension benefit obligations.

VIII. CUSTOMERS AND SUPPLIERS

1. Relationships with Customers and Suppliers

Guided by our "customer-centric" approach, the Group is committed to continuously satisfying market demand across various sectors to strengthen market position of the Group and expand our customer base. The Group prioritizes customer needs by providing customized products to them, i.e. collaborating closely with them from the early stages of product development through technical exchanges and solution alignment. After thorough testing and validation, both parties then establish supply relationships and determine the specifications on product types, models, and pricing terms, etc. After that, both parties will maintain collaboration for a period of time for the corresponding products. Our sales department is in charge of executing the contracts based on specific customer requirements and internal business processes of the Group, and delivering the corresponding products and after-sales service. The Group has consistently put great emphasis on after-sales service, delivering comprehensive, quality, and timely services to both customers and end-users through our global service station network. The Group is continuously improving its global after-sales service network and upgrading its full-chain service capabilities. As at the end of the Reporting Period, the Group had approximately 1,200 after-sales service stations, with a service network covering 75 countries or regions. It has globally established 11 NING Service direct-sale experience centers. Leveraging the "NING Service" brand, the Company extends its after-sales services to the vehicle level, providing users with one-stop comprehensive services including maintenance, battery care, health checks, annual inspections and mobile rescue. The customer service and management efforts of the Group continue to receive external recognition. The Company has been awarded the Five-Star (Standard), Seven-Star (Excellent), and Twelve-Star (currently the highest industry rating in China) certifications jointly issued by the China General Chamber of Commerce and the National Commodity After-Service Conformity Certification Evaluation Committee.

The Group has have been striving to build a resilient supply chain adaptable to efficiency, technological innovation, continuous cost reduction and green low-carbon practices. The Group has established a supplier management system covering supplier qualification, tiered management, performance evaluation and exit procedures. We introduced a "Supplier Code of Conduct" that encompasses best practices related to labor, health and safety, environment, compliance management systems and business ethics. The Group has shortlisted a panel of suppliers and has established long-term stable partnerships with key suppliers. To mitigate risks related to raw material prices and supply, the Group has established a monitoring system to promptly track supply and demand as well as price changes of key raw materials. We secure material supply and optimize procurement costs through approaches such as procurement in advance, while further maintaining supply chain safety and stability through self-operated mining and production of raw materials, investment partnerships, and signing long-term procurement agreements.

2. Major Customers and Suppliers

For the year ended 31 December 2025, the amount and percentage of the Group's top five customers and suppliers are set out below:

Unit: RMB'000

	Amount	Percentage
Revenue generated from the largest customer	58,159,202	13.73%
Revenue generated from the top five customers	165,061,533	38.96%
Purchases from the largest supplier	23,318,360	4.04%
Purchases from the top five suppliers	59,938,203	10.38%

During the Reporting Period, none of the Company's Directors or their respective close associates or any Shareholders who, to the knowledge of the Directors, own more than 5% of the issued shares, had any interests in any of the Group's top five customers or suppliers.

IX. CONNECTED (RELATED-PARTY) TRANSACTIONS

Details of the Group's related party transactions during the Reporting Period are set out in "5. Related Party Transactions" under "XIII. Related Parties and Related Party Transactions" of "Section VIII Financial Report" in this Report. Such related party transactions do not constitute connected transactions of the Group as defined under Chapter 14A of the Hong Kong Listing Rules.

The Group has entered into agreements and arrangements with connected persons in the ordinary and usual course of business which are partially-exempt connected transactions under the Hong Kong Listing Rules, and has complied with the requirements under Chapter 14A of the Hong Kong Listing Rules. Particulars of the Group's connected transactions are set out below.

1. Sale Transactions to a Connected Subsidiary Synland

The Group supplies to Suzhou Contemporary Synland Technology Co., Ltd. ("Synland") battery-related products and accessories (including but not limited to battery cells) as it may require from time to time (the "Products Sale Transactions to Synland"). Synland is a non-wholly owned subsidiary of the Company. As at 31 December 2025, Synland was held as to approximately 90% by the Group, and was indirectly controlled as to 10% by Mr. Li Ping, an executive Director of the Company. Accordingly, Synland is a connected subsidiary of the Company. As a result, Synland constitutes a connected person of the Company at the listed company level.

(1) Reasons for the Transaction

Synland is a non-wholly owned subsidiary of the Company, and is principally engaged in the R&D, manufacturing and sales of electric chassis of CV. The Group is familiar with the business requirements, quality standards and operational requirements of Synland for the relevant products and accessories. The supply to Synland facilitates the production and sales of its products, thereby expanding the Group's sales scale and driving our revenue growth.

(2) Pricing Policies

The fees to be charged by the Group for the battery-related products and accessories supplied to Synland shall be determined through commercial negotiation between the parties on an arm's length basis, primarily based on prices of products of similar natures that the Group supplies to other Independent Third Parties in the market, and taking into account various factors including but not limited to product types, transaction volumes and production costs.

(3) Annual Cap and Actual Amount

For the year ended 31 December 2025, the annual cap for the Products Sale Transactions to Synland was RMB480 million, and the actual transaction amount was approximately RMB115,756,771.58.

(4) Confirmation from Auditor

According to the Assurance Report on Continuing Connected Transactions issued by the auditors to the Company, they have expressed the following opinions on the disclosed continuing connected transactions:

a. Nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board of the Company.

b. Nothing has come to their attention that causes them to believe that the transactions for the provision of goods or services by the Group were not, in all material respects, in compliance with the Group's pricing policies.

c. Nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, entered into in accordance with the relevant agreements governing them.

d. With respect to the disclosed continuing connected transactions, nothing has come to their attention that causes them to believe that the amounts of the disclosed continuing connected transactions have exceeded the annual caps set by the Company.

(5) Opinions of Independent Non-executive Director

The independent non-executive Directors of the Company have reviewed the above-mentioned continuing connected transactions and confirmed that such continuing connected transactions were entered into in the ordinary and usual course of business of the Group on normal commercial terms and pursuant to the relevant transaction agreements. The terms of the transactions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

2. Transactions with a Connected Subsidiary CATIB Involving the Sale of Equipment and Provision of Services

To meet the production and construction needs of the overseas battery plant in Indonesia, on 23 October 2025, Contemporary Amperex Technology (Hong Kong) Limited ("CATL HK"), the Company's wholly-owned subsidiary, and PT Contemporary Amperex Technology Indonesia ("CATI", owned as to 99% by CATL HK) entered into the Equipment and Services Purchase Agreement (the "Equipment and Services Purchase Agreement) with PT Contemporary Amperex Technology Indonesia Battery ("CATIB"). Pursuant to such agreement, CATIB will (i) purchase equipment related to battery production from CATL HK; and (ii) purchase onshore services from CATI. For details of the above-mentioned transaction, please refer to the announcement published by the Company on 20 October 2025.

As of 31 December 2025, Ningbo Contemporary Brunp Lygend Co., Ltd. (寧波普勤時代有限公司) ("Ningbo CBL") is a non-wholly owned subsidiary of the Company and is indirectly owned as to approximately 75.43% by the Group. It is also owned as to approximately 12.57% by Xiamen Ruiting Investment Co., Ltd., a controlling shareholder of the Company holding approximately 22.45% of the issued Shares. Therefore, Ningbo CBL is a connected subsidiary of the Company. As Ningbo CBL indirectly holds 70% of the equity interest in CATIB, CATIB is an indirectly non-wholly owned subsidiary of Ningbo CBL and hence CATIB is also a connected subsidiary of the Company. As a result, CATIB constitutes a connected person of the Company at the listed company level.

(1) Reasons for the Transaction

As a leading enterprise in the new energy industry, the Group possesses extensive manufacturing experience and strong technological capabilities in battery production, with obvious cost advantages in supply chain management and centralized procurement. The battery plant in Indonesia represents one of the important projects under the Group's overseas strategic layout. To ensure the smooth implementation of this project, the centralized procurement of necessary production equipment and related services through the Group will enable full utilization of its scale advantages in supply chain management and centralized procurement. This approach will not only allow the acquisition of equipment at more competitive costs, but also ensure technological advancement and operational stability of the equipment, thereby effectively enhancing the production efficiency of the battery plant in Indonesia, further strengthening the Group's overall market competitiveness, and serving the interests of the Company and all of its Shareholders.

(2) Pricing Policies

The pricing for the provision of equipment and services is determined following fair negotiation between the contracting parties, adopting a cost-plus model which is reasonably agreed by referencing the cost of the equipment and services, a reasonable profit margin and prevailing market conditions.

(3) Consideration

The consideration of the Equipment and Services Purchase Agreement is USD131,066,299.73 (including USD108,950,030.39 to be paid to CATL HK for equipment purchase and USD22,116,269.34 to be paid to CATI for services purchase). As the relevant highest applicable percentage ratio exceeds 0.1% but is less than 5%, such transaction is subject to reporting and announcement requirements but is exempt from circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

X. RESERVES AND DISTRIBUTABLE RESERVES

Details of movements of the Group's reserves for the year ended 31 December 2025 are set out in "49. Undistributed Profits" under "VII. Notes to the Consolidated Financial Statements" of "Section VIII Financial Report" in this Report.

Calculated under the applicable PRC laws at the incorporation place of the Company, the Company's distributable reserves as at 31 December 2025 amounted to approximately RMB142,611,687 thousand.

XI. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

The Company has complied with the mandatory disclosure requirements and "Comply or Explain" provisions set out in the Environmental, Social and Governance Reporting Guide. For details, please refer to the "2025 Environmental, Social and Governance (ESG) Report" published by the Company.

For details of corporate governance, please also refer to "Section VI Corporate Governance Report" of this Report.

XII. CHARITABLE DONATIONS

During the Reporting Period, the Group's charitable donations amounted to approximately RMB39,065 thousand.

XIII. MATERIAL LEGAL PROCEEDINGS 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.

XIV. MANAGEMENT CONTRACTS

Save for the service contracts entered into with any Director, Supervisor or full-time employee of the Company, no other management contracts concerning the management or administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

Directors have not entered into any service contracts with the Company or any of its subsidiaries that can be terminated by the employer without payment of compensation (other than statutory compensation) within one year.

XV. AUDITOR

For details of the Company's auditors, please refer to "XI. Auditor's Remuneration and Related Matters" in "Section VI Corporate Governance Report" of this report.

XVI. SUBSEQUENT EVENTS

Save as disclosed in "XVI. Events after the Balance Sheet Date" under "Section VIII Financial Report" of this Report, there are no subsequent events need to be brought to the attention of our Shareholders.

I. AUDIT REPORT

Type of Audit Opinion	Unqualified Opinion
Signing Date of Audit Report	March 9, 2026
Name of Audit Firm	Grant Thornton
Audit Report Reference Number	GTCNSZ (2026) NO.351A001323
Name of Certified Public Accountant	Yin Xuefang, Zheng Haixia

Auditor's Report

To all Shareholders of Contemporary Amperex Technology Co., Limited:

I. Opinion

We have audited the financial statement of Contemporary Amperex Technology Co., Limited Company (hereinafter "the Company" or "CATL"), which comprise the Consolidated and Company Statement of Financial Position as at 31 December 2025, and the Consolidated and Company Income Statements, Consolidated and Company Statement of Changes in Shareholders' Equity and Consolidated and Company Cash Flow Statement for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying financial statement present fairly, in all material respects, the consolidated and Company financial position as at 31 December 2025, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements (if applicable), and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

I. AUDIT REPORT (CONTINUED)

III. Key audit matters

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

(I) Impairment of fixed assets

Relevant disclosure information refers to Section 8 Financial Report, V. Significant Accounting Policies and Estimates, 15. Fixed Assets, and 19. Impairment of Non-current Assets and Section 8 Financial Report, VII. Notes to Consolidated Financial Statements, 17. Fixed Assets.

1. Description of the matter

As at December 31,2025, the carrying amount of fixed assets of CATL was RMB146,400,592 thousand, of which the provision for impairment of fixed assets was RMB2,659,992 thousand for the year of 2025. CATL assesses whether there is any indication of impairment of fixed assets on the balance sheet date. The impairment test shall be performed on the fixed assets if indications of impairment exist. If the results of impairment test indicate that the recoverable amount of the asset or the asset group is lower than its carrying amount, the impairment provision shall be recorded according to the difference and included in the assets impairment loss. The recoverable amount of an asset or an asset group is the higher of its fair value less costs to sell and its present value of expected future cash flows. Given that the carrying amount of fixed assets with indications of impairment is material to the financial statements, and the significant management judgment is involved in determining the impairment provisions of fixed assets, we identify the impairment of fixed assets of CATL as a key audit matter.

I. AUDIT REPORT (CONTINUED)

III. Key audit matters (Continued)

(I) Impairment of fixed assets (Continued)

2. The audit procedures performed in our audit

(1) To evaluate and test the design and execution effectiveness of the internal control related to the impairment of fixed assets, including the adoption of key assumptions and the review and approval of the amount of impairment provision;

(2) Obtain the management's identification materials for the scope of impaired assets, and evaluate the rationality of the management's identification of the asset group;

(3) Conduct physical inventory procedures for significant fixed assets to verify whether fixed assets match book records and assess their actual operational status; interview relevant management personnel to understand changes in the company's capacity utilization rate and inspect whether any machinery or equipment is idle;

(4) Obtain the impairment testing worksheets prepared by management for fixed assets showing signs of impairment, and review the appropriateness of the impairment testing methods and models, key assumptions, and key parameters.

I. AUDIT REPORT (CONTINUED)

III. Key audit matters (Continued)

(II) Revenue recognition

Relevant disclosure information refers to Section 8 Financial Report, V. Significant Accounting Policies and Accounting Estimates, 24. Revenue and Section 8 Financial Report, VII. Notes to Consolidated Financial Statements, 50. Operating revenue and costs.

1. Descriptions of the matter

In 2025, CATL achieved revenue of RMB423,701,834 thousand, representing an increase of 17.04% compared with the previous year. CATL recognizes revenue when products are delivered to customers in accordance with the contract terms and upon acceptance or reconciliation by customers. Given the materiality of revenue and its status as one of the key performance indicators, there is an inherent risk that management manipulates revenue recognition in order to achieve specific objectives or expectations, so we identify revenue recognition as a key audit matter.

2. The audit procedures performed in our audit

(1) Understand and evaluate the design of internal control related to revenue recognition, and test the operating effectiveness of key internal control;

(2) Obtain the contract signed by the company and customers, check the key terms of the contract, and evaluate whether the revenue recognition policy conforms to the provisions of the accounting standards for enterprises;

(3) Implement analysis procedures, including gross margin analysis, monthly data analysis, verification and analysis of financial data and business data;

(4) Select samples, check the contracts, orders, shipping documents, confirmation records, invoices, etc. related to the sales, judge the correctness of the company's revenue recognition after the receivables period, and specially focus on whether the samples near the balance sheet date are recorded in the correct accounting period;

(5) Perform the confirmation procedure on the outstanding balances of major customers;

(6) Review the calculation of the rebate amount and evaluate the accuracy of the rebate calculation;

(7) Implement the cut-off test on the operating income recognized before and after the balance sheet date, to evaluate whether the operating income has been recognized in the appropriate period.

I. AUDIT REPORT (CONTINUED)

IV. Other Information

Management of the company (hereafter "the management") is responsible for the other information. The other information comprises the information included in the Annual Report of 2025, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statement

The Management of the Company is responsible for the preparation and fair presentation of the financial statement in accordance with Accounting Standards for Business Enterprises, and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

VI. Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing 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 financial statements.

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

(1) Identify and assess the risks of material misstatement of the 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.

I. AUDIT REPORT (CONTINUED)

VI. Auditor's Responsibilities for the Audit of the Financial Statement (Continued)

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of management's 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 Company'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 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, further events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Grant Thornton

Certified Public Accountant
(Project Partner)

Certified Public Accountant

China • Beijing

March 9, 2026

II. FINANCIAL STATEMENTS

The units of measurement in the notes of financial statements are: thousand

1. Consolidated Balance Sheet

Prepared by: Contemporary Amperex Technology Co., Limited

As at 31 December 2025

Unit: RMB'000

Item	Closing balance	Opening balance
Current assets:		
Bank balances, deposits and cash	**333,512,927**	303,511,993
Provision of settlement fund	**–**	–
Funds lent	**–**	–
Financial assets held for trading	**58,993,528**	14,282,253
Derivative financial assets	**1,133,502**	–
Notes receivable	**1,380,016**	130,403
Trade receivable	**76,403,264**	64,135,510
Receivable financing	**43,205,292**	53,309,701
Prepayments	**14,282,335**	5,969,685
Insurance premiums receivable	**–**	–
Cessionpremiums receivable	**–**	–
Provision of cession receivable	**–**	–
Other receivables	**2,119,770**	2,206,947
Including: Interests receivable	**–**	–
Dividends receivable	**77,327**	65,217
Buying back the sale of financial assets		
Inventories	**94,526,239**	59,835,533
Including: data source	**–**	–
Contract assets	**375,468**	400,626
Assets held for sale	**–**	–
Non-current assets due within one year	**169,898**	72,972
Other current assets	**12,379,304**	6,286,465
Total current assets	**638,481,543**	510,142,089

II. FINANCIAL STATEMENTS (CONTINUED)

1. Consolidated Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Non-current assets:		
Loans and payments	**–**	–
Debt investments	**–**	–
Other debt investments	**–**	–
Long-term receivables	**386,180**	151,342
Long-term equity investments	**64,884,321**	54,791,525
Other equity instruments investments	**16,296,853**	11,900,901
Other non-current financial assets	**2,882,264**	3,135,658
Investment properties	**–**	–
Fixed assets	**146,400,592**	112,589,053
Construction in progress	**29,733,108**	29,754,703
Productive biological assets	**–**	–
Oil and gas assets	**–**	–
Right-of-use assets	**3,268,966**	889,995
Intangible assets	**15,263,875**	14,419,804
Including: data source	**–**	–
Development costs	**–**	–
Including: data source	**–**	–
Goodwill	**837,328**	894,757
Long-term deferred expenses	**4,960,638**	4,593,980
Deferred tax assets	**28,170,283**	24,118,834
Other non-current assets	**23,261,595**	19,275,483
Total non-current assets	**336,346,001**	276,516,035
Total assets	**974,827,544**	786,658,123

II. FINANCIAL STATEMENTS (CONTINUED)

1. Consolidated Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Current liabilities:	**–**	–
Short-term borrowings	**12,935,498**	19,696,282
Borrowings from central bank	**–**	–
Deposit funds	**–**	–
Financial liabilities held for trading	**–**	–
Derivative financial liabilities	**393,224**	2,116,017
Notes payable	**103,276,999**	67,356,323
Trade payable	**160,328,962**	130,977,408
Advances from customers	**–**	–
Contract liabilities	**49,233,377**	27,834,446
Funds from sales of financial assets with repurchase agreement	**–**	–
Deposits from customers and interbank	**–**	–
Funds received as agent of stock exchange	**–**	–
Funds received as stock underwrite	**–**	–
Employee benefits payable	**23,110,912**	18,653,079
Taxes payable	**11,775,019**	9,436,442
Other payables	**10,504,098**	16,161,923
Including: Interest payable	**–**	–
Dividend payable	**–**	5,400,161
Handling charges and commissions payable	**–**	–
Cession insurance premiums payable	**–**	–
Liabilities held for sale	**–**	–
Non-current liabilities due within one year	**22,237,540**	22,881,417
Other current liabilities	**5,830,358**	2,058,196
Total current liabilities	**399,625,988**	317,171,534

II. FINANCIAL STATEMENTS (CONTINUED)

1. Consolidated Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Non-current liabilities:		
Insurance Contract Reserves	**–**	–
Long-term borrowings	**78,234,935**	81,238,456
Bonds payable	**3,443,434**	11,922,623
Including: Preference shares	**–**	–
Perpetual debts	**–**	–
Lease liabilities	**2,805,081**	662,814
Long-term payables	**1,639,608**	1,606,480
Long-term employee benefits payable	**–**	–
Provisions	**85,324,358**	71,926,943
Deferred income	**27,321,553**	22,041,069
Deferred tax liabilities	**922,254**	1,231,236
Other non-current liabilities	**4,484,010**	5,400,795
Total non-current liabilities	**204,175,232**	196,030,416
Total liabilities	**603,801,220**	513,201,949

II. FINANCIAL STATEMENTS (CONTINUED)

1. Consolidated Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Shareholders'equity:		
Share capital	**4,563,803**	4,403,466
Other equity instruments	**–**	–
Including: Preference shares	**–**	–
Perpetual debts	**–**	–
Capital reserve	**156,248,214**	116,756,136
Less: treasury shares	**7,097,993**	2,712,804
Other comprehensive income	**6,454,423**	-348,637
Special reserves	**35,515**	35,551
Surplus reserves	**2,274,947**	2,194,779
General risk reserve	**–**	–
Retained earnings	**174,628,837**	126,601,541
Total equity attributable to shareholders of the Company	**337,107,747**	246,930,033
Non-controlling interests	**33,918,577**	26,526,141
Total shareholders' equity	**371,026,324**	273,456,174
Total liabilities and shareholders' equity	**974,827,544**	786,658,123

Legal representative: Zeng Yuqun | The person in charge of accounting: Zheng Shu | The head of the accounting department: Zheng Shu

II. FINANCIAL STATEMENTS (CONTINUED)

2. Parent Company Balance Sheet

Unit: RMB'000

Item	Closing balance	Opening balance
Current assets:		
Bank balances, deposits and cash	**177,687,854**	203,597,936
Financial assets held for trading	**44,974,875**	10,871,100
Derivative financial assets	**978,371**	–
Notes receivable	**–**	–
Trade receivable	**84,277,741**	69,969,060
Receivable financing	**37,246,924**	49,145,249
Prepayments	**11,434,740**	3,593,245
Other receivables	**98,022,722**	33,353,170
Including: Interests receivable	**–**	–
Dividends receivable	**–**	–
Inventories	**45,233,246**	32,369,700
Including: data source	**–**	–
Contract assets	**350,770**	360,229
Assets held for sale	**–**	–
Non-current assets due within one year	**15,653**	–
Other current assets	**2,938,871**	916,489
Total current assets	**503,161,768**	404,176,178

II. FINANCIAL STATEMENTS (CONTINUED)

2. Parent Company Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Non-current assets:		
Debt investments	**–**	–
Other debt investments	**–**	–
Long-term receivables	**266,473**	–
Long-term equity investments	**105,129,933**	87,047,194
Other equity instruments investments	**5,764,516**	4,528,748
Other non-current financial assets	**1,308,093**	1,177,193
Investment properties	**–**	–
Fixed assets	**3,805,999**	2,363,547
Construction in progress	**1,626,442**	613,304
Productive biological assets	**–**	–
Oil and gas assets	**–**	–
Right-of-use assets	**129,986**	161,965
Intangible assets	**365,180**	357,706
Including: data source	**–**	–
Development costs	**–**	–
Including: data source	**–**	–
Goodwill	**–**	–
Long-term deferred expenses	**140,685**	76,114
Deferred tax assets	**15,734,083**	13,496,389
Other non-current assets	**5,773,715**	7,485,682
Total non-current assets	**140,045,104**	117,307,840
Total assets	**643,206,871**	521,484,018

II. FINANCIAL STATEMENTS (CONTINUED)

2. Parent Company Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	**–**	–
Financial liabilities held for trading	**–**	–
Derivative financial liabilities	**–**	2,408,537
Notes payable	**75,928,514**	50,701,433
Trade payable	**101,045,861**	103,822,126
Advances from customers	**–**	–
Contract liabilities	**39,679,974**	25,228,351
Employee benefits payable	**16,791,273**	14,038,319
Taxes payable	**6,145,376**	4,801,118
Other payables	**12,967,074**	17,315,034
Including: Interest payable	**–**	–
Dividend payable	**–**	5,400,161
Liabilities held for sale	**–**	–
Non-current liabilities due within one year	**9,302,930**	9,954,220
Other current liabilities	**5,124,193**	2,218,997
Total current liabilities	**266,985,195**	230,488,136
Non-current liabilities:		
Long-term borrowings	**19,706,957**	26,951,712
Bonds payable	**9,732**	4,866,013
Including: Preference shares	**–**	–
Perpetual debts	**–**	–
Lease liabilities	**112,849**	146,796
Long-term payables	**–**	–
Long-term employee benefits payable	**–**	–
Provisions	**76,911,865**	62,990,080
Deferred income	**741,964**	705,408
Deferred tax liabilities	**–**	789,773
Other non-current liabilities	**–**	–
	–	–
Total non-current liabilities	**97,483,367**	96,449,782
Total liabilities	**364,468,562**	326,937,918

II. FINANCIAL STATEMENTS (CONTINUED)

2. Parent Company Balance Sheet (Continued)

Unit: RMB'000

Item	Closing balance	Opening balance
Shareholders'equity:		
Share capital	**4,563,803**	4,403,466
Other equity instruments	**–**	–
Including: Preference shares	**–**	–
Perpetual debts	**–**	–
Capital reserve	**132,644,612**	94,452,344
Less: treasury shares	**7,097,993**	2,712,804
Other comprehensive income	**3,734,297**	-448,715
Specific reserve	**–**	–
Surplus reserve	**2,281,902**	2,201,733
Retained earnings	**142,611,687**	96,650,076
Total shareholders' equity	**278,738,309**	194,546,100
Total liabilities and shareholders' equity	**643,206,871**	521,484,018

II. FINANCIAL STATEMENTS (CONTINUED)

3. Consolidated Income Statements

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
I. Operating income	**423,701,834**	362,012,554
Including: Operating income	**423,701,834**	362,012,554
Interest Income	**–**	–
Earned Premiums	**–**	–
Fees and Commissions	**–**	–
II. Operating cost	**344,824,196**	303,303,900
Including: Cost of operations	**312,383,297**	273,518,959
Interest expense	**–**	–
Fees and commissions paid	**–**	–
Surrender value	**–**	–
Net claims paid	**–**	–
Net provision for insurance liabilities	**–**	–
Policy dividends paid	**–**	–
Reinsurance expenses	**–**	–
Taxes and surcharges	**2,832,322**	2,057,466
Selling and distribution expenses	**3,735,118**	3,562,797
General and administrative expenses	**11,666,741**	9,689,839
Research and development expenses	**22,146,581**	18,606,756
Financial expenses	**-7,939,863**	-4,131,918
Including: Interest expenses	**2,734,017**	3,879,076
Interest income	**10,594,657**	9,502,997
Add: Other income	**10,600,477**	9,967,630
Investment income ("-" for losses)	**7,970,552**	3,987,823
Including: Income from investment in associates and joint ventures ("-" for losses)	**7,353,106**	3,743,040
Gain from derecognition of financial assets measured at amortized cost ("-" for losses)	**-37,696**	-396,983
Gains from foreign exchange ("-" for losses)	**–**	–
Net exposure hedging gains ("-" for losses)	**–**	–
Gains from changes in fair value ("-" for losses)	**974,079**	664,223
Credit impairment losses ("-" for losses)	**-418,585**	-872,526
Assets Impairment losses ("-" for losses)	**-8,660,164**	-8,423,325
Gains from assets disposal ("-" for losses)	**174,640**	19,319

II. FINANCIAL STATEMENTS (CONTINUED)

3. Consolidated Income Statements (Continued)

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
III. Operating profit ("-" for losses)	**89,518,636**	64,051,799
Add: Non-operating income	**463,520**	135,422
Less: Non-operating expenses	**455,611**	1,005,182
IV. Profit before income tax ("-" for losses)	**89,526,545**	63,182,039
Less: Income tax expenses	**12,740,236**	9,175,245
V. Net profit for the year ("-" for net losses)	**76,786,309**	54,006,794
(1) Classification according to operation continuity	**–**	–
Including: Net profit from continuing operations ("-" for net loss)	**76,786,309**	54,006,794
Net profit from discontinued operations ("-" for net loss)	**–**	–
(2) Classification according to attribute	**–**	–
Including: Net profit attributable to Shareholders of the Company ("-" for net loss)	**72,201,282**	50,744,682
Non-controlling interests ("-" for net loss)	**4,585,027**	3,262,113
VI. Other comprehensive income, net of tax	**7,220,215**	-1,687,613
Other comprehensive income (net of tax) attributable to shareholders of the company	**7,249,870**	-1,804,283
A. Items that will not be reclassified to profit or loss	**5,323,769**	-2,527,245
a. Remeasurement of defined benefit plan liability or asset	**–**	–
b. Share of other comprehensive income of the equity method investments	**128,861**	93,456
c. Changes in fair value of other equity instrument investments	**5,194,972**	-2,620,701
d. Changes in fair value of enterprise's own credit risk	**–**	–
e. Others	**-64**	–
B. Items that may be reclassified to profit or loss	**1,926,100**	722,962
a. Share of other comprehensive income of the equity method investments	**14,781**	-235,668
b. Changes in fair value of other debt investments	**–**	–
c. Amount of financial assets reclassified into other comprehensive income	**15,130**	157,579
d. Provision for credit impairment of other debt investments	**–**	–

II. FINANCIAL STATEMENTS (CONTINUED)

3. Consolidated Income Statements (Continued)

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
e. Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)	**2,859,538**	-441,101
f. Translation differences arising from translation of foreign currency financial statements	**-963,349**	1,242,151
g. Others	**–**	–
Other comprehensive income (net of tax) attributable to non-controlling interests	**-29,655**	116,670
VII. Total comprehensive income for the year	**84,006,523**	52,319,181
Attributable to: Shareholders of the company	**79,451,151**	48,940,398
Non-controlling interests	**4,555,372**	3,378,782
VIII. Earnings per share	**–**	–
(1) Basic earnings per share	**16.14**	11.58
(2) Diluted earnings per share	**16.14**	11.58

For business combinations under common control occurring during the current period, the net profit realized by the acquiree prior to the combination was: RMB0 thousand. The net profit realized by the acquiree during the previous period was: RMB0 thousand.

Legal representative: Zeng Yuqun	The person in charge of accounting: Zheng Shu	The head of the accounting department: Zheng Shu

II. FINANCIAL STATEMENTS (CONTINUED)

4. Parent Company Income Statements

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
I. Operating income	**265,326,794**	191,320,942
Less: Operating cost	**187,511,825**	122,683,701
Taxes and surcharges	**818,046**	500,577
Selling and distribution expenses	**2,861,766**	2,807,720
General and administrative expenses	**4,978,673**	4,427,557
Research and development expenses	**13,801,557**	12,001,186
Financial expenses	**-7,199,746**	-4,946,792
Including: Interest expenses	**958,463**	1,200,457
Interest income	**7,626,106**	7,132,734
Add: Other income	**2,466,767**	2,198,382
Investment income ("-" for losses)	**17,235,661**	11,917,152
Including: Income from investment in associates and joint ventures ("-" for losses)	**53,268**	-494,374
Gain from derecognition of financial assets measured at amortized cost ("-" for losses)	**–**	-38,451
Net exposure hedging gains ("-" for losses)	**–**	–
Gains from changes in fair value ("-" for losses)	**431,831**	167,447
Credit impairment losses ("-" for losses)	**-307,830**	-472,408
Assets Impairment losses ("-" for losses)	**-3,946,894**	-5,622,771
Gains from assets disposal ("-" for losses)	**22,403**	47,839
II. Operating profit ("-" for losses)	**78,456,610**	62,082,636
Add: Non-operating income	**267,447**	52,225
Less: Non-operating expenses	**93,679**	875,915
III. Profit before income tax ("-" for losses)	**78,630,378**	61,258,945
Less: Income tax expenses	**8,216,163**	6,584,433

II. FINANCIAL STATEMENTS (CONTINUED)

4. Parent Company Income Statements (Continued)

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
IV. Net profit for the year ("-" for net losses)	**70,414,214**	54,674,512
1. Net profit from continuing operations ("-" for net loss)	**70,414,214**	54,674,512
2. Net profit from discontinued operations ("-" for net loss)	**–**	–
V. Other comprehensive income, net of tax	**4,351,205**	-35,731
A. Items that will not be reclassified to profit or loss	**1,545,230**	199,117
a. Remeasurement of defined benefit plan liability or asset	**–**	–
b. Share of other comprehensive income of the equity method investments	**128,861**	93,456
c. Changes in fair value of other equity instrument investments	**1,416,369**	105,660
d. Changes in fair value of enterprise's own credit risk	**–**	–
e. Others	**–**	–
B. Items that may be reclassified to profit or loss	**2,805,975**	-234,848
a. Share of other comprehensive income of the equity method investments	**200**	-11,903
b. Changes in fair value of other debt investments	**–**	–
c. Amount of financial assets reclassified into other comprehensive income	**16,334**	143,612
d. Provision for credit impairment of other debt investments	**–**	–
e. Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)	**2,789,441**	-366,557
f. Translation differences arising from translation of foreign currency financial statements	**–**	–
g. Others	**–**	–
VI. Total comprehensive income for the year	**74,765,420**	54,638,781
VII. Earnings per share	**–**	–
(1) Basic earnings per share	**–**	–
(2) Diluted earnings per share	**–**	–

II. FINANCIAL STATEMENTS (CONTINUED)

5. Consolidated Cash Flow Statement

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
I. Cash flows from operating activities	**–**	–
Proceeds from sales of goods and rendering of services	**477,796,524**	417,525,378
Net increase in customer deposits and interbank placements	**–**	–
Net increase in borrowings from the central bank	**–**	–
Net increase in funds borrowed from other financial institutions	**–**	–
Cash received from premiums under original insurance contracts	**–**	–
Net cash received from reinsurance operations	**–**	–
Net increase in policyholder deposits and investments	**–**	–
Cash received from interest, fees, and commissions	**–**	–
Net increase in borrowed funds	**–**	–
Net increase in repurchase agreement funds	**–**	–
Net cash received from securities brokerage activities	**–**	–
Refund of taxes	**7,688,313**	10,506,188
Proceeds from other operating activities	**26,383,516**	16,847,851
Sub-total of cash inflows	**511,868,353**	444,879,417
Payment for goods and services	**300,381,833**	285,455,632
Net increase in customer loans and advances	**–**	–
Net increase in deposits with central banks and other financial institutions	**–**	–
Cash paid for claims under original insurance contracts	**–**	–
Net increase in funds placed with others	**–**	–
Cash paid for interest, fees, and commissions	**–**	–
Cash paid for policy dividends	**–**	–
Payment to and for employees	**32,789,183**	25,499,653
Payments of various taxes	**34,458,707**	28,529,188
Payment for other operating activities	**11,018,649**	8,404,599
Sub-total of cash outflows	**378,648,372**	347,889,072
Net cash flows from operating activities	**133,219,982**	96,990,345

II. FINANCIAL STATEMENTS (CONTINUED)

5. Consolidated Cash Flow Statement (Continued)

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
II. Cash flows from investing activities		
Proceeds from disposal of investments	**5,685,583**	2,028,899
Investment income received	**2,280,470**	1,838,083
Net proceeds from disposal of fixed assets, intangible assets and other non-current assets	**211,949**	75,110
Net proceeds from disposal of subsidiaries and other business units	**27,411**	–
Proceeds from other investing activities	**98,372**	963,920
Subtotal of cash flows from investing activities	**8,303,785**	4,906,012
Payment for acquisition of fixed assets, intangible assets and other non-current assets	**42,344,558**	31,179,943
Payment for acquisition of investments	**57,533,827**	22,169,451
Net increase in pledged loans	**–**	–
Net payment for acquisition of subsidiaries and other business units	**2,053,675**	244,022
Payment for other investing activities	**847,516**	187,907
Sub-total of cash outflows	**102,779,575**	53,781,323
Net cash flows from investing activities	**-94,475,790**	-48,875,311

II. FINANCIAL STATEMENTS (CONTINUED)

5. Consolidated Cash Flow Statement (Continued)

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
III. Cash flows from financing activities		
Proceeds from investors	**44,813,984**	2,560,428
Including: Proceeds from non-controlling shareholders of subsidiaries	**6,094,575**	1,959,694
Proceeds from borrowings	**39,790,079**	30,540,129
Proceeds from other financing activities	**1,003,474**	292,179
Subtotal of cash flows from financing activities	**85,607,537**	33,392,735
Repayments of borrowings	**51,702,039**	19,972,240
Payment for dividends, profit distributions or interest	**34,923,036**	25,807,432
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries	**2,302,326**	496,051
Payment for other financing activities	**5,292,005**	2,137,299
Sub-total of cash outflows	**91,917,080**	47,916,971
Net cash flows from financing activities	**-6,309,543**	-14,524,236
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**-2,664,640**	-1,596,552
V. Net increase in cash and cash equivalents	**29,770,008**	31,994,247
Add: Cash and cash equivalents at the beginning of the year	**270,159,734**	238,165,487
VI. Cash and cash equivalents at the end of the year	**299,929,741**	270,159,734

II. FINANCIAL STATEMENTS (CONTINUED)

6. Parent Company Cash Flow Statement

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
I. Cash flows from operating activities		
Proceeds from sales of goods and rendering of services	**260,130,965**	214,332,896
Refund of taxes	**4,548,347**	7,652,302
Proceeds from other operating activities	**8,696,627**	5,959,797
Sub-total of cash inflows	**273,375,939**	227,944,994
Payment for goods and services	**168,526,049**	135,060,214
Payment to and for employees	**8,047,717**	8,775,686
Payments of various taxes	**13,520,071**	12,287,563
Payment for other operating activities	**20,831,261**	4,948,264
Sub-total of cash outflows	**210,925,098**	161,071,727
Net cash flows from operating activities	**62,450,842**	66,873,266
II. Cash flows from investing activities		
Proceeds from disposal of investments	**2,935,868**	1,259,126
Investment income received	**18,208,492**	12,500,511
Net proceeds from disposal of fixed assets, intangible assets and other non-current assets	**6,444**	14,794
Net proceeds from disposal of subsidiaries and other business units	**–**	–
Proceeds from other investing activities	**–**	–
Sub-total of cash inflows	**21,150,804**	13,774,431
Payment for acquisition of fixed assets, intangible assets and other non-current assets	**2,056,300**	3,130,258
Payment for acquisition of investments	**55,180,366**	22,415,571
Net payment for acquisition of subsidiaries and other business units	**–**	–
Payment for other investing activities	**43,336,050**	7,442,032
Sub-total of cash outflows	**100,572,716**	32,987,861
Net cash flows from investing activities	**-79,421,912**	-19,213,430

II. FINANCIAL STATEMENTS (CONTINUED)

6. Parent Company Cash Flow Statement (Continued)

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
III. Cash flows from financing activities		
Proceeds from investors	**38,719,409**	600,735
Proceeds from borrowings	**2,250,000**	7,600,000
Proceeds from other financing activities	**1,336,612**	2,304,313
Sub-total of cash inflows	**42,306,021**	10,505,047
Repayments of borrowings	**14,743,584**	4,757,614
Payment for dividends, profit distributions or interest	**30,643,848**	23,172,648
Payment for other financing activities	**4,753,545**	1,216,151
Sub-total of cash outflows	**50,140,976**	29,146,412
Net cash flows from financing activities	**-7,834,955**	-18,641,364
IV. Effect of foreign exchange rate changes on cash and cash equivalents	**-1,336,338**	-1,744,984
V. Net increase in cash and cash equivalents	**-26,142,364**	27,273,489
Add: Cash and cash equivalents at the beginning of the year	**189,311,347**	162,037,858
VI. Cash and cash equivalents at the end of the year	**163,168,983**	189,311,347

II. FINANCIAL STATEMENTS (CONTINUED)

7. Consolidated Statement of Changes in Shareholders' Equity

Amount in current year

Unit: RMB'000

Item	Year ended 31/12/2025														
	Equity attributable to shareholders of the parent company														
		Other equity instruments													
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal	Non-controlling interests	Total Shareholders' Equity
I. Balance at the end of last year	4,403,466	-	-	-	116,756,136	2,712,804	-348,637	35,551	2,194,779	-	126,601,541	-	246,930,033	26,526,141	273,456,174
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	4,403,466	-	-	-	116,756,136	2,712,804	-348,637	35,551	2,194,779	-	126,601,541	-	246,930,033	26,526,141	273,456,174
III. Changes in equity during the year ("-" for decrease)	160,337	-	-	-	39,492,078	4,385,189	6,803,060	-36	80,169	-	48,027,295	-	90,177,714	7,392,436	97,570,150
(I) Total comprehensive income	-	-	-	-	-	-	7,249,870	-	-	-	72,201,282	-	79,451,151	4,555,372	84,006,523
(II) Shareholders' contributions and decrease of capital	160,337	-	-	-	39,492,078	4,385,189	-	-	-	-	-	-	35,267,226	5,149,165	40,416,391
1. Contribution by ordinary shareholders	160,337	-	-	-	38,234,404	4,385,189	-	-	-	-	-	-	34,009,553	6,094,575	40,104,128
2. Contribution by other equity instrument investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payments recognised in shareholders' equity	-	-	-	-	-91,121	-	-	-	-	-	-	-	-91,121	8,597	-82,524
4. Others	-	-	-	-	1,348,794	-	-	-	-	-	-	-	1,348,794	-954,008	394,787
(III) Appropriation of profits	-	-	-	-	-	-	-	-	80,169	-	-24,620,796	-	-24,540,627	-2,302,326	-26,842,954
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	80,169	-	-80,169	-	-	-	-
2. Appropriation for general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to owners or shareholders	-	-	-	-	-	-	-	-	-	-	-24,540,627	-	-24,540,627	-2,302,326	-26,842,954
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

II. FINANCIAL STATEMENTS (CONTINUED)

7. Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount in current year (Continued)

Unit: RMB'000

Item	Year ended 31/12/2025														
	Equity attributable to shareholders of the parent company														
		Other equity instruments													
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal	Non-controlling interests	Total Shareholders' Equity
(IV) Transfer within shareholders' equity	-	-	-	-	-	-	-446,809	-	-	-	446,809	-	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plans carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-446,809	-	-	-	446,809	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific Reserve	-	-	-	-	-	-	-	-36	-	-	-	-	-36	-9,775	-9,811
1. Appropriation during the year	-	-	-	-	-	-	-	114,028	-	-	-	-	114,028	11,618	125,646
2. Utilisation during the year	-	-	-	-	-	-	-	-114,065	-	-	-	-	-114,065	-21,393	-135,457
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	4,563,803	-	-	-	156,248,214	7,097,993	6,454,423	35,515	2,274,947	-	174,628,837	-	337,107,747	33,918,577	371,026,324

II. FINANCIAL STATEMENTS (CONTINUED)

7. Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount in previous year

Unit: RMB'000

Item	Year ended 31/12/2024														
	Equity attributable to shareholders of the parent company														
		Other equity instruments													
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal	Non-controlling interests	Total Shareholders' Equity
I. Balance at the end of last year	4,399,041	–	–	–	87,907,213	1,572,972	1,528,223	9,355	2,192,566	–	103,244,626	–	197,708,052	22,175,098	219,883,151
Add: Changes in accounting policies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Correction of prior period errors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
II. Balance at the beginning of the year	4,399,041	–	–	–	87,907,213	1,572,972	1,528,223	9,355	2,192,566	–	103,244,626	–	197,708,052	22,175,098	219,883,151
III. Changes in equity during the year ("-"for decrease)	4,425	–	–	–	28,848,923	1,139,832	-1,876,860	26,196	2,213	–	23,356,915	–	49,221,980	4,351,043	53,573,023
(I) Total comprehensive income	–	–	–	–	–	–	-1,804,283	–	–	–	50,744,682	–	48,940,398	3,378,782	52,319,181
(II) Shareholders' contributions and decrease of capital	4,425	–	–	–	2,932,839	1,139,832	–	–	–	–	–	–	1,797,432	1,412,079	3,209,511
1. Contribution by ordinary shareholders	4,425	–	–	–	591,722	1,139,832	–	–	–	–	–	–	-543,685	1,959,694	1,416,008
2. Contribution by other equity instrument investors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Amount of share-based payments recognised in shareholders' equity	–	–	–	–	678,260	–	–	–	–	–	–	–	678,260	10,735	688,995
4. Others	–	–	–	–	1,662,857	–	–	–	–	–	–	–	1,662,857	-558,349	1,104,508
(III) Appropriation of profits	–	–	–	–	–	–	–	–	2,213	–	-27,460,343	–	-27,458,131	-450,171	-27,908,302
1. Appropriation for surplus reserves	–	–	–	–	–	–	–	–	2,213	–	-2,213	–	–	–	–
2. Appropriation for general risk reserves	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3. Distributions to owners or shareholders	–	–	–	–	–	–	–	–	–	–	-27,458,131	–	-27,458,131	-450,171	-27,908,302
4. Others	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

II. FINANCIAL STATEMENTS (CONTINUED)

7. Consolidated Statement of Changes in Shareholders' Equity (Continued)

Amount in previous year (Continued)

Unit: RMB'000

Item	Year ended 31/12/2024														
	Equity attributable to shareholders of the parent company														
		Other equity instruments													
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal	Non-controlling interests	Total Shareholders' Equity
(IV) Transfer within shareholders' equity	-	-	-	-	-	-	-72,577	-	-	-	72,577	-	-	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plans carried forward to retained earnings	-	-	-	-	-	-	-72,577	-	-	-	72,577	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific Reserve	-	-	-	-	-	-	-	26,196	-	-	-	-	26,196	10,352	36,549
1. Appropriation during the year	-	-	-	-	-	-	-	77,254	-	-	-	-	77,254	10,600	87,854
2. Utilisation during the year	-	-	-	-	-	-	-	-51,058	-	-	-	-	-51,058	-248	-51,305
(VI) Others	-	-	-	-	25,916,084	-	-	-	-	-	-	-	25,916,084	-	25,916,084
IV. Balance at the end of the year	4,403,466	-	-	-	116,756,136	2,712,804	-348,637	35,551	2,194,779	-	126,601,541	-	246,930,033	26,526,141	273,456,174

II. FINANCIAL STATEMENTS (CONTINUED)

8. Parent Company Statement of Changes in Shareholders' Equity

Amount in current year

Unit: RMB'000

Item	Year ended 31/12/2025											
		Other equity instruments										
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total Shareholders' Equity
I. Balance at the end of last year	4,403,466	-	-	-	94,452,344	2,712,804	-448,715	-	2,201,733	96,650,076	-	194,546,100
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of the year	4,403,466	-	-	-	94,452,344	2,712,804	-448,715	-	2,201,733	96,650,076	-	194,546,100
III. Changes in equity during the year ("- "for decrease)	160,337	-	-	-	38,192,268	4,385,189	4,183,013	-	80,169	45,961,611	-	84,192,209
(I) Total comprehensive income	-	-	-	-	-	-	4,351,205	-	-	70,414,214	-	74,765,420
(II) Shareholders' contributions and decrease of capital	160,337	-	-	-	38,192,268	4,385,189	-	-	-	-	-	33,967,416
1. Contribution by ordinary shareholders	160,337	-	-	-	38,234,404	4,385,189	-	-	-	-	-	34,009,553
2. Contribution by other equity instrument investors	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payments recognised in shareholders' equity	-	-	-	-	-102,601	-	-	-	-	-	-	-102,601
4. Others	-	-	-	-	60,465	-	-	-	-	-	-	60,465
(III) Appropriation of profits	-	-	-	-	-	-	-	-	80,169	-24,620,796	-	-24,540,627
1. Appropriation for surplus reserves	-	-	-	-	-	-	-	-	80,169	-80,169	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-24,540,627	-	-24,540,627
3. Others	-	-	-	-	-	-	-	-	-	-	-	-

II. FINANCIAL STATEMENTS (CONTINUED)

8. Parent Company Statement of Changes in Shareholders' Equity (Continued)

Amount in current year (Continued)

Unit: RMB'000

Item	Year ended 31/12/2025											
		Other equity instruments										
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total Shareholders' Equity
(IV) Transfer within shareholders' equity	-	-	-	-	-	-	-168,193	-	-	168,193	-	-
1. Share capital increased by capital reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-
2. Share capital increased by surplus reserves transfer	-	-	-	-	-	-	-	-	-	-	-	-
3. Transfer of surplus reserve to offset losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plans carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-168,193	-	-	168,193	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Specific Reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-
2. Utilisation during the year	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at the end of the year	4,563,803	-	-	-	132,644,612	7,097,993	3,734,297	-	2,281,902	142,611,687	-	278,738,309

II. FINANCIAL STATEMENTS (CONTINUED)

8. Parent Company Statement of Changes in Shareholders' Equity (Continued)

Amount in previous year

Unit: RMB'000

Item	Year ended 31/12/2024											
		Other equity instruments										
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total Shareholders' Equity
I. Balance at the end of last year	4,399,041	–	–	–	91,926,289	1,572,972	-366,779	–	2,199,521	69,389,703	–	165,974,803
Add: Changes in accounting policies	–	–	–	–	–	–	–	–	–	–	–	–
Correction of prior period errors	–	–	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–	–	–
II. Balance at the beginning of the year	4,399,041	–	–	–	91,926,289	1,572,972	-366,779	–	2,199,521	69,389,703	–	165,974,803
III. Changes in equity during the year ("- "for decrease)	4,425	–	–	–	2,526,055	1,139,832	-81,936	–	2,213	27,260,373	–	28,571,298
(I) Total comprehensive income	–	–	–	–	–	–	-35,731	–	–	54,674,512	–	54,638,781
(II) Shareholders' contributions and decrease of capital	4,425	–	–	–	2,526,055	1,139,832	–	–	–	–	–	1,390,647
1. Contribution by ordinary shareholders	4,425	–	–	–	591,722	1,139,832	–	–	–	–	–	-543,685
2. Contribution by other equity instrument investors	–	–	–	–	–	–	–	–	–	–	–	–
3. Amount of share-based payments recognised in shareholders' equity	–	–	–	–	668,722	–	–	–	–	–	–	668,722
4. Others	–	–	–	–	1,265,611	–	–	–	–	–	–	1,265,611
(III) Appropriation of profits	–	–	–	–	–	–	–	–	2,213	-27,460,343	–	-27,458,131
1. Appropriation for surplus reserves	–	–	–	–	–	–	–	–	2,213	-2,213	–	–
2. Distributions to shareholders	–	–	–	–	–	–	–	–	–	-27,458,131	–	-27,458,131
3. Others	–	–	–	–	–	–	–	–	–	–	–	–

II. FINANCIAL STATEMENTS (CONTINUED)

8. Parent Company Statement of Changes in Shareholders' Equity (Continued)

Amount in previous year (Continued)

Unit: RMB'000

Item	Year ended 31/12/2024											
		Other equity instruments										
	Share capital	Preferred Stock	Perpetual Bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total Shareholders' Equity
(IV) Transfer within shareholders' equity	–	–	–	–	–	–	-46,205	–	–	46,205	–	–
1. Share capital increased by capital reserves transfer	–	–	–	–	–	–	–	–	–	–	–	–
2. Share capital increased by surplus reserves transfer	–	–	–	–	–	–	–	–	–	–	–	–
3. Transfer of surplus reserve to offset losses	–	–	–	–	–	–	–	–	–	–	–	–
4. Changes in defined benefit plans carried forward to retained earnings	–	–	–	–	–	–	–	–	–	–	–	–
5. Other comprehensive income carried forward to retained earnings	–	–	–	–	–	–	-46,205	–	–	46,205	–	–
6. Others	–	–	–	–	–	–	–	–	–	–	–	–
(V) Specific Reserve	–	–	–	–	–	–	–	–	–	–	–	–
1. Appropriation during the year	–	–	–	–	–	–	–	–	–	–	–	–
2. Utilisation during the year	–	–	–	–	–	–	–	–	–	–	–	–
(VI) Others	–	–	–	–	–	–	–	–	–	–	–	–
IV. Balance at the end of the year	4,403,466	–	–	–	94,452,344	2,712,804	-448,715	–	2,201,733	96,650,076	–	194,546,100

III. GENERAL INFORMATION

Contemporary Amperex Technology Co., Limited (hereinafter referred to as "the Company" or "Company") was formerly known as Contemporary Amperex Technology Co., Ltd., which was incorporated in Ningde City, Fujian Province on December 16, 2011, and obtained the legal person business license number of 350902100027641 issued by the Ningde Administration for Industry and Commerce of Fujian Province. On 15 December 2015, Contemporary Amperex Technology Co., Ltd. changed to a joint stock company with October 31, 2015 as the base date, with a total share capital of RMB400,000 thousand. The Company obtained the legal person business license with the unified social credit code of 91350900587527783P issued by the Ningde Administration for Industry and Commerce of Fujian Province.

On 18 May 2018, the China Securities Regulatory Commission issued the "Reply of approval of the Initial Public Offering of Contemporary Amperex Technology Co., Limited" (Securities Regulatory Permit 2018 No. 829), and the Company publicly issued 217,244 thousand ordinary shares. The A-shares of RMB common stock issued by the Company were listed on the Shenzhen Stock Exchange on 11 June 2018 (stock code: 300750). As of 24 June 2020, with the approval of the China Securities Regulatory Commission (CSRC) on the "Non-public offering of Contemporary Amperex Technology Co., Limited (No. 12682020 of the CSRC), the Company issued 122,360 thousand shares of RMB common shares (A shares), and went public on 4 August, 2020. On April 29, 2022, with the approval of the China Securities Regulatory Commission (CSRC) on Approving the Registration of Contemporary Amperex Technology Co., Limited to Issue Shares to Specific Objects (CSRC License 2022 No. 901), the Company issued 109,756 thousand ordinary shares (A shares) to specific investors and was listed on July 4, 2022. As of April 25, 2023, the Company converted capital reserves into share capital and distribute it to all shareholders, with the increase of 8 shares for every 10 shares, and the total share capital increased from 2,442,385 thousand shares to 4,396,293 thousand shares. With the approval of The Stock Exchange of Hong Kong Limited, the Company issued 135,579 thousand H shares (before exercise of the over-allotment option) which were listed and commenced trading on the Main Board of The Stock Exchange of Hong Kong Limited on May 20, 2025. On the same day, the Company agreed to the full exercise of the over-allotment option by the Joint Coordinators (on behalf of the International Underwriters), and the issuance of 20,337 thousand H shares was completed on May 23, 2025. Following the full exercise of the aforementioned over-allotment option, a total of 155,915 thousand H shares were issued in this offering.

As of December 31, 2025, the total share capital of the Company is RMB4,563,803 thousand, and its legal representative is Zeng Yuqun, registered at No.2, Xingang Road, Zhangwan Town, Jiaocheng District, Ningde City.

The main business scope of the Company and its subsidiaries is the development, production, sales and after-sales service of power battery systems, energy storage battery and battery materials by using battery-recycling technology.

The financial statements and the notes to the financial statements have been approved by 14th meeting of the fourth session of Board of Directors on March 9, 2026.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, "Accounting Standards for Business Enterprises "). In addition, the Company also discloses relevant financial information according to Information Disclosures Regulations for Companies that Offering Shares in Public No.15-General Provision of Preparing Financial Report (revised in 2023) issued announced by China Securities Regulatory Commission, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company adopts the accrual basis of accounting. The financial statements are prepared under the historical cost convention except for certain financial instruments. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

2. Going concern

The consolidated financial statements have been prepared on going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

The Company determines fixed asset depreciation, intangible asset amortization and income recognition policies based on its own production and operation characteristics. For specific accounting policies, please refer to Section 8 Financial Reporting, V. Significant accounting policies and accounting estimates, 15. Fixed Assets, 17. Intangible Assets, and 24. Revenue.

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises and truly and completely present the Company's (and consolidated) financial position as at 31 December 2025 and the Company's (and consolidated) operating results and cash flows for the year ended 31 December 2025 and other relevant information.

2. Financial year

The financial year of the Company is from 1 January to 31 December of each calendar year.

3. Operating cycle

The Company's operating cycle is 12 months.

4. Functional currency

The Company and domestic subsidiaries use Renminbi ("RMB") as their functional currency. The Company's foreign subsidiaries determine their functional currency according to the primary economic environment where they operate. The financial statements of the Company have been prepared in RMB.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Determination method and selection basis of materiality

☑ Applicable ☐ Not applicable

Item	Materiality criteria
Important joint ventures or associates	The balance of the long-term equity investment of the joint venture or associates accounts for more than 5% of the net assets of the Company at the end of the period or the investment income under the long-term equity investment equity method accounts for more than 10% of the consolidated net profit of the Company
Important non-wholly-owned subsidiary	The total assets of the non-wholly-owned subsidiaries account for more than 10% of the total assets of the Company at the end of the period or the profit before income tax accounts for more than 10% of the profit before income tax of the Company
Important construction in progress	The budget amount of a single project is more than 5% of the net assets at the end of the period and the closing balance exceeds 5% of the closing balance of construction in progress

6. Accounting treatments for business combinations involving enterprises under common control and business combinations not involving enterprises under common control

(1) Business combinations not involving enterprises under common control

For business combinations not involving enterprises under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.

(2) Accounting treatment of transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Judgemental standards of controls and basis of preparation of consolidated financial statements

(1) Judgemental standards of controls

The consolidated scope of the consolidated financial statements is determined on a control basis. Control means that the Company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power of the investee to influence the amount of its return. The Company will reevaluate when changes in the relevant facts and circumstances lead to changes in the relevant elements involved in the control definition.

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-Company balances and transactions are eliminated.

Where a subsidiary or business has been acquired during the reporting period, through a business combination not involving enterprises under common control, the revenue, expenses and profit of the subsidiary or business after the acquisition date are included in the consolidated income statement, the cash flows after the acquisition date are included in consolidated cash flow statement.

The portion of a subsidiary's equity that is not attributable to the parent is treated as non-controlling interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented in the consolidated income statement below the "net profit" line item as "non-controlling interests". When the amount of loss for the current period attributable to non-controlling interests of the subsidiary exceeds the non-controlling interests' share of the opening equity of the subsidiary, the excess is still allocated against the non-controlling interests.

(3) Purchase of subsidiaries' non-controlling interests

The difference between the cost of long-term equity investment newly acquired due to the purchase of non-controlling interests and the share of net assets of the subsidiary continuously calculated from the purchase date or merger date according to the newly increased shareholding ratio, and the difference between the disposal price obtained as a result of partial disposal of the equity investment in the subsidiary without loss of control and the share of net assets continuously calculated since the purchase date or the merger date corresponding to the disposal of the long-term equity investment of the subsidiary, should be adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Judgemental standards of controls and basis of preparation of consolidated financial statements (Continued)

(4) Treatment for losing the control of the subsidiaries

If the control of the original subsidiary is lost due to the disposal of some equity investment or other reasons, the remaining equity shall be remeasured according to its fair value on the date of the loss of control. The sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, and minus the sum of goodwill and the share of the carrying amount of net asset of the original subsidiary that should have been continuously calculated from the purchase date based on the original shareholding ratio, and the difference shall be included in the investment income of the period of loss of control.

Other comprehensive income related to equity investments in the former subsidiaries should be accounted for on the same basis as the direct disposal of related assets or liabilities by the original subsidiary when control is lost. Other changes in equity related to the former subsidiary should be transferred to profit or loss for the current period when the control is lost.

8. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

A joint venture is a joint arrangement whereby the Company only has rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

9. Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate on the closing date of the reporting period. The resulting exchange differences between the spot exchange rate on the closing date of the reporting period and the spot exchange rate on initial recognition or on the closing date of the previous reporting period are recognised in profit or loss for the current period. Non-monetary items that are measured at historical cost in foreign currencies are translated to RMB using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, or other comprehensive income for the current period.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to RMB at the spot exchange rate on the closing date of the reporting period. Equity items, excluding "retained earnings", are translated to RMB at the spot exchange rates at the transaction dates.

The revenues and expenses in the statement of income are translated to RMB at the rates determined under a systematic and rational method that approximate the spot exchange rates at the transaction dates.

Items of the cash flow statement are translated to RMB at the rates determined under a systematic and rational method that approximate the spot exchange rates at the cash flow occurrence dates. Effects arising from changes of exchange rates on cash and cash equivalents are presented separately as "Effect of changes in exchange rates on cash and cash equivalents" in the cash flow statement.

Differences arising from the translation of financial statements are separately presented as "other comprehensive income" in the shareholders' equity of the balance sheet.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised when the Company becomes a party to the contractual provisions of a financial instrument.

If one of the following criteria is met, a financial asset is derecognised:

① The contractual rights to the cash flows from the financial asset expire;

② The financial asset was transferred, and the transfer qualifies for derecognition in accordance with criteria set out below in "Transfer of financial assets".

A financial liability (or part of it) is derecognised when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Company (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognised and a new financial liability is recognised.

If the financial assets are traded regularly, the financial assets are recognised and derecognised at the transaction date.

(2) Classification and measurement of financial assets

Upon initial recognition, the Company classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss for the current period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts receivable that generated from the sale of products and offering services without significant financing component are initially recognised based on the transaction price expected to be entitled by the Company.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

Financial assets measured at amortized cost

Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- The Company's business model for managing such financial assets is to collect contractual cash flows;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss for the current period when the financial asset is derecognised, amortised using the effective interest method or with impairment recognised.

Financial assets measured at fair value through other comprehensive income

The Company classifies the financial assets that simultaneously meet the following conditions and are not specified as measured at fair value through profit or loss as financial assets measured at fair value through other comprehensive income:

- The Company's business model of managing the financial asset aims at both collecting contractual cash flows and selling the financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognised in profit or loss for the current period, and other gains or losses are recognised in other comprehensive income. On derecognition, the cumulative gains or losses previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

Financial assets measured at fair value through profit or loss

The Company classifies the financial assets other than those measured at amortised cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognised in profit or loss for the current period.

However, for non-trading equity instrument investments, the Company irrevocably designates them as financial assets at fair value through other comprehensive income and its changes measure at other comprehensive income at initial recognition. The designation is made on a single investment basis and the relevant investment meets the definition of equity instruments from the perspective of the issuer.

Subsequent to initial recognition, these financial assets are subsequently measured at fair value. Dividend income that meets the conditions is included in profit or loss, and other gains or losses and changes in fair value are included in other comprehensive income. At the time of derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

The business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Company assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Company evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flows from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Company changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(3) Classification and measurement of financial liabilities

At the time of initial recognition, the financial liabilities of the Company are classified as: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities that are not classified as measured at fair value through profit or loss, relevant transaction costs are included in their initial recognised amounts.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at the time of initial recognition as measured at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be made according to the fair value, and the gains or losses caused by changes in the fair value as well as the dividends and interest expenses related to such financial liabilities shall be recorded into profit or loss for the current period.

Financial liabilities measured at amortized cost

For other financial liabilities, the effective interest rate method shall be adopted, the subsequent measurement shall be made at the amortized cost, and the gains or losses arising from derecognition or amortization shall be recorded into profit or loss for the current period.

The distinction between financial liabilities and equity instruments

Financial liabilities refer to liabilities that meet one of the following conditions:

① A contractual obligation to deliver cash or other financial assets to other parties.

② A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.

③ A non-derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, under which the firm will deliver a variable number of its own equity instruments.

④ A derivative contract that has to be settled with or can be settled with the firm's own equity instruments in the future, except for a derivative contract in which a fixed number of its own equity instruments are to be exchanged for a fixed amount of cash or other financial assets.

An equity instrument is a contract that certifies ownership of the remaining interest in an enterprise's assets after all liabilities have been deducted.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(3) Classification and measurement of financial liabilities (Continued)

The distinction between financial liabilities and equity instruments (Continued)

If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligation meets the definition of a financial liability.

If a financial instrument has to be settled with or can be settled with the Company's own equity instruments in the future, consideration needs to be given to whether the Company's own equity instruments used to settle the instrument is to be used as a substitute for cash or other financial assets, or to give the holder of the instrument the remaining interest in the issuer's assets after deduction of all liabilities. If it is the former, the instrument is a financial liability of the Company; if it is the latter, the instrument is an equity instrument of the Company.

(4) Derivative financial instruments and embedded derivative instruments

The Company's derivative financial instruments include forward foreign exchange contracts, future contracts and foreign exchange options contracts, etc. The initial measurement is based on the fair value of the date of signing the derivative transaction contract, and the subsequent measurement is based on its fair value. Derivative financial instruments of positive fair value are recognised as assets; those of negative fair value are recognised as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognised to profit or loss for the current period.

For a hybrid instrument containing an embedded derivative instrument, if the host is a financial asset, the hybrid instrument as a whole shall be subject to the relevant provisions on the classification of financial assets. If the host is not a financial asset, the embedded derivative instrument shall be separated from the hybrid instrument and accounted for as a separate derivative instrument if all of the following conditions are met: the hybrid instrument is not measured at fair value through profit or loss; the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If it is not possible to measure the embedded derivative separately at the time of acquisition or on the subsequent closing dates of reporting periods, the hybrid instrument as a whole is designated as a financial assets or liabilities measured at fair value through profit or loss.

(5) Fair value of financial instruments

For the determination of fair value of financial assets and financial liabilities, details refer to Section 8 Financial Reporting, V. Significant accounting policies and accounting estimates, 12. Fair value measurement.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets

On the basis of expected credit losses, the Company conducts impairment accounting treatment for the following items and recognises the allowance:

- Financial assets measured at amortized cost;
- Receivables and investments in debt instrument measured at fair value and accounted for in other comprehensive income.
- Contracts assets defined by of Accounting Standards for Business Enterprises No.14 – Revenue.

Measurement of expected credit losses (ECLs)

ECLs are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, that is, the present value of all cash shortages.

The Company takes into account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default.

The Company separately measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the financial instrument is in the first stage and the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses; if the credit risk of the financial instrument has increased significantly since the initial recognition but no credit losses have occurred, the financial instrument is in the second stage and the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses; if credit losses have occurred to a financial instrument since its initial recognition, it is in the third stage and the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial instruments with low credit risk on the closing date of the reporting period, the Company assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss allowance at an amount equal to 12-month expected credit losses.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Measurement of expected credit losses (ECLs) (Continued)

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or the expected duration of the financial instrument if the expected life of the financial instrument is less than 12 months) after the closing date of the reporting period, and is a portion of lifetime ECLs.

When measuring expected credit losses, the Company shall take into account the longest contract period (including the option to renew the contract) for which it is exposed to credit risk.

The Company calculates interest income on the basis of the book value before impairment provisions and the effective interest rate for financial instruments in stage I and stage II and with lower credit risk. For financial instruments in the stage III, the interest income is calculated on the basis of the amortized cost of the book value less the impairment provision and the effective interest rate.

For notes receivable, accounts receivable, receivables financing, other receivables, contract assets and other receivables, if the credit risk characteristics of a customer are significantly different from other customers in the portfolio, or the credit risk characteristics of the customer change significantly, the Company shall make individual bad debt provision for the receivables. In addition to the receivables individually assessed for provision for bad debts, the Company divides the receivables into portfolios according to the credit risk characteristics, and calculates the bad debt provision on the basis of the portfolio.

Notes receivable, accounts receivable, and contract assets

For notes receivable, accounts receivable and contract assets, regardless of significant financing components, the Company always measures its loss provision in accordance with the amount equivalent to the expected credit loss during the entire duration.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Measurement of expected credit losses (ECLs) (Continued)

Notes receivable, accounts receivable, and contract assets (Continued)

When an individual financial asset or contract assets cannot assess the information of expected credit loss at a reasonable cost, the Company divides the notes receivable, accounts receivable and contracts assets into groups according to the credit risk characteristics, and calculates the expected credit losses based on the groups which are determined as follows:

A. Notes receivable

- Notes receivable group 1: Bank acceptance bills
- Notes receivable group 2: Commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: Receivables from related parties within the scope of consolidation
- Accounts receivable portfolio 2: Receivables from external customers

C. Contract asset

- Contract asset portfolio 1: Sale of products

For notes receivables and contract assets classified as a portfolio, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

For accounts receivable classified as a portfolio, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to compile a matrix of accounts receivable aging and expected credit loss rate for the lifetime and calculate the ECLs. The age of accounts receivable is calculated from the date of recognition.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Other receivables

The Company divides other receivables into several groups according to the credit risk characteristics, and calculates the expected credit losses on the basis of the groups which are determined as follows:

- Other receivables portfolio 1: Receivables from related parties within the scope of consolidation
- Other receivables portfolio 2: Receivables from employees
- Other receivables portfolio 3: Security deposits or deposits
- Other receivables portfolio 4: Other receivables

For other receivables divided into portfolio, the Company calculates the expected credit losses on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime. For other receivables classified into portfolios by age, the age of accounts shall be calculated from the date of recognition.

Long-term receivables

The Company's long-term receivables include finance lease receivables and other payments.

The Company divides the finance lease receivables into several portfolios according to features of credit risks. Based on the characteristics of each group, the Company calculates expected credit losses. The basis for determining the groups is as following:

A. Finance lease receivables

- Financial lease payment portfolio 1: Receivable from related parties within the consolidated statement
- Financial lease payment portfolio 2: Receivable from external clients

For financial lease receivables, the Company makes reference of historical credit loss experience, combining with current conditions and forecasts on future economic conditions, and the default risk exposure and the entire lifetime expected credit loss rate to calculate expected credit losses.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Debt investment and other debt investments

For debt investments and other debt investments, the Company calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the entire lifetime, based on the nature of the investment and various types of counterparties and risk exposures.

An assessment of a significant increase in credit risk

By comparing the risk of default of financial instruments on the closing date of the reporting period with that at the date of initial recognition, the Company determines the relative changes of default risk within the expected lifetime of financial instruments, so as to evaluate whether the credit risk of financial instruments has significantly increased since the initial recognition.

In determining whether credit risk has increased significantly since the initial recognition, the Company considers reasonable and well-founded information, including forward-looking information that can be obtained without unnecessary additional cost or effort. Information considered by the Company includes:

- The debtor fails to pay the principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any);
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Depending on the nature of the financial instruments, the Company assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(6) Impairment of financial assets (Continued)

Credit-impaired financial assets

On the closing date of the reporting period, the Company evaluates whether credit impairment has occurred in financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or late payment of interest or principal;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Company having granted to the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

Presentation of provisions for expected credit losses

In order to reflect changes of financial instrument's credit risk since the initial recognition, the Company re-measures the expected credit losses on each closing date of the reporting periods. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provisions of impairment are deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Company makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial instruments (Continued)

(7) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Company derecognises a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If all the risks and rewards of ownership of the financial asset is substantially retained, the financial asset is not derecognised.

The Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if the Company has forgone control over the financial asset, the financial assets is derecognised, and new assets and liabilities are recognised. If the Company retains control over the financial asset, the financial asset is recognised to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognised.

(8) Offset of financial assets and financial liabilities

If the Company owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and the Company plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

12. Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market or, in the absence of a principal market, the most advantageous market. Principal market (or most advantageous market) is the market that the Company can normally enter into a transaction on measurement date. The Company adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active markets as their fair value. If there is no active market, the Company uses valuation technique to determine their fair value.

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

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Fair value measurement (Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. If the observable inputs are not available or impractical, then unobservable inputs are used.

For assets and liabilities measured or disclosed at fair value in the financial statements, the level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

On the closing date of the reporting period, the Company revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

13. Inventories

(1) Classification of inventories

Inventories include raw materials, semi-finished goods, reusable materials, finished goods, goods in transit, work-in-progress, materials for consigned processing and costs to fulfill a contract.

(2) Method for calculating value of inventories

Inventories are measured at the actual cost on acquisition. Raw materials and finished goods are calculated in weighted average cost method.

(3) Basis and recognition method of provision for decline in value of inventories

On the closing date of the reporting period, inventories are measured at the lower of cost and net realizable value. When its net realizable value is lower than the cost, provision for decline in value of inventories is recognised.

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impacts of events after the reporting period are also considered.

The Company usually recognises provision for decline in value of inventories by a single inventory item.

On the closing date of the reporting period, if the factors causing the inventory impairment no longer exist, the provision for decline in value of inventories previously made is reversed.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Inventories (Continued)

(4) Inventory system

The Company adopts perpetual inventory system.

(5) Amortization methods of reusable materials

Reusable packaging materials are one-off amortized when taken for use and recognised as cost.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Company has significant influences.

(1) Determination of initial investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method, unless it qualifies as held-for-sale. An investment in a joint venture or an associate is accounted for using the equity method.

For long-term equity investment which is accounted for using the cost method, investment income is recognised in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those announced but not yet paid cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

(2) Subsequent measurement and recognition of profit or loss (Continued)

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognises its share of the investee's net profit or loss and other comprehensive income as investment income or loss and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Company. The Company's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognised in the capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognises its share of the investee's net profit or loss based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company.

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognised as investment income or loss. However, the unrealized loss from internal transactions entered into between the Company and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for determination of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Company firstly assesses whether all the parties or a group of the parties control the arrangement collectively. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. When more than two or more combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint control.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

(3) Basis for determination of joint control or significant influence over an investee (Continued)

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. When determining whether an investor can exercise significant influences over an investee, the effect of direct or indirect voting rights of investee and potential voting rights (including warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible shall be considered.

When the Company, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, the Company has significant influence on the investee unless there is clear evidence to show that the Company cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Company owns less than 20% (20% exclusive) of the voting shares of the investee, the Company has no significant influence on the investee unless there is clear evidence to show that the Company can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Section 8 Financial Reporting, V. Significant accounting Policies and Accounting Estimates, 19. Impairment of Non-current Assets.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year.

Fixed assets are only recognised when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

Fixed asset are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are more likely to flow into the Company and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criterias for subsequent expenditure of fixed assets capitalization shall be included in profit or loss for the current period or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognised.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

(2) Depreciation method of fixed assets

Category	Depreciation method	Useful life (year)	Residual value rate %	Annual depreciation rate %
Properties and buildings	Straight-line method	10-50	0.00-5.00	10.00-1.90
Machinery	Straight-line method	3-10	0.00-5.00	33.00-9.50
Electronic equipment	Straight-line method	3-10	0.00-5.00	33.00-9.50
Transportation equipment	Straight-line method	3-10	0.00-5.00	33.00-9.50
Special equipment	Straight-line method	3-25	0.00-5.00	33.00-3.80
Other equipment	Straight-line method	3-10	0.00-5.00	33.00-9.50
Overseas Land	Not applicable	Freehold land	Not applicable	Not applicable

Including:

A. For fixed assets that have been provided for impairment, the depreciation should be calculated after the deduction of cumulative amount of the provision for impairment.

B. For newly purchased instruments and equipment specially used for research and development, the fixed assets with amount less than RMB1,000 thousand will be included in the expenses for the current year.

(3) Impairment testing and the impairment provision of fixed assets refers to Section 8 Financial Reporting, V Significant Accounting Policies and Accounting Estimates, 19. Impairment of Non-current Assets.

(4) The Company reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different with the initial estimates.

(5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognised. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting its carrying value and relevant taxes is recorded into the profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Construction in progress

Construction in progress is recognised based on the actual construction cost, including all expenditures incurred for construction projects, capitalised borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use, based on the following standards:

Item	Time point of transferred to fixed assets
Properties and buildings	The earlier of the actual commence of use or the completion acceptance
Machinery and special equipment	The earlier of the completion of installation and commission or the achievement of design requirement and pre-production completion
Electronic equipment and other equipment	The earlier of the completion of installation and commission or the actual commence of use

Provision for impairment of construction in progress refers to Section 8 Financial Reporting, V. Significant Accounting Policies and Accounting Estimates, 19. Impairment of Non-current Assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Intangible assets

(1) Useful life and its basis of determination, estimated circumstances, amortization method or review procedures

The Company's intangible assets include land-use rights, patent rights and non-patented technology, mining and exploration rights, trademark and domain name, and software, etc.

Intangible asset is initially measured at cost and its useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

Amortization methods of intangible assets with finite useful life are shown as follows:

Category	Useful life	Amortization method	Note
Land-use rights	Validity period of land use rights	Straight-line method	No residual value
Patent rights and non-patented technology	Less than 10 years	Straight-line method	No residual value
Mining and exploration rights	Not applicable	Output method	No residual value
Software	Less than 5 years	Straight-line method	No residual value

The Company reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

If an intangible asset is expected no longer in generating future economic benefits to the Company at the closing date of the reporting period, the carrying amount of the asset is charged to profit or loss for the current period.

Impairment method of intangible assets refers to Section 8 Financial Reporting, V. Significant Accounting Policies and Accounting Estimates, 19. Impairment of Non-current Assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Research and development expenditure

The Company's R&D expenditures represent costs directly attributable to its research and development activities. These include employee compensation for R&D personnel, direct input costs, depreciation and long-term deferred charges, design fees, equipment commissioning expenses, amortization of intangible assets, external R&D outsourcing fees, and other related expenses. Among them, salaries for R&D personnel are allocated to R&D expenditures based on project-related working hours. Equipment, production lines, and places shared between R&D activities and other operational activities are allocated to R&D expenditures based on proportionate usage hours and area.

The Company classifies expenditures on internal research and development projects into research-stage expenditures and development-stage expenditures.

Research-stage expenditures are recognized as expenses in the period incurred.

Expenditure during the development phase is capitalised if the product or process is technically and commercially feasible; the Company intends to complete the development and use or sell; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognised as an expense in the period in which it is incurred.

Research and development projects of the Company will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalised expenditure on the development phase is presented as "development costs" in the statement of financial position, and is transferred to intangible assets when the project is completed to its intended use.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Impairment of non-current assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, fixed assets, construction in progress, right-of-use assets, intangible assets, and goodwill is determined as follows:

On each closing date of the reporting periods, the Company determines whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Company estimates the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year-end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Company determines the recoverable amount for the asset group to which the asset belongs. The recognition of an asset group is based on whether the main cash inflow generated by the asset group is independent of the cash inflow of other assets or asset groups.

A loss allowance is recognised in profit or loss for the current period when the recoverable amount of an asset or asset group is less than its carrying amount. A loss allowance of the asset is recognised accordingly.

For goodwill impairment test, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying amount of goodwill is unable to be allocated to asset group, the carrying amount of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if impairment indication exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted for asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any loss allowance is recognised. Then impairment test is conducted for asset group or portfolio of asset group containing goodwill by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, loss allowance of goodwill is recognised.

Once loss allowance is recognised, it is not reversed in a subsequent period.

20. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Company recognised its amortised cost in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

According to liquidity, employee benefits are presented as "employee benefits payable" and "long-term employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the current period, the Company has accrued for the actual wages, bonuses, medical insurance for employees based on standard rate, work injury insurance and maternity insurance and other social insurance and housing fund incurred and these are recognised as liabilities and included in profit or loss for the current period or related asset costs.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate fund and will have no future obligations to pay the contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic endowment insurance, unemployment insurance, etc.

During the accounting period when the employee provides the service, the amount payable calculated according to the defined contribution plans shall be recognized as liabilities and included in profit or loss for the current period or related asset costs.

(4) Termination benefits

The Company provides for termination benefits to the employees and shall recognise an employee benefits liability for termination benefits, with a corresponding charge to profit or loss for the current period, at the earlier of the following dates: When the Company cannot unilaterally withdraw the offer of the termination benefits because of an employment termination plan or a redundancy proposal; or when the Company recognises the costs or expenses relating to a restructuring that involves the payment of the termination benefits.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Provisions

A provision is recognised for an obligation related to a contingency if all the following conditions are satisfied:

(1) The Company has a present obligation;

(2) It is probable that an outflow of economic benefits will be required to settle the obligation;

(3) The amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company reviews the carrying amount of a provision at the closing date of the reporting period and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognised as an asset when it is basically certain to be received. The recognised compensation amount shall not exceed the carrying amount of the provision.

The estimated liabilities of the Company are mainly the accrued after-sales comprehensive service fee and sales rebate.

Expenditure in after-sales comprehensive service: At present, the sales contract of the power battery system and energy storage system signed between the Company and the customer are having a warranty clause. During the promised period of after-sales service by the Company, no matter how the market price index changes, the Company needs to bear the responsibility for the maintenance of the products sold. The Company recognises the provisions based on the best estimate of the maximum loss that may occur.

Sales rebates: The Company signed contracts with some customers with a term of sales rebate. The Company recognises the provisions according to the rebate clauses stipulated in the contracts.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Share-based payment

(1) Types of share-based payment

The share-based payment of the Company is equity-settled share-based payment.

(2) Determination of fair value of equity instruments

The Company determines the fair value of the granted equity instruments and other equity instruments that exist in an active market according to the quotation in the active market. For equity instruments such as options granted without active markets, the option pricing model is used to determine their fair value. The option pricing model selected takes into account the following factors: A. The option's strike price; B. The option's validity period; C. The current price of the underlying shares; D. The expected volatility of the share price; E. The anticipated dividend on the shares; F. The risk-free interest rate during the option's validity period.

(3) Basis for the best estimate of vested equity instruments

At each closing date of the reporting periods within the vesting period, the Company revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Share-based payment (Continued)

(4) Accounting treatment for implementation, modification, and termination of share-based payment

Equity-settled share-based payments are measured at the fair value of equity instruments granted to employees. Instruments which are exercisable immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which exercising is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Company at each closing date of the reporting periods within the vesting period. No subsequent adjustment is made on the recognised relevant cost and expenses and owners' equity after the vesting date.

Where the terms of an equity-settled share-based payment are modified, if the modification increases the fair value of the equity instruments granted, the incremental fair value is recognised as additional service obtained; if the modification increases the number of equity instruments granted, the incremental fair value is recognised as additional service received. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument both estimated as at the date of modification. If the modification of terms and conditions of share-based payment arrangement reduces the total fair value of the share-based payment or is not otherwise beneficial to the employee, the Company nevertheless continue to account for the services received as if that modification had not occurred, other than the Company cancels of some or all the equity instruments granted.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation as an acceleration of vesting and recognises immediately the amount that otherwise would have been recognised over the remainder of the vesting period and the capital reserve is credited accordingly. When employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, the Company deems the granted equity instruments are cancelled.

(5) Restricted stock

In the equity incentive plan, the Company grants the restricted stock to the incentive object, and the incentive object will subscribe for the shares first. If the unlocking conditions stipulated in the equity incentive plan are not met later, the Company will repurchase the shares at the price agreed in advance. If the restricted stocks issued to employees have completed the registration and other capital increase procedures in accordance with relevant regulations, on the grant date, the Company shall recognise the share capital and capital reserve (share premium) based on the subscription payments received from employees and simultaneously recognise treasury shares and other payables for repurchase obligations.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue

Disclosure of the accounting policies is adopted for revenue recognition and measurement by business type

(1) General principles

The Company recognises revenue when it has fulfilled its contractual performance obligation, that is, when the customer acquires control of the relevant goods or services.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the transaction price to each single performance obligation according to the relative proportion of the stand-alone selling prices of goods or services committed by each single performance obligation, and measure the income according to the transaction price allocated to each single performance obligation.

If one of the following conditions is fulfilled, the Company satisfies a performance obligation within a certain period; otherwise, the Company satisfies a performance obligation at a point of time:

① The customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs.

② The customer can control the goods under construction during the performance of the Company.

③ The goods produced by the Company during the performance of the contract do not have alternative use, and the Company has the right to collect payment for the accumulated part of the performance completed to date during the whole period of the contract.

For the performance obligations performed over time, the Company shall recognise the income in accordance with the performance progress within that period. If the performance progress cannot be reasonably determined and the Company is expected to be compensated for the costs already incurred, the revenue shall be recognised according to the amount of the costs already incurred until the performance progress can be reasonably determined.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue (Continued)

(1) General principles (Continued)

For performance obligations performed at a point in time, the Company recognises revenue at the point when the customer acquires control of the relevant goods or services. In determining whether a customer has acquired control of goods or services, the Company will take into account the following indicators:

① The Company has a present right to payment for the good or service, that is, the customer is presently obliged to pay for the good or service.

② The Company has transferred the legal title of the good to the customer, that is, the customer has the legal title to the good.

③ The Company has transferred physical possession of the good to the customer, that is, the customer has physical possession of the good.

④ The Company has transferred the significant risks and rewards of ownership of the good to the customer, that is, the customer has obtained the significant risks and rewards of ownership of the good.

⑤ The customer has accepted the good or service.

⑥ Other indicators that the customer has obtained control of the good.

The Company's right to consideration for goods or services transferred to a customer (and this right depends on other factors other than the passage of time) is a contract asset which is subject to impairment on the basis of expected credit losses. The Company's unconditional right (depending only on the passage of time) to collect consideration from the customer is presented as an trade receivable. The Company's obligation to transfer goods or services to a customer for which it has received consideration (or the amount due) from the customer is a contract liability.

The contract assets and contract liabilities under the same contract shall be presented on a net basis. If the net amount is the debit balance, it shall be presented under the item of "Contract assets" or "Other non-current assets" according to its liquidity; if the net amount is a credit balance, it shall be presented under the item "Contract liabilities" or "Other non-current liabilities" according to its liquidity.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue (Continued)

(2) Specific methods

Contracts for the sales of goods

Revenue from sales of goods between the Company and its customers generally only includes a performance obligation for the transfer of goods, which is recognised when the performance obligation has been satisfied at a point in time.

Specific methods for recognising revenue from domestic sale of goods: Revenue is recognised when the Company has delivered the products to the customers in accordance with the contract terms, and has received acceptance and other proof of receipt from the customers.

Specific methods for recognising revenue from export sale of goods: Revenue is recognised when the Company has declared the goods to customs in accordance with the contract terms, and has obtained a customs declaration or received acceptance and other proof of receipt from the customers.

The Company provides after-sale service for its goods and makes the respective provisions. The Company does not provide any other additional services or after-sale service, therefore, such after-sale service does not constitute a separate performance obligation.

The Company has entered into contracts with certain customers that include sale rebate terms that may have a variable consideration. The Company makes the best estimate of the variable consideration on the basis of the expected value or the amount that is most likely to be incurred, provided that the transaction price containing the variable consideration does not exceed the amount at which it is highly probable that a material reversal of the cumulative recognised revenue will not occur when the related uncertainty is eliminated.

Contracts for the rendering of services

Contracts on the rendering of services between the Company and its customers usually cover technical services. If the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs, the Company satisfies a performance obligation over time and recognises revenue by measuring the progress towards complete satisfaction of the performance obligation, except that the progress towards complete satisfaction of the performance obligation can not be reasonably measured.

Specific methods for recognising service revenue: Revenue from the rendering of a services is recognised when the Company has satisfied the corresponding performance obligation in accordance with the contract terms, and has received acceptance and other proof of receipt form the customers.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Contract costs

Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract.

Incremental costs of obtaining a contract are costs (such as a sales commission, etc.) that the Company would not have incurred if the contract had not been obtained. If the cost is expected to be recovered, the Company will recognise it as an asset as costs of obtaining a contract. Other expenses incurred by the Company for obtaining a contract, other than the incremental costs expected to be recovered, are recorded into profit or loss for the current period when incurred.

If the costs incurred in fulfilling a contract are not within the scope of another Standard such as Inventories, the Company shall recognise an asset from the costs incurred to fulfil a contract:

① The costs relate directly to a current contract or to an anticipated contract and include direct labor, direct materials, overhead (or similar expenses), costs that are explicitly chargeable to the customer and other costs incurred solely in connection with the contract;

② The costs increase the Company's future resources for fulfilling its performance obligations;

③ The costs are expected to be recovered.

Assets recognised for costs of obtaining a contract or costs to fulfil a contract (hereinafter referred to as "assets related to contract costs") shall be amortized on the same basis as revenue recognition of goods or services related to such assets and shall be recorded into profit or loss for the current period. When the carrying amount of the assets related to the contract costs is higher than the difference between the following two items, the Company shall make loss allowance of the excess part and recognise it as loss allowance of the assets:

① The remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates;

② The estimated costs to be incurred for the transfer of the relevant goods or services.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Government grants

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Company will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. Government grants relating to non-monetary assets shall be measured at fair value; where fair value cannot be reliably determined, they shall be measured at a nominal value of RMB1.

A government grant related to an asset is a grant obtained by the Company for purchase, construction or formation of non-current assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognised as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses or losses are recognised. The Company adopts same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is recorded either as other income or as deduction of related expenditure. If it is not relating to daily activities, it is recorded as non-operating income.

Repayment of a government grant related to an asset, that initially deducted the carrying amount of the asset, is recognised by increasing the carrying amount of the asset; if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to other situation, it is directly charged to profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognised as income tax expense in profit or loss for the current period except to the extent that they relate to goodwill arising from a business combination, or transactions or items recognised directly in equity.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognised as deferred tax liabilities except for those incurred in the following transactions:

(1) Initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss) (Except for individual transaction with equal taxable temporary difference and deductible temporary difference due to initially recognized assets and liabilities);

(2) Taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

(1) A transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss) (Except for individual transaction with equal taxable temporary difference and deductible temporary difference due to initially recognized assets and liabilities);

(2) Deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the closing date of the reporting period, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each closing date of the reporting periods, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Deferred tax assets and deferred tax liabilities (Continued)

On the closing date of the reporting period, deferred income tax assets and deferred income tax liabilities are listed as net amount after offsetting for the following conditions:

(1) The tax payer in the Company has the legal right to settle the current income tax assets and current income tax liabilities on a net basis;

(2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection department for the same tax payer.

28. Leases

(1) Identification of leases

At inception of a contract, the Company, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all of the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Company considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Company acts as the lessee

At the commencement date of the lease term, the Company recognises the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the right-of-use assets, details refer to Section 8 Financial Reporting, V. Significant accounting policies and accounting estimates, 29. Right-of-use assets.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into profit or loss for the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into profit or loss for the current period when actually incurred.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Leases (Continued)

(2) The Company acts as the lessee (Continued)

Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Company will record the lease payment amount of short-term lease into the cost of relevant assets or profit or loss for the current period in each period of the lease term according to the straight-line method.

For short-term leases, the Company chooses to adopt the above simplified treatment method for the items that meet the short-term lease conditions in the following asset types according to the classes of leased assets.

Leases of low value assets

Leases of low value assets refers to a lease with a lower value when a single leased asset is a new asset.

The Company accounts for the lease payments of low-value assets leases as the relevant asset cost or profit or loss for the current period on a straight-line basis in each period of the lease term.

For leases of low-value assets, the Company chooses to adopt the simplified treatment described above according to the specific circumstances of each lease.

Lease modifications

If the lease is modified and the following conditions are met at the same time, the Company will treat the lease change as a separate lease for accounting: (1) The lease modification expands the scope of lease by increasing the right to use one or more leased assets; (2) The increased consideration should be equivalent to the amount of the individual price of the expanded lease area adjusted for the circumstances of the contract.

If the change of lease results in the reduction of the scope of lease or the shortening of the lease term, the Company adjusts the book value of the right-of-use assets accordingly, and the gain or loss related to partial or complete termination of lease are recognised in profit or loss for the current period.

The Company adjusts the book value of the right-of-use assets accordingly if the lease liabilities are re-measured due to other lease modifications.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Leases (Continued)

(3) The Company acts as the lessor

When the Company acts as a lessor, the lease which substantially transfers all the risks and rewards related to the ownership of the asset is classified as a finance lease, and a lease other than the finance lease is classified as an operating lease.

Finance lease

In a finance lease, at the beginning of the lease term, the Company takes the net lease investment as the book value of the finance lease receivable, and the net lease investment is present value of the sum of the unsecured residual value and the lease receipts not received at the beginning of the lease term discounted by the interest rate implicit in the lease. The Company, as the lessor, calculates and recognises the interest income for each period of the lease term according to the fixed periodic interest rate. The variable lease payments obtained by the Company as the lessor, which are not included in the measurement of the net lease investment, are recognised in profit or loss for the current period when they actually occur.

The termination and impairment of finance lease receivable shall be treated in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets.

Operating lease

The Company shall, during each period of the lease term, recognise the operating lease payments in profit or loss for the current period on a straight-line basis. The initial direct expenses incurred in connection with the operating lease shall be capitalised and amortized on the same basis as the rental income during the lease term and shall be recognised in profit or loss for the current period in stages. The variable lease payments obtained in connection with the operating lease and not included in the lease receipts shall be recognised in the profit or loss for the current period when actually incurred.

Lease modification

If the finance lease is changed and not accounted for as a separate lease, the Company will treat the changed lease as follows: ① If the modification takes effect on the effective date of the lease, the lease will be classified as an operating lease. The Company will treat the change as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the book value of the leased asset; ② If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment in accordance with the provisions of "Accounting Standards for Enterprises No. 22 – Recognition and Measurement of Financial Instruments" on the modification or renegotiation of the contract.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Right-of-use assets

(1) Recognition conditions of right-of-use assets

The Company's right-of-use asset refers to the right of the Company as the lessee to use the leased asset during the lease term.

On the commencement date of the lease term, the right-of-use asset is initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the lease payment paid on or before the beginning of the lease term, if there is a lease incentive, the amount of the lease incentive is deducted; the initial direct expenses incurred by the Company as a lessee; the cost is expected to incurred by the Company as a lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms. As the lessee, the Company recognises and measures the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No. 13-Contingent Events". Subsequent adjustments are made for any re-measurement of lease liabilities.

(2) Depreciation method of right-of-use assets

The Company uses the straight-line method to accrue depreciation. As the lessee, the Company can reasonably determine that it will acquire the ownership of the leased asset at the expiry of the lease term, and depreciation shall be accrued during the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained when the lease term expires, depreciation shall be accrued during the shorter period of the lease term and the remaining useful life of the leased asset.

(3) Details refer to Section 8 Financial Reporting, V. Significant accounting policies and accounting estimates, 19 Impairment of non-current assets.

30. Work safety costs and maintenance fees

In accordance with relevant regulations, the Company recognises work safety costs and maintenance fees in accordance with the Administrative Measures for the Withdrawal and Use of Enterprise Work Safety Funds (Cai Zi 2022 No. 136).

Work safety costs and maintenance fees are included in the cost of the relevant products or profit or loss for the current period at the time of withdrawal, and are also included in the "specific reserve" account.

When the work safety costs and maintenance fees are used within the prescribed scope, if they are expenses, the specific reserve shall be directly deducted; If fixed assets are formed, the expenditure incurred is first aggregated through the "construction in progress" account, and recognised as fixed assets when the completion of the safety project reaches the intended state of use; At the same time, the specific reserve is deducted according to the cost of forming the fixed asset, and the accumulated depreciation of the same amount is recognised. The fixed asset is no longer depreciated in subsequent periods

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Repurchase of shares

The Company's repurchased shares are managed as treasury stocks before cancellation or transfer, all expenditures of repurchased shares are transferred to the cost of treasury stocks. The consideration paid and transaction costs of repurchased shares reduce the owner's equity, gains or losses is not recognised when repurchasing, transferring or canceling the shares of the Company.

On transfer of treasury stocks, the difference between the amount actually received and the carrying amount of treasury stocks is recorded in capital reserve. If capital reserve is insufficient for deduction, then the excess is deducting the surplus reserves and retained earnings. On retirement of treasury stocks, share capital is reduced by the par value of shares and number of shares canceled, the difference between the carrying amount of canceled treasury stocks and their par value is recorded in capital reserve. If the capital reserve is insufficient for deduction, then the excess is deducting the surplus reserves and retained earnings.

32. Hedge accounting

When initially specifying the hedging relationship, the Company officially designated the hedging instrument and the hedged item, and there are formal written documents to record the hedging relationship, risk management strategy and risk management objectives. The content record includes the hedging tools, the hedged items, nature of the hedged risk and method of hedge effectiveness evaluation.

The Company continuously evaluates the effectiveness of hedging, and judges whether the hedging meets the effectiveness requirements of using hedging accounting within the accounting period specified by the hedging relationship. If it is not satisfied, the hedging relationship is terminated. The use of hedging accounting should meet the following requirements for the effectiveness of hedging:

① There is an economic relationship between hedged items and hedging instruments.

② Among the changes in value caused by the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant.

③ The hedging ratio of the hedging relationship should be equal to the ratio of the actual number of hedged items of the enterprise to the actual number of hedging instruments, but it should not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance will lead to invalid hedges and may produce accounting results that are inconsistent with the hedge accounting objectives.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Hedge accounting (Continued)

If one of the following situations occurs in the Company, the use of hedge accounting will be terminated:

① Due to changes in risk management objectives, the hedging relationship no longer meets the risk management objectives.

② The hedging instrument has expired, is sold, the contract is terminated or has been exercised.

③ There is no longer an economic relationship between the hedged item and the hedging instrument, or in the value change caused by the economic relationship between the hedged item and the hedging instrument, the impact of credit risk begins to dominate.

④ The hedging relationship no longer satisfies other conditions for using hedging accounting methods.

Fair value hedge

Fair value hedging refers to the hedging of the Company's recognized assets or liabilities, unrecognized confirmed commitments, or the exposure to changes in fair value of the above items, which originates from a specific risk and will affect profit or loss or other comprehensive income of the Company.

For the fair value hedging, the gains or losses generated by the hedging instrument are included in profit or loss for the current period. The gains or losses arising from the hedged risk exposure are included in profit or loss for the current period, and the book value of the recognised hedged items not measured at fair value is adjusted.

Where a hedged item is a financial instrument measured at amortized cost (or its component), the adjustment of the book value of the hedged item is amortized according to the actual interest rate recalculated on the starting amortization date and recorded into profit or loss for the current period.

If the hedged item is an unidentified confirmed commitment (or its component), the cumulative change of fair value caused by the hedged risk after the designation of the hedging relationship is recognized as an asset or liability, and the relevant gains or losses are included in profit or loss for the relevant period. When obtaining an asset or undertaking a liability, adjust the initial recognised amount of the asset or liability to include the cumulative change in the fair value of the recognized hedged item.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Hedge accounting (Continued)

Cash flow hedge

Cash flow hedging refers to hedging of cash flow change risk. The change in cash flow originates from the specific risks related to the recognised assets or liabilities, the expected transactions that are likely to occur, or the above-mentioned project components, and will affect profit or loss of the Company.

The profit or loss generated by the hedging instrument belongs to the effective part of the hedging, which is included in other comprehensive income as a cash flow hedge reserve. The portion that is invalid for hedging (that is, other gains or losses after deducting other comprehensive income) is included in profit or loss for the current period.

For cash flow hedging, the hedged item is an expected transaction, and the expected transaction causes the Company to subsequently confirm a non-financial asset or non-financial liability, or when the expected transaction of non-financial assets or non-financial liabilities forms a confirmed commitment applicable to fair value hedge accounting, the Company transfers out the cash flow hedge reserve amount originally recognised in other comprehensive income, and recorded in the initial recognition amount of the asset or liability.

For cash flow hedges that are not in the above situation, the Company transfers out the cash flow hedge reserve amount originally recognised in other comprehensive income in the same period in which the expected cash flow of the hedge affects profit or loss, and is included in profit or loss for the current period.

If the amount of cash flow hedge reserve recognised in other comprehensive income is a loss, and all or part of the loss is expected to be irreparable in the future accounting period, the Company will estimate the irreparability, then transfers the expected irreparable part out of other comprehensive income and include it in profit or loss for the current period.

When the Company terminates the use of hedging accounting for cash flow hedges, if the hedged future cash flow is expected to occur, the accumulated cash flow hedge reserve amount recognised in other comprehensive income will be retained until the expected transaction actually occurs. At the time, the accounting policy of the above cash flow hedging will be followed. If the hedged future cash flow is expected to no longer occur, the amount of accumulated cash flow hedge reserve recognised in other comprehensive income is transferred out of other comprehensive income and included in profit or loss for the current period. The hedged future cash flow expectations are no longer very likely to occur but may still be expected to occur. In the case where the expected still occurs, the accumulated cash flow hedge reserve amount is retained until the expected transaction actually occurs, and then following the above cash flow hedge accounting policy.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Changes in significant accounting policies and accounting estimates

(1) Significant changes in accounting policies

☐ Applicable ☑ Not applicable

(2) Changes in significant accounting estimates

☐ Applicable ☑ Not applicable

VI. TAXATION

1. Main types of taxes and corresponding tax rates

Tax type	Tax base	Statutory Tax rate (%)
Value-added tax	Taxable value-added amount	13, 9, 6
Urban maintenance and construction tax	On the bases of actual payments of turnover tax	7, 5
Educational surcharge	On the bases of actual payments of turnover tax	3
Local educational surcharge	On the bases of actual payments of turnover tax	2
Enterprise income tax	Taxable profit	Note

Note: The enterprise income tax rate of high-tech enterprises and development of western region enterprises is detailed in tax preferential treatment. Except for high-tech enterprises, development of western region enterprises, small low-profit enterprises and the following subsidiaries, all other taxable entities within the scope of consolidation are subject to an enterprise income tax rate of 25%.

VI. TAXATION (CONTINUED)

1. Main types of taxes and corresponding tax rates (Continued)

Taxable entities	Enterprise income tax rate (%)
Contemporary Amperex Technology (Hong Kong) Limited and other companies registered in Hong Kong	8.25、16.5
Contemporary Amperex Technology Canada Limited and other companies registered in Canada	27
Contemporary Amperex Technology (USA) Inc. and other companies registered in the USA	21-25.74
Contemporary Amperex Technology Hungary Korlátolt Felelősségű Társaság and other companies registered in Hungary	9-11.3
Cattat AG and other companies registered in Austria	23
Contemporary Amperex Technology Australia Pty Ltd.	30
CATL Investment International PTE. LTD. and other companies registered in Singapore	17
Contemporary Amperex Technology Japan KK.	44.49
Contemporary Amperex Technology Luxembourg S.à.r.l.	24.94
Contemporary Amperex Technology AG and other companies registered in Germany	30.175-32.975
PT Indonesia Puqing Recycling Technology and other companies registered in Indonesia	22
Contemporary Amperex Technology Mexico, S.A. DE C.V.	30
Brunp-CATL (Argentina) S.A.	25-35
Contemporary Ruiding Development Limited and other companies registered in BVI	0
Linergy Power Sdn. Bhd.	24
CATL Korea Co., Ltd.	9
Contemporary Amperex Technology (Uk) Limited	19
Contemporary Amperex Technology Italia s.r.l	27.9
Contemporary Amperex Technology South Africa (Pty) Ltd.	27
Contemporary Amperex Middle East Technology-L.L.C-S.P.C	0、9
Contemporary Amperex Technology Chile SpA.	27

VI. TAXATION (CONTINUED)

2. Tax preferential treatments

(1) Enterprise income tax

① The Company and several subsidiaries are recognised as high-tech enterprises. According to the relevant regulations of the "Enterprise Income Tax Law of the People's Republic of China" and "Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China" and other relevant regulations, the enterprise income tax enjoys a preferential rate 15%

No.	Company name	Effective tax rate	Preferential period
1	Contemporary Amperex Technology Co., Limited	15%	2023-2025
2	Guangdong Brunp Recycling Technology Co., Ltd.	15%	2025-2027
3	Hunan Brunp Recycling Technology Co., Ltd. (Note 1)	15%	2025-2027
4	Hunan Brunp Vehicle Recycling Technology Co., Ltd.	15%	2023-2025
5	Ningde Brunp Recycling Technology Co., Ltd.	15%	2023-2025
6	Pingnan Contemporary New Material Technology Co., Ltd.	15%	2025-2027
7	Contemporary Terapower (Shenzhen) Technology Co., Ltd.	15%	2023-2025
8	Contemporary Sicong New Material Co., Ltd.	15%	2023-2025
9	CATL-GAC EV Battery Co., Limited	15%	2023-2025
10	Xiamen Ampace Technology Limited	15%	2025-2027
11	Contemporary Amperex Xinan Energy Technology Limited	15%	2025-2027
12	Ningde Xicheng Technology Co., Ltd.	15%	2025-2027
13	Beijing Zhongke Brunp Recycling Technology Innovation Co., Ltd.	15%	2025-2027
14	Yichang Brunp Contemporary Amperex Co., Ltd.	15%	2025-2027
15	Contemporary Amperex Electric Ship Technology Limited	15%	2025-2027

VI. TAXATION (CONTINUED)

2. Tax preferential treatments (Continued)

(1) Enterprise income tax (Continued)

② According to the "Notice on the Implementation of the "Catalogue of Encouraged Industries in the Western Region" on Income Tax Issues" (State Administration of Taxation Announcement No. 14 of 2015), and the "Announcement on the Continuation of Corporate Income Tax Policies for the Development of the Western Region" (Ministry of Finance Announcement No. 23 of 2020), the preferential enterprise income tax policies for enterprises engaged in encouraged industries within the western region shall enjoy a reduced corporate income tax rate of 15%. This preferential policy will continue until 31 December 2030.

No.	Company name	Effective tax rate	Preferential period
1	Qinghai Contemporary Amperex Technology Limited	15%	January 2015 to December 2030
2	Sichuan Contemporary Amperex Technology Limited	15%	October 2019 to December 2030
3	Chengdu Xinjin Contemporary Amperex Technology Limited	15%	February 2021 to December 2030
4	CATL-GEELY EV (Sichuan) Battery Co., Limited	15%	September 2020 to December 2030
5	Chengdu Jintang Contemporary New Materials Technology Limited	15%	July 2021 to December 2030
6	Contemporary Amperex Technology (Guizhou) Co., Ltd.	15%	November 2021 to December 2030
7	CATL-Changan EV Battery Co., Ltd.	15%	June 2023 to December 2030
8	Yibin Chuangneng Test analysis & Technical service Co., Ltd.	15%	January 2024 to December 2030
9	Chuanyu Contemporary Amperex Technology (Chongqing) Limited	15%	March 2025 to December 2030

③ According to Hong Kong's tax regulations, for the tax year beginning after April 1, 2018, the profit tax rate for the first HKD2 million profits is 8.25%, and part of the profits exceeding HKD2 million is taxed at 16.5%.

VI. TAXATION (CONTINUED)

2. Tax preferential treatments (Continued)

(1) Enterprise income tax (Continued)

④ According to the decision of the Minister of Finance of The Republic of Indonesia on "Preferential Policies for Enterprise Income Tax Reduction and Exemption to PT. LANGIT Metal Industry", PT. LANGIT Metal Industry enjoys 100% enterprise income tax reduction and exemption within 10 years from the tax year when it starts commercial production, and third parties are exempted from withholding and paying taxes from the income obtained by PT. LANGIT Metal Industry, enjoy 50% enterprise income tax reduction within 2 years after the expiration of the above reduction.

⑤ According to the relevant provisions of "Announcement on the Enterprise Income Tax Policies for Promoting the High-quality Development of the Integrated Circuit Industry and the Software Industry" (No. 45 of 2020) by the Ministry of Finance, State Taxation Administration, National Development and Reform Commission, and Ministry of Industry and Information Technology, Contemporary Amperex Runzhi Software Technology Limited is a key software enterprise encouraged by the state. From the profit-making year, the enterprise income tax shall be exempted from the first year to the fifth year, and the enterprise income tax shall be levied at the reduced rate of 10% in the following years.

⑥ According to the Notice issued by the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on the Catalogue of Corporate Income Tax Incentives for Public Infrastructure Projects (2008 Edition), the income derived from the investment and operation of public infrastructure projects supported by the state, obtained by several subsidiaries of Contemporary Green Energy Limited, a subsidiary of the Company, is exempt from corporate income tax for the first to third years starting from the tax year in which the first production and business income is obtained, and is subject to a 50% reduction in corporate income tax for the fourth to sixth years.

⑦ Pursuant to the provisions of the Announcement on Tax Policies to Further Support the Development of Small and Micro Enterprises and Individual Businesses (Ministry of Finance and State Taxation Administration Announcement No. 12 2023), multiple subsidiaries of the Company qualify as small low-profit enterprises, eligible for calculating taxable income at a reduced rate of 25% and paying corporate income tax at a 20% rate. This preferential policy will remain in effect until December 31, 2027.

VI. TAXATION (CONTINUED)

2. Tax preferential treatments (Continued)

(1) Enterprise income tax (Continued)

⑧ Pursuant to Announcement No. 36 of 2021 issued jointly by the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, and the Ministry of Ecology and Environment, enterprises that purchase and actually use specialized equipment for environmental protection, energy conservation, water conservation, and work safety as specified in the "Catalogue of Preferential Corporate Income Tax Policies for Environmental Protection, Energy Conservation, and Water Conservation Projects (2021 Edition)" and the "Catalogue of Preferential Corporate Income Tax Policies for Comprehensive Resource Utilization (2021 Edition)" may offset 10% of the investment amount in such specialized equipment against the corporate income tax payable for the current year. The subsidiary Hunan Brunp Recycling Technology Co., Ltd. meets the above conditions and enjoyed the aforementioned tax preferential policies during the reporting period.

⑨ Pursuant to Article 33 of the Enterprise Income Tax Law of the People's Republic of China and relevant provisions of the Regulations for the Implementation of the Enterprise Income Tax Law (State Council Order No. 512), income derived by the subsidiaries Hunan Brunp Recycling Technology Co., Ltd. And Yichang Brunp Recycling Technology Co., Ltd. from producing non-restricted and non-prohibited products that meet national and industry standards, using resources specified in the Resource Comprehensive Utilization Enterprise Income Tax Preferential Catalog (2021 Edition) as primary raw materials, shall be subject to enterprise income tax at a reduced rate of 90% of the total income.

⑩ Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on Extending the Corporate Income Tax Preferential Policies for the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui 2021 No. 30) and the Notice of the Ministry of Finance and the State Taxation Administration on Corporate Income Tax Preferential Policies for the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui 2024 No. 13), The subsidiary Shenzhen Contemporary Amperex Supply Chain Co., Ltd. qualifies as an eligible enterprise established within the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone and is entitled to the preferential corporate income tax policy of a reduced 15% tax rate.

VI. TAXATION (CONTINUED)

2. Tax preferential treatments (Continued)

(1) Enterprise income tax (Continued)

⑪ Pursuant to the provisions of the Notice of the Ministry of Finance and the State Taxation Administration on Corporate Income Tax Policies for Key Industries in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone (Cai Shui 2020 No. 38) and the Administrative Measures for Qualification Certification of Corporate Income Tax Preferences for Key Industries in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone (Hu Cai Fa 2024 No. 12), the subsidiary Ruiting Contemporary Amperex Technology (Shanghai) Limited. qualifies for corporate and the "Administrative Measures for Qualification Recognition of Corporate Income Tax Preferences for Key Industries in the Lingang New Area of the China (Shanghai) Pilot Free Trade Zone" (Shanghai Finance Circular 2024 No. 12), the subsidiary Ruiting Contemporary Amperex Technology (Shanghai) Limited. qualifies as an enterprise in a key industry within the Lingang New Area. It shall enjoy the preferential policy of a reduced corporate income tax rate of 15% for a period of five years from the date of its establishment.

⑫ According to the Announcement of the State Taxation Administration of Hainan Province on Issues Concerning the Continuation of Implementing Preferential Corporate Income Tax Policies for Enterprises in the Hainan Free Trade Port (Announcement No. 2 of 2025 by the State Taxation Administration of Hainan Province), the subsidiary Haikou Runshi New Energy Co., Ltd. qualifies as an encouraged industry enterprise registered in the Hainan Free Trade Port (hereinafter referred to as the Free Trade Port) and conducting substantive operations. It is entitled to the preferential policy of being subject to a reduced corporate income tax rate of 15%.

VI. TAXATION (CONTINUED)

2. Tax preferential treatments (Continued)

(2) VAT

① According to the Announcement on Improving the Value-Added Tax Policy for Comprehensive Resource Utilization issued by the Ministry of Finance and the State Taxation Administration (Announcement No. 40 of 2021), taxpayers may enjoy the VAT refund upon collection policy when selling self-produced comprehensive resource utilization products or providing comprehensive resource utilization services. The sales revenue generated by the subsidiary Hunan Brunp Recycling Technology Co., Ltd. from the comprehensive utilization of waste batteries and their dismantled components falls within the scope of the VAT tax preferential catalog, qualifying for the VAT immediate collection and refund policy with a refund rate of 50%.

② According to "Notice of the Ministry of Finance and the State Administration of Taxation on the VAT Policy for Software Products" (Cai Shui 2011 No. 100), Contemporary Amperex Runzhi Software Technology Limited sell its self-developed and produced software products, it implements an immediate refund policy for the portion of its actual VAT tax burden exceeding 3%.

③ According to "Announcement of Advanced Manufacturing Enterprise Plus VAT Plus Deduction Policy" (No.43 of 2023), the company and subordinate high-tech enterprises, are allowed to have an additional deduction of 5% of the current deductible input tax as the deduction amount for VAT payable as advanced manufacturing enterprises from January 1,2023 to December 31,2027.

(3) Other taxes

① According to Article 3, Paragraph 4 of the "Jiangxi Province Resource Tax Applicable Tax Rate Scheme" approved at the 21st Meeting of the Standing Committee of the 13th Jiangxi Provincial People's Congress, Yichun Contemporary Amperex Mining Limited is eligible for a 50% reduction in resource tax on the taxable amount for the extraction of certain ores.

② Pursuant to the Notice on Imposing Consumption Tax on Batteries and Coatings (Cai Shui 2015 No. 16) issued by the Ministry of Finance and the State Taxation Administration, the Company and its subsidiaries engaged in the production and sale of lithium-ion batteries are classified as projects exempt from consumption tax and are entitled to the preferential policy of consumption tax exemption.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Bank balances, deposits and cash

Unit: RMB'000

Item	Closing balance	Opening balance
Cash	**435**	373
Bank deposit	**305,992,667**	274,816,769
Other bank balances	**27,519,824**	28,694,852
Total	**333,512,927**	303,511,993
Including: Total amount deposited overseas	**87,741,244**	35,198,866

Note: Except for the security deposits of RMB18,428,631 thousand and RMB461,587 thousand for pledged term deposits at the year end, there is no other mortgaged, pledged or frozen money, or deposits abroad and funds repatriation subjected to restriction.

2. Financial assets held for trading

Unit: RMB'000

Item	Closing balance	Opening balance
Wealth management products and structured deposits	**58,993,528**	14,282,253
Total	**58,993,528**	14,282,253

3. Derivative financial assets

Unit: RMB'000

Item	Closing balance	Opening balance
Hedging instruments	**1,133,502**	–
Total	**1,133,502**	–

Note:

The Company engages in hedging activities using instruments such as metal forwards and forward foreign exchange contracts. The closing balances represent the fair value of metal futures and forward foreign exchange contracts, as detailed in Section 8 Financial Reporting, XI. Risks associated with financial instruments, 3. Hedging.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Notes receivable

(1) Classification of Notes Receivable

Unit: RMB'000

Category	Closing balance	Opening balance
Commercial acceptance bills	**104,121**	–
Bank acceptance bills	**1,275,896**	130,403
Total	**1,380,016**	130,403

(2) Notes receivable that has been pledged as at 31/12/2025

Unit: RMB'000

Category	Pledged amount as at year end
Bank acceptance bills	**1,275,896**
Total	**1,275,896**

Note:

The notes receivable used for pledge or guarantee at the end of the period are detailed in Section 8 Financial Reporting, VII. Notes to the items of consolidated financial statements, 25.Assets with restricted ownership or usage rights.

(3) Notes receivable endorsed or discounted by the Company but not yet due at the end of the period

Unit: RMB'000

Category	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Commercial acceptance bills	**–**	**104,121**
Total	**–**	**104,121**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivable

(1) Disclosure by aging

Unit: RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**76,305,991**	64,578,043
1 to 2 years	**1,321,865**	1,237,842
2 to 3 years	**718,820**	185,572
Over 3 years	**870,010**	774,946
Total	**79,216,686**	66,776,402

(2) Disclosure by allowance method

Unit: RMB'000

	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts assessed on an individual basis	**844,470**	**1.07**	**844,470**	**100.00**	**-**	860,071	1.29	841,405	97.83	18,667
Provision for bad debts assessed on a collective basis	**78,372,216**	**98.93**	**1,968,952**	**2.51**	**76,403,264**	65,916,331	98.71	1,799,487	2.73	64,116,844
Including:										
Receivables from external customers	**78,372,216**	**98.93**	**1,968,952**	**2.51**	**76,403,264**	65,916,331	98.71	1,799,487	2.73	64,116,844
Total	**79,216,686**	**100.00**	**2,813,422**	**3.55**	**76,403,264**	66,776,402	100.00	2,640,892	3.95	64,135,510

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivable (Continued)

(2) Disclosure by allowance method (Continued)

Provision for bad debts assessed on an individual basis:

Unit: RMB'000

	Closing balance			
Name	**Book balance**	**Provision for bad debts**	**Expected credit loss rate (%)**	**Reason for provision**
Debtor 1	**424,005**	**424,005**	**100.00**	**Expected not recoverable**
Debtor 2	**213,383**	**213,383**	**100.00**	**Expected not recoverable**
Debtor 3	**45,585**	**45,585**	**100.00**	**Expected not recoverable**
Debtor 4	**45,389**	**45,389**	**100.00**	**Expected not recoverable**
Debtor 5	**18,352**	**18,352**	**100.00**	**Expected not recoverable**
Subtotal of others	**97,756**	**97,756**	**100.00**	**Expected not recoverable**
Total	**844,470**	**844,470**	**–**	**–**

Unit: RMB'000

	Opening balance			
Name	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason for provision
Debtor 1	449,885	449,885	100.00	Expected not recoverable
Debtor 2	213,383	213,383	100.00	Expected not recoverable
Debtor 3	46,621	46,621	100.00	Expected not recoverable
Debtor 4	45,389	45,389	100.00	Expected not recoverable
Debtor 5	25,465	6,798	26.70	Expected not fully recoverable
Subtotal of others	79,328	79,328	100.00	Expected not recoverable
Total	860,071	841,405	–	–

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivable (Continued)

(2) Disclosure by allowance method (Continued)

Provision for bad debts assessed on a collective basis:

Unit: RMB'000

	Closing balance		
Aging	**Book balance**	**Provision for bad debts**	**Expected credit loss rate (%)**
Within 1 year	**76,302,073**	**857,427**	**1.12**
1 to 2 years	**1,180,958**	**231,842**	**19.63**
2 to 3 years	**111,636**	**102,163**	**91.51**
Over 3 years	**777,548**	**777,521**	**100.00**
Total	**78,372,216**	**1,968,952**	**–**

Unit: RMB'000

	Opening balance		
Aging	Book balance	Provision for bad debts	Expected credit loss rate (%)
Within 1 year	64,452,484	752,810	1.17
1 to 2 years	610,440	214,287	35.10
2 to 3 years	147,031	126,013	85.71
Over 3 years	706,377	706,377	100.00
Total	65,916,331	1,799,487	–

Provisions for bad debts on accounts receivable calculated by the expected credit loss general model:

☐ Applicable ☑ Not applicable

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivable (Continued)

(3) Additions, recoveries or reversals of provision for bad debts during the reporting period

Additions of provision for bad debts:

Unit: RMB'000

Category	Opening balance	Changes in current period				Closing balance
		Addition	Withdrawal or recovery	Write-off	Others	
Provision for bad debts	2,640,892	**211,127**	**–**	**-31,379**	**-7,217**	**2,813,422**
Total	2,640,892	**211,127**	**–**	**-31,379**	**-7,217**	**2,813,422**

(4) Trade receivable that are actually written off during the year

Unit: RMB'000

Item	Written off Amount
Accounts receivable actually written off	**31,379**

(5) Trade receivable and contract assets due from the top five debtors as at 31/12/2025

Details of top five trade receivables and contract assets with the closing balances classified by debtors as at 31/12/2025 was totaling RMB20,995,793 thousand, which accounted for 26.38% of total trade receivable, and the corresponding provision for bad debts as at 31/12/2025 was totaling RMB260,799 thousand.

6. Contract assets

(1) Details of contract assets

Unit: RMB'000

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Contract assets	**381,935**	**6,467**	**375,468**	450,546	49,920	400,626
Total	**381,935**	**6,467**	**375,468**	450,546	49,920	400,626

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Contract assets (Continued)

(2) Disclosure by allowance method

Unit: RMB'000

	Closing balance					Opening balance				
	Book balance		Provisions			Book balance		Provisions		
Category	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying amount	Amount	Percentage (%)	Amount	Percentage of provision (%)	Carrying amount
Including:										
Loss allowance assessed on a collective basis	381,935	100.00	6,467	1.69	375,468	450,546	100.00	49,920	11.08	400,626
Including:										
Sale of goods	381,935	100.00	6,467	1.69	375,468	450,546	100.00	49,920	11.08	400,626
Total	381,935	100.00	6,467	1.69	375,468	450,546	100.00	49,920	11.08	400,626

Provision for bad debts calculated by the expected credit loss general model

☐ Applicable ☑ Not applicable

(3) Additions, recoveries or reversals of provision for impairment of contract assets during the reporting period

Unit: RMB'000

Item	Addition	Withdrawal or recovery	Write-off	Others	Reason
Provision for impairment of contract assets	-43,412	–	–	-41	–
Total	-43,412	–	–	-41	–

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Receivable financing

(1) Classification of receivable financing

Unit: RMB'000

Item	Closing balance	Opening balance
Notes receivable	**43,305,638**	53,427,774
Less: Other comprehensive income – change in fair value	**100,346**	118,073
Ending fair value	**43,205,292**	53,309,701

The Company discount and endorse part of the bank acceptance bills according to the needs of their daily fund management, so the bank acceptance bills are classified as financial assets measured at fair value through other comprehensive income.

The Company has no bank acceptance bills assessed for impairment individually. As at December 31, 2025, the Company believes that there is no material credit risk in the bank acceptance bills held by the Company and that there will be no material loss due to bank default.

(2) Notes receivable endorsed or discounted by the Company but not yet due at the balance sheet date

Unit: RMB'000

Category	The amount derecognised as of December 31, 2025	The amount not derecognised as of December 31, 2025
Bank acceptance bills	**68,880,369**	**–**
Total	**68,880,369**	**–**

Note: The acceptance bill used for discount and endorsement of bank acceptance bills is accepted by banks with higher credit rating. The credit risk and deferred payment risk are significantly small, and the interest rate risk related to the bills has been transferred to the bank and the discounting party.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables

Unit: RMB'000

Item	Closing balance	Opening balance
Dividends receivable	**77,327**	65,217
Other receivables	**2,042,443**	2,141,729
Total	**2,119,770**	2,206,947

(1) Dividends receivable

1) Classification of dividends receivable

Unit: RMB'000

Item (or investee)	Closing balance	Opening balance
Investee 1	**63,259**	64,696
Investee 2	**13,372**	–
Investee 3	**695**	–
Investee 4	**–**	522
Total	**77,327**	65,217

2) Disclosure by classification of bad debt provisioning methods

☐ Applicable ☑ Not applicable

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(2) Other receivables

1) Disclosure by nature

Unit: RMB'000

Nature	Closing balance	Opening balance
Receivables from employees	**235,809**	196,639
Security deposits or deposits	**1,052,953**	1,214,364
Other receivables	**1,312,498**	1,114,735
Total	**2,601,261**	2,525,738

2) Disclosure by aging

Unit: RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**999,950**	1,061,727
1 to 2 years	**376,512**	1,128,718
2 to 3 years	**992,291**	55,388
Over 3 years	**232,507**	279,905
Total	**2,601,261**	2,525,738

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(2) Other receivables (Continued)

3) Disclosure by allowance method

☑ Applicable ☐Not applicable

Provision for bad debts calculated by the expected credit loss general model:

Unit: RMB'000

Provision for bad debts	Stage 1 Expected credit losses in the next 12-month	Stage 2 Expected credit loss for lifetime (No credit impairment occurred)	Stage 3 Expected credit loss for lifetime (Credit impairment has occurred)	Total
Balance at 1/1/2025	**258,191**	**–**	**125,818**	**384,009**
Changes of the balance at 1/1/2025 during the year				
Provision for the year	**172,704**	**–**	**–**	**172,704**
Write-off in the year	**-1,126**	**–**	**–**	**-1,126**
Other changes	**3,231**	**–**	**–**	**3,231**
Balance at 31/12/2025	**432,999**	**–**	**125,818**	**558,817**

Basis for Stage Classification and Allowance for Bad Debts Provisioning Ratio

Significant Changes in Carrying Amounts for Loss Provisions During the Current Period

☐ Applicable ☑ Not applicable

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(2) Other receivables (Continued)

4) Additions, recoveries or reversals of provision for bad debts

Provision for Bad Debts for the Current Period:

Unit: RMB'000

Category	Opening balance	Changes in current period				Closing balance
		Addition	Withdrawal or recovery	Write-off	Others	
Provision for bad debts on other receivables	384,009	**172,704**	**–**	**-1,126**	**3,231**	**558,817**
Total	384,009	**172,704**	**–**	**-1,126**	**3,231**	**558,817**

5) Actual write-offs of other receivables for the current period

Unit: RMB'000

Item	Write-off amount
Actual write-offs of other receivables	**1,126**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other receivables (Continued)

(2) Other receivables (Continued)

6) Details of top five other receivables with the closing balances classified by debtors

Unit: RMB'000

Debtor	Nature	Closing balance	Aging	Percentage of total other receivables (%)	Provision for bad debts as at 31/12/2025
Debtor 1	Other receivables	610,000	2-3 years	23.45	153,598
Debtor 2	Security deposits or deposits	300,000	2-3 years	11.53	75,540
Debtor 3	Other receivables	113,131	Within 1 year	4.35	7,297
Debtor 4	Other receivables	100,000	Over 5 years	3.84	100,000
Debtor 5	Other receivables	91,649	1-2 years	3.52	12,198
Total		1,214,780		46.70	348,633

9. Prepayments

(1) Disclosure by aging

Unit: RMB'000

	Closing balance		Opening balance	
Aging	**Amount**	**Percentage (%)**	Amount	Percentage (%)
Within 1 year	**13,278,348**	**92.97**	5,246,232	87.88
Above 1 year	**1,003,988**	**7.03**	723,454	12.12
Total	**14,282,335**	**100.00**	5,969,685	100.00

Note: reasons for the failure to settle significant prepayments with an aging period exceeding one year: As of December 31, 2025, prepayments aged more than one year are mainly prepayments to suppliers that have not been settled.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Prepayments (Continued)

(2) Details of top five prepayments with the closing balances classified by debtors

Prepayments due from the top five debtors as at 31/12/2025 were totaling RMB9,095,405 thousand, which accounted for 63.68% of total prepayments.

10. Inventories

(1) Inventories by category

Unit: RMB'000

	Closing balance			Opening balance		
Item	**Book balance**	**Provision for decline in value/ Provision for impairment of costs to fulfil a contract**	**Carrying amount**	Book balance	Provision for decline in value/ Provision for impairment of costs to fulfil a contract	Carrying amount
Raw materials	**13,268,735**	**1,996,339**	**11,272,396**	10,991,607	1,191,496	9,800,111
Work in progress	**311,958**	**10,805**	**301,153**	613,930	17,225	596,705
Finished goods	**26,077,234**	**3,462,601**	**22,614,633**	14,339,799	3,492,673	10,847,126
Reusable materials	**651,058**	**45,455**	**605,603**	435,684	33,396	402,289
Costs to fulfil a contract	**5,331,621**	**–**	**5,331,621**	3,684,683	–	3,684,683
Goods in transit	**40,147,908**	**1,473,120**	**38,674,787**	24,654,769	840,908	23,813,861
Semi-finished goods	**13,032,414**	**651,858**	**12,380,556**	7,974,293	450,573	7,523,720
Materials for consigned processing	**3,421,761**	**76,270**	**3,345,491**	3,199,951	32,913	3,167,038
Total	**102,242,688**	**7,716,449**	**94,526,239**	65,894,717	6,059,183	59,835,533

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Inventories (Continued)

(2) Provision for inventory and contract costs

Unit: RMB'000

Item	Opening balance	Increase		Decrease		Closing balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	1,191,496	**2,643,333**	**218**	**1,838,708**	**–**	**1,996,339**
Work in progress	17,225	**–**	**–**	**5,512**	**907**	**10,805**
Finished goods	3,492,673	**4,476,015**	**4,479**	**4,510,565**	**–**	**3,462,601**
Reusable materials	33,396	**44,799**	**–**	**31,938**	**802**	**45,455**
Goods in transit	840,908	**4,549,390**	**–**	**3,909,972**	**7,205**	**1,473,120**
Semi-finished goods	450,573	**1,006,158**	**–**	**804,679**	**194**	**651,858**
Materials for consigned processing	32,913	**1,320,042**	**–**	**1,276,686**	**–**	**76,270**
Total	6,059,183	**14,039,737**	**4,697**	**12,378,060**	**9,108**	**7,716,449**

Category	Specific basis for determining net realizable value/residual consideration and costs to be incurred	Reason of reversal or write-off of provision for decline in value and provision for impairment of costs to fulfil a contract
Raw materials	Estimated selling price deducting estimated cost to completion and related taxes	Taken to use or reversal on sales
Work in progress	Estimated selling price deducting estimated cost to completion and related taxes	Taken to use
Reusable materials	Estimated selling price deducting estimated cost to completion and related taxes	Taken to use or reversal on sales
Finished goods	Estimated selling price deducting related taxes	Reversal due to sales
Goods in transit	Estimated selling price deducting related taxes	Reversal due to sales
Semi-finished goods	Estimated selling price deducting estimated cost to completion and related taxes	Taken to use or reversal on sales
Materials for consigned processing	Estimated selling price deducting estimated cost to completion and related taxes	Taken to use or reversal on sales

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Non-current assets due within one year

Unit: RMB'000

Item	Closing balance	Opening balance
Long-term receivables due within 1 year	**169,898**	72,972
Total	**169,898**	72,972

12. Other current assets

Unit: RMB'000

Item	Closing balance	Opening balance
Input VAT	**11,187,625**	6,168,120
Others	**1,191,679**	118,346
Total	**12,379,304**	6,286,465

13. Other equity instruments investments

Unit: RMB'000

Item	Closing balance	Opening balance	Gains recognised in other comprehensive income in the current period	Losses recognised in other comprehensive income in the current period	The cumulative gains recognised in other comprehensive income as at 31/12/2025	The cumulative losses recognised in other comprehensive income as at 31/12/2025	Income from dividends recognised in the current period	The reason for designating as at fair value through other comprehensive income
Investment in listed equity instruments	**11,769,745**	6,141,783	**6,331,675**	**41,935**	**7,256,957**	**442,832**	**89,983**	Hold for the long term
Investment in unlisted equity instruments	**4,527,107**	5,759,118	**791,576**	**526,095**	**955,129**	**1,324,891**	**25,064**	Hold for the long term
Total	**16,296,853**	11,900,901	**7,123,251**	**568,030**	**8,212,086**	**1,767,723**	**115,047**	

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other equity instruments investments (Continued)

Derecognition in the current period

Unit: RMB'000

Item	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reasons for derecognition
Investment in listed equity instruments	993,657	10,795	Disposal
Investment in unlisted equity instruments	39,850	551,264	Disposal
Total	1,033,507	562,059	

Disclosure of non-trading equity instrument investments for the current period by classification

Unit: RMB'000

Item	Income from dividends	Cumulative gains	Cumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for designation as measured at fair value with changes recognized in other comprehensive income	Reason for transfer of other comprehensive income to retained earnings
Investment in listed equity instruments	89,983	7,256,957	442,832	982,863	Hold for the long term	Changes in shareholdings
Investment in unlisted equity instruments	25,064	955,129	1,324,891	-511,414	Hold for the long term	Changes in shareholdings
Total	115,047	8,212,086	1,767,723	471,449		

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term receivables

(1) Details of long-term receivables

Unit: RMB'000

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provisions for bad debts	Carrying amount	Book balance	Provisions for bad debts	Carrying amount	
Financing lease	**601,290**	**45,213**	**556,077**	232,090	7,777	224,314	3.5%-11.82%
Including: Unrealized financing income	**-96,081**	**-**	**-96,081**	-13,710	-	-13,710	
Less: Long-term receivables due within 1 year	**212,453**	**42,556**	**169,898**	74,316	1,344	72,972	
Total	**388,837**	**2,657**	**386,180**	157,774	6,432	151,342	

(2) Additions, recoveries or reversals of provision for bad debts of long-term receivables

Unit: RMB'000

Category	Opening balance	Changes in current period				Closing balance
		Addition	Withdrawal or recovery	Write-off	Others	
Provision for bad debts on long-term receivables	6,432	**34,755**	**-**	**-**	**-38,530**	**2,657**
Total	6,432	**34,755**	**-**	**-**	**-38,530**	**2,657**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term equity investments

Unit: RMB'000

Investee	Opening balance	Provision for impairment as at 31/12/2024	Changes in current period								Closing balance	Provision for impairment as at 31/12/2025
			Addition	Reduction	Investment income under equity method	Adjustment to other comprehensive income	Change in other equity	Declared distribution of cash dividend or profit	Provision for impairment	Others		
Fujian Contemporary Mindong New Energy Industry Equity Investment Partnership (Limited Partnership)	463,791	-	-	-	-7,750	-	-	-	-	-	456,041	-
Futian Contemporary Amperex Technology Co., Ltd.	99,554	-	-	-	2,164	-	-	-	-	-	101,717	-
Fujian Times Zeyuan Equity Investment Fund Partnership (Limited Partnership)	700,000	-	-	-	-5,902	-	-	-	-	-	694,098	-
Other joint ventures	201,149	-	243,000	-	-1,562	-	4,804	-8,816	-	-	438,575	-
Subtotal	1,464,494	-	243,000	-	-13,051	-	4,804	-8,816	-	-	1,690,431	-
PT Sumberdaya Arindo	3,083,679	-	-	-	322,389	-	-	-69,514	-	-74,570	3,261,984	-
Newstride Limited	1,313,844	-	-	133,718	125,686	-	-	-45,253	-	-28,391	1,232,168	-
Livit Life Insurance Co., Ltd.	991,915	-	-	-	122,705	128,323	-	-	-	-	1,242,944	-
Shanghai Jieneng Zhidian New Energy Technology Co., Ltd.	752,725	-	-	-	5,168	-	-	-1,600	-	-	756,293	-
Guizhou Phosphating New Energy Technology Co., Ltd.	632,644	-	-	-	-124,473	-	-	-	-	-	508,171	-
Fujian Ningde Zhixiang Unlimited Technology Co., Ltd.	417,761	138,113	-	-	68,650	-	-44,190	-	-	-	442,221	138,113
Suzhou CATH Energy Technology Co., Ltd.	416,383	-	-	-	17,440	538	-	-	-	-	434,361	-
Beijing Chaboshi Technology Co., Ltd.	406,683	-	-	-	7,704	-	-	-	-	-	414,387	-
United Auto Battery System Co., Ltd.	278,206	-	-	-	24,041	-	-	-80,469	-	-	221,777	-
Investments in listed companies and certain subsidiaries of listed companies	40,429,036	682,626	3,292,145	2,366,027	6,643,806	18,410	286,985	-1,359,563	-	-84,040	46,860,751	682,626
Other associates	4,604,156	217,884	3,120,893	-	72,451	-	78,437	-19,176	-	-37,929	7,818,832	48,565
Subtotal	53,327,031	1,038,624	6,413,038	2,499,746	7,285,568	147,272	321,232	-1,575,575	-	-224,930	63,193,889	869,304
Total	54,791,525	1,038,624	6,656,038	2,499,746	7,272,517	147,272	326,035	-1,584,391	-	-224,930	64,884,321	869,304

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term equity investments (Continued)

The recoverable amount is determined by the net value, which is calculated by the fair value less disposal costs.

☐ Applicable ☑ Not applicable

The recoverable amount is determined based on the present value of estimated future cash flows.

☐ Applicable ☑ Not applicable

The reasons for any significant discrepancies between the aforementioned information and that utilised in impairment tests of prior years, or external information.

16. Other non-current financial assets

Unit: RMB'000

Item	**Closing balance**	Opening balance
Equity investments at fair value through profit or loss	**2,882,264**	3,135,658
Total	**2,882,264**	3,135,658

17. Fixed Assets

Unit: RMB'000

Item	**Closing balance**	Opening balance
Fixed Assets	**146,400,592**	112,589,053
Total	**146,400,592**	112,589,053

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Fixed Assets (Continued)

(1) Details of fixed assets

Unit: RMB'000

Item	Properties and buildings	Machinery	Transportation equipment	Electronic equipment	Special equipment	Other equipment	Total
I. Cost:							
1. Opening balance	66,146,133	113,452,434	339,815	2,605,653	3,335,095	431,862	186,310,991
2. Increase	20,205,505	36,849,409	36,776	548,119	3,493,017	1,306,638	62,439,464
(1) Purchase	–	324,034	13,499	16,098	1,982	446,915	802,528
(2) Transfer from construction in progress	19,613,888	36,165,494	19,900	503,719	3,482,117	831,122	60,616,240
(3) Other addition	591,616	359,881	3,377	28,303	8,918	28,601	1,020,696
3. Decrease	367,791	4,695,020	87,792	26,109	156,372	14,255	5,347,340
(1) Disposal or scrapping	290,355	4,406,430	8,881	25,501	30,968	7,801	4,769,936
(2) Other decrease	77,436	288,590	78,911	608	125,405	6,454	577,403
4. Closing balance	85,983,846	145,606,823	288,799	3,127,663	6,671,740	1,724,244	243,403,115
II. Accumulated depreciation							
1. Opening balance	8,200,773	56,897,503	168,465	1,611,419	229,325	274,473	67,381,957
2. Increase	3,963,545	19,661,375	30,800	467,659	329,849	188,480	24,641,708
(1) Accrual	3,820,050	19,523,332	29,860	449,823	329,008	170,707	24,322,780
(2) Other addition	143,495	138,044	940	17,836	841	17,773	318,928
3. Decrease	256,328	3,246,358	31,344	21,190	98,818	11,009	3,665,046
(1) Disposal or scrapping	231,215	3,223,084	6,725	20,479	3,289	7,162	3,491,954
(2) Other decrease	25,113	23,274	24,618	711	95,529	3,847	173,092
4. Closing balance	11,907,989	73,312,520	167,921	2,057,888	460,356	451,945	88,358,619
III. Provision for impairment							
1. Opening balance	1,423,195	4,760,458	1,816	311	152,426	1,774	6,339,980
2. Increase	672,578	2,498,123	130	717	2,522	35,182	3,209,253
(1) Accrual	233,930	2,423,322	–	186	2,522	32	2,659,992
(2) Other addition	438,648	74,801	130	531	–	35,151	549,261
3. Decrease	–	751,126	1,516	238	152,426	23	905,329
(1) Disposal or scrapping	–	751,126	1,516	238	152,426	23	905,329
4. Closing balance	2,095,774	6,507,455	430	790	2,522	36,934	8,643,904
IV. Carrying amount							
1. Carrying amount as at 31/12/2025	71,980,083	65,786,848	120,448	1,068,984	6,208,862	1,235,366	146,400,592
2. Carrying amount as at 31/12/2024	56,522,165	51,794,473	169,534	993,923	2,953,345	155,614	112,589,053

Note: The fixed assets used for mortgages at the end of the period are detailed in Section 8 Financial Reporting, VII. Notes to the items of consolidated financial statements, 25. Assets with restricted ownership or usage rights.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Fixed Assets (Continued)

(2) Fixed assets with outstanding certificates of title

Unit: RMB'000

Item	Carrying amount	Reason of no property right registration
Fuding Contemporary Buildings	5,504,788	Application in process
Guangdong Brunp Buildings	2,940,933	Application in process
Guizhou Technology Buildings	1,683,034	Application in process
Xinye Development Park Buildings	1,603,754	Application in process
Shandong Contemporary Buildings	1,493,006	Application in process
Xiamen Contemporary Buildings	1,389,108	Application in process
Zhongzhou Contemporary Buildings	1,066,355	Application in process
Others	2,638,581	Application in process
Total	18,319,559	

(3) Impairment testing of fixed assets

☑ Applicable ☐Not applicable

The recoverable amount is determined by the net value, which is calculated by the fair value less disposal costs.

☐ Applicable ☑ Not applicable

The recoverable amount is determined based on the present value of estimated future cash flows.

☑ Applicable ☐Not applicable

Unit: RMB'000

Item	Carrying amount	Recoverable amount	Provision for impairment	Projection period	Key parameters for the projection period	Key parameters for the stabilization period	Basis for determining key parameters for the stabilization period
Battery production-related and other fixed assets	2,865,508	205,516	2,659,992	Battery production related and other fixed assets are based on management's projected cash flows over the next five years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: based on management's expectations of market developments Discount rate: a rate of return that reflects the current market time value of money and the risks specific to the underlying asset group

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Construction in progress

Unit: RMB'000

Item	Closing balance	Opening balance
Construction in progress	**29,733,108**	29,754,703
Total	**29,733,108**	29,754,703

Note: Construction in progress used for mortgages or guarantee at the end of the period are detailed in Section 8 Financial Reporting, VII. Notes to the items of consolidated financial statements, 25. Assets with restricted ownership or usage rights.

(1) Details of construction in progress

Unit: RMB'000

	Closing balance			Opening balance		
Item	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Overseas	**10,902,548**	**12,081**	**10,890,467**	11,030,017	–	11,030,017
East China	**6,867,337**	**139,928**	**6,727,410**	6,068,323	440,577	5,627,746
Central China	**5,890,546**	**681,718**	**5,208,828**	9,691,501	–	9,691,501
Southwest China	**3,536,487**	**–**	**3,536,487**	733,856	–	733,856
South China	**2,619,971**	**–**	**2,619,971**	2,335,906	–	2,335,906
Other Regions	**749,945**	**–**	**749,945**	335,677	–	335,677
Total	**30,566,835**	**833,728**	**29,733,108**	30,195,280	440,577	29,754,703

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Construction in progress (Continued)

(2) Changes in the significant construction in progress:

Unit: RMB'000

Project	Budget	Opening balance	Increased this year	Transferred to fixed assets	Other decreases	Closing balance	Percentage of current input over budget	Progress	Accumulated amount of interest capitalization	Including: Current interest capitalization amount	Interest capitalization rate of the current period	Fund Resource
Overseas	51,995,000	3,769,904	2,769,522	177,974	-	6,361,452	11.23%	Under construction	-	-	-	Self-raised
Southwest China	24,000,000	56,752	2,724,655	636,236	-	2,145,172	23.67%	Under construction	-	-	-	Self-raised
Total	75,995,000	3,826,657	5,494,177	814,209	-	8,506,624	-		-	-	-	

(3) Provision for impairment of construction in progress

Unit: RMB'000

Item	Opening balance	Addition	Decrease	Closing balance	Reasons for provision
Construction in progress related to lithium battery materials	440,577	811,008	417,858	833,728	
Total	440,577	811,008	417,858	833,728	–

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Construction in progress (Continued)

(4) Impairment testing of construction in progress

☑ Applicable ☐Not applicable

The recoverable amount is determined by the net value, which is calculated by the fair value less disposal costs.

☐ Applicable ☑ Not applicable

The recoverable amount is determined based on the present value of estimated future cash flows.

☑ Applicable ☐Not applicable

Unit: RMB'000

Item	Carrying amount	Recoverable amount	Provision for impairment	Projection period	Key parameters for the projection period	Key parameters for the stabilization period	Basis for determining key parameters for the stabilization period
Construction in progress related to lithium battery and other related construction in progress	1,074,679	263,671	811,008	Battery production related and other construction in progress are based on management's projected cash flows over the next five years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: based on management's expectations of market developments Discount rate: a rate of return that reflects the current market time value of money and the risks specific to the underlying asset group

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Right-of-use assets

(1) Details of right-of-use assets

Unit: RMB'000

Item	Plant and buildings	Machinery and Equipment	Total
I. Cost:			
1. Opening balance	1,271,806	10,229	1,282,035
2. Additions in the current period	2,709,205	84,229	2,793,434
Newly increased lease	2,709,205	84,229	2,793,434
3. Decreases in the current period	149,495	389	149,884
Disposal	149,495	389	149,884
4. Closing balance	3,831,516	94,069	3,925,585
II. Accumulated depreciation			
1. Opening balance	389,056	2,984	392,040
2. Additions in the current period	330,628	6,739	337,367
Accrual	330,628	6,739	337,367
3. Decreases in the current period	72,399	389	72,788
Disposal	72,399	389	72,788
4. Closing balance	647,285	9,335	656,619
III. Impairment provision			
1. Opening balance	–	–	–
2. Additions in the current period	–	–	–
Accrual	–	–	–
3. Decreases in the current period	–	–	–
Disposal	–	–	–
4. Closing balance	–	–	–
VI. Carrying Value			
1. Carrying Amount as at 31/12/2025	3,184,231	84,735	3,268,966
2. Carrying Amount as at 31/12/2024	882,750	7,245	889,995

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Intangible assets

(1) Details of intangible assets

Unit: RMB'000

Item	Land use rights	Patent right and non-patented technology	Software	Mining and prospecting rights	Benchmark and domain	Total
I. Cost						
1. Opening balance	10,375,531	907,806	789,928	8,036,589	62,730	20,172,583
2. Increase	1,297,561	5,782	185,844	12,218	–	1,501,405
(1) Purchase	1,271,884	5,761	185,844	11,226	–	1,474,715
(2) Other addition	25,677	21	–	991	–	26,690
3. Decrease	79,495	85,726	55,441	–	–	220,663
(1) Disposal	68,960	16,981	55,441	–	–	141,383
(2) Other decrease	10,535	68,745	–	–	–	79,280
4. Closing balance	11,593,596	827,862	920,330	8,048,806	62,730	21,453,325
II. Accumulated amortization						
1. Opening balance	772,814	467,046	415,885	38,572	–	1,694,317
2. Increase	247,264	89,509	160,807	14,721	–	512,301
(1) Accrual	247,264	89,502	160,513	14,721	–	512,000
(2) Other addition	–	7	295	–	–	301
3. Decrease	21,596	11,411	52,561	–	–	85,569
(1) Disposal or scrapping	2,865	8,338	52,553	–	–	63,756
(2) Other decrease	18,732	3,073	8	–	–	21,813
4. Closing balance	998,481	545,144	524,131	53,293	–	2,121,049
III. Impairment provision						
1. Opening balance	489,351	–	–	3,569,111	–	4,058,463
2. Additions in the current period	6,666	–	3,273	–	–	9,939
(1) Accrual	–	–	3,273	–	–	3,273
(2) Other addition	6,666	–	–	–	–	6,666
3. Decrease	–	–	–	–	–	–
4. Closing balance	496,017	–	3,273	3,569,111	–	4,068,402
VI. Carrying Amount						
1. Carrying Amount as at 31/12/2025	10,099,098	282,718	392,927	4,426,402	62,730	15,263,875
2. Carrying Amount as at 31/12/2024	9,113,365	440,760	374,043	4,428,905	62,730	14,419,804

① The intangible assets used for mortgages at the end of the period are detailed in Section 8 Financial Reporting, VII. Notes to the items of consolidated financial statements, 25. Assets with restricted ownership or usage rights.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Intangible assets (Continued)

(2) Land use rights with outstanding certificates of title

Unit: RMB'000

Item	Book value	Reason of no property right registration
Yichun Resources Buildings	352,719	Application in process

(3) Impairment testing of intangible assets

☑ Applicable ☐Not applicable

The recoverable amount is determined by the net value, which is calculated by the fair value less disposal costs.

☐ Applicable ☑ Not applicable

The recoverable amount is determined based on the present value of estimated future cash flows.

☑ Applicable ☐Not applicable

Unit: RMB'000

Item	Carrying amount	Recoverable amount	Provision for impairment	Projection period	Key parameters for the projection period	Key parameters for the stabilization period	Basis for determining key parameters for the stabilization period
Other intangible assets with indications of impairment	5,485	2,212	3,273	Other intangible assets are based on the cash flows expected by management over the next five years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: based on management's expectations of market developments Discount rate: a rate of return that reflects the current market time value of money and the risks specific to the underlying asset group

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Goodwill

(1) Book value of goodwill

Unit: RMB'000

Names of investee or matter giving rise to goodwill	Opening balance	Increase		Decrease		Closing balance
		Business consolidation	Others	Disposal	Others	
PT Feni Haltim	242,000	–	–	–	5,373	236,627
LANGTI International Holding Limited	203,746	–	–	–	4,524	199,222
GCTL Battery Technology Co., Ltd.	181,080	–	–	–	–	181,080
Jiangsu Lithitech Technology Co., Ltd.	176,668	–	–	–	–	176,668
Guangdong Brunp Recycling Technology Co., Ltd.	100,419	–	–	–	–	100,419
Longyan Sicong New Material Co., Ltd.	47,533	–	–	–	–	47,533
Others	119,979	–	–	–	–	119,979
Total	1,071,425	–	–	–	9,897	1,061,529

(2) Provision for impairment of goodwill

Unit: RMB'000

Names of investee or matter giving rise to goodwill	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Disposal	Others	
Jiangsu Lithitech Technology Co., Ltd.	176,668	–	–	–	–	176,668
Longyan Sicong New Material Co., Ltd.	–	47,533	–	–	–	47,533
Total	176,668	47,533	–	–	–	224,201

Note: The Company calculates the recoverable amount of an asset group using the method of the present value of the expected future cash flows. Management prepares financial budgets based on past performance and its expectations of market developments. Cash flows for the next five years are forecasted based on the financial budgets, with subsequent years' cash flows calculated using a perpetual model (assuming a 0% growth rate). The pre-tax discount rate used to calculate the present value of future cash flows is 12.38%. Based on the results of the impairment test, the provision for impairment of goodwill is RMB47,533 thousand at the end of the current period.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Long-term deferred expenses

Unit: RMB'000

Item	Opening balance	Increase in current period	Amortization in current period	Other decreases	Closing balance
Project reconstruction expenditure	565,544	**370,138**	**171,822**	**–**	**763,860**
Outdoor facilities	3,782,616	**1,249,826**	**1,449,488**	**–**	**3,582,953**
Others	245,820	**511,203**	**143,198**	**–**	**613,825**
Total	4,593,980	**2,131,167**	**1,764,508**	**–**	**4,960,638**

23. Deferred tax assets and deferred tax liabilities

(1) Gross deferred tax assets

Unit: RMB'000

Item	Closing balance		Opening balance	
	Deductible temporary differences	**Deferred tax assets**	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	**15,593,700**	**2,733,865**	10,201,921	1,795,928
Unrealised profit on intra-group transactions	**17,178,895**	**2,736,969**	10,345,733	1,617,008
Provision for after-sales comprehensive service fee	**50,183,503**	**7,749,454**	38,703,505	6,051,187
Accrued rebates	**33,680,884**	**5,052,133**	31,625,749	4,744,488
Deferred income	**18,754,414**	**3,409,128**	12,642,722	2,716,857
Employee benefits payable	**17,469,959**	**2,759,088**	16,597,810	2,730,339
Others	**35,639,060**	**6,636,178**	24,331,828	4,463,026
Total	**188,860,415**	**31,076,815**	144,449,268	24,118,834

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Deferred tax assets and deferred tax liabilities (Continued)

(2) Gross deferred tax liabilities

Unit: RMB'000

	Closing balance		Opening balance	
Item	**Taxable temporary differences**	**Deferred tax liabilities**	Taxable temporary differences	Deferred tax liabilities
Fair value change of other equity instruments investments	**6,766,279**	**1,269,288**	2,778,468	418,818
Unrecognized financing gains	**1,566,048**	**234,907**	1,200,066	180,010
Others	**10,835,741**	**2,324,591**	3,171,532	632,408
Total	**19,168,068**	**3,828,787**	7,150,066	1,231,236

(3) The net amounts of deferred tax assets and liabilities after offsetting

Unit: RMB'000

Item	**Amount of offsetting**	Balance after set-off
Deferred tax assets	**2,906,532**	28,170,283
Deferred tax liabilities	**2,906,532**	922,254

(4) Deferred tax assets not recognised

Unit: RMB'000

Item	**Closing balance**	Opening balance
Deductible temporary differences	**13,533,877**	9,039,818
Deductible losses	**10,014,925**	6,149,671
Total	**23,548,801**	15,189,489

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Deferred tax assets and deferred tax liabilities (Continued)

(5) Expiry of deductible tax losses for which deferred tax assets have not been recognised

Unit: RMB'000

Year	Closing balance	Opening balance
2025	–	12,917
2026	**200,394**	201,446
2027	**735,548**	744,617
2028	**1,598,350**	1,741,658
2029	**2,922,761**	2,960,819
2030 and thereafter	**4,557,871**	488,214
Total	**10,014,925**	6,149,671

Note: According to the State Administration of Taxation "Announcement concerning the extension of the period for carrying forward of losses for high-tech enterprises and small and medium-sized enterprises in industry of science and technology"(Notice No. 45 of 2018), some high-tech subsidiaries of the Company have extended the period for carrying forward and covering losses to 10 years.

24. Other non-current assets

Unit: RMB'000

	Closing balance			Opening balance		
Item	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prepayment for construction and equipment	**12,192,925**	**29,944**	**12,162,981**	8,504,151	–	8,504,151
Long-term prepayment, deposit	**8,954,925**	**–**	**8,954,925**	10,643,385	–	10,643,385
Long-term receivables	**125,106**	**–**	**125,106**	127,947	–	127,947
Fixed-term deposit	**2,018,582**	**–**	**2,018,582**	–	–	–
Total	**23,291,539**	**29,944**	**23,261,595**	19,275,483	–	19,275,483

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Assets with restricted ownership or usage rights

Unit: RMB'000

	As at 31/12/2025				As at 31/12/2024			
Item	Book balance	Carrying amount	Restricted Type	Reason of restriction	Book balance	Carrying amount	Restricted Type	Reason of restriction
Restricted cash	**18,890,217**	**18,890,217**	**Pledge**	**Guarantees and pledged fixed deposits**	23,339,555	23,339,555	Pledge	Guarantees and pledged fixed deposits
Notes receivable	**1,275,896**	**1,275,896**	**Pledge**	**Pledged but not matured notes receivable**	130,403	130,403	Pledge	Pledged but not matured notes receivable
Fixed assets	**7,245,087**	**5,286,315**	**Mortgage**	**Obtaining syndicated bank credit and loans by pledging machinery, equipment and buildings as collateral**	8,279,530	6,795,491	Mortgage	Obtaining syndicated bank credit and loans by pledging machinery, equipment and buildings as collateral
Intangible assets	**1,541,279**	**1,418,992**	**Mortgage**	**Obtaining comprehensive bank credit and loans using land use rights as collateral**	1,657,548	1,550,127	Mortgage	Obtaining comprehensive bank credit and loans using land use rights as collateral
Construction in progress	**35,801**	**35,801**	**Mortgage**	**Obtaining bank loans by construction in progress as collateral**	334,977	334,977	Mortgage	Obtaining bank loans by construction in progress as collateral
Equity investments (including equity investments)	**11,893,863**	**11,893,863**	**Restriction on sale**	**Restricted Shares**	2,712,227	2,712,227	Restriction on sale	Restricted Shares
Trade receivables	**13,065**	**11,750**	**Pledge**	**Obtaining syndicated bank credit and loans by pledging receivable**	2,028	2,000	Pledge	Obtaining syndicated bank credit and loans by pledging receivable
Total	**40,895,208**	**38,812,834**			36,456,268	34,864,780		

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Short-term borrowings

Unit: RMB'000

Item	Closing balance	Opening balance
Pledge borrowings	**–**	52,900
Guaranteed borrowings	**1,794,739**	–
Unsecured borrowings	**11,140,759**	19,643,382
Total	**12,935,498**	19,696,282

Notes on the Classification of Short-term borrowings:

For the Pledge and mortgaged assets, details refer to Section 8 of the Financial Report, VII. Notes to the Consolidated Financial Statements, 25. Assets Subject to Restrictions on Ownership or Use.

27. Derivative financial liabilities

Unit: RMB'000

Item	Closing balance	Opening balance
Hedging instruments	**393,224**	2,116,017
Total	**393,224**	2,116,017

Note: The Company carries out hedging business with contracts such as metal forward and forward settlement and sale of foreign exchange as hedging instruments, and the ending balance represents the fair value of contracts such as metal forward and forward settlement and sale of foreign exchange, as detailed in Section 8, Financial Reporting, XI. Risks Associated with Financial Instruments, 3, Hedging.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Notes payable

Unit: RMB'000

Category	Closing balance	Opening balance
Bank acceptance bills	**99,414,745**	66,386,929
Commercial acceptance bills	**3,862,254**	969,394
Total	**103,276,999**	67,356,323

Note: At the end of the reporting period, there are no overdue notes payable.

29. Trade payable

(1) Disclosure by nature

Unit: RMB'000

Item	Closing balance	Opening balance
Purchase of goods	**134,821,193**	112,120,161
Construction and equipment payables	**25,507,769**	18,857,247
Total	**160,328,962**	130,977,408

(2) Disclosure by aging

Unit: RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**156,552,418**	125,090,504
Above 1 year	**3,776,544**	5,886,904
Total	**160,328,962**	130,977,408

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Other payables

Unit: RMB'000

Item	Closing balance	Opening balance
Dividend payable	–	5,400,161
Other payables	**10,504,098**	10,761,762
Total	**10,504,098**	16,161,923

(1) Dividend payable

Unit: RMB'000

Item	Closing balance	Opening balance
Dividend of common shares	–	5,400,161
Total	–	5,400,161

(2) Other payables

1) Disclosure by nature

Unit: RMB'000

Item	Closing balance	Opening balance
Accrued expenses	**5,224,465**	4,541,876
Security deposits for contracts	**3,489,697**	4,478,969
Other current accounts	**1,789,936**	1,740,917
Total	**10,504,098**	10,761,762

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities

Unit: RMB'000

Item	Closing balance	Opening balance
Sale of goods	**49,233,377**	27,834,446
Total	**49,233,377**	27,834,446

32. Employee benefits payable

(1) Employee benefits payable disclosure

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	18,646,704	**35,622,348**	**31,166,840**	**23,102,212**
Post-employment benefits – defined contribution plans	6,375	**1,932,987**	**1,930,662**	**8,701**
Total	18,653,079	**37,555,335**	**33,097,502**	**23,110,912**

(2) Short-term employee benefits disclosure

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Salaries, bonus, and subsidies	18,554,005	**31,829,069**	**27,368,992**	**23,014,082**
Staff welfare	23,764	**1,632,240**	**1,652,870**	**3,134**
Social insurances	4,845	**1,166,343**	**1,165,783**	**5,404**
Including: 1. Medical insurance	4,379	**1,024,159**	**1,023,437**	**5,102**
2. Work injury insurance	464	**95,151**	**95,400**	**215**
3. Maternity insurance	2	**47,032**	**46,947**	**88**
Housing Fund	9,885	**786,808**	**789,900**	**6,794**
Union funds and employee education	54,205	**207,889**	**189,296**	**72,798**
Total	18,646,704	**35,622,348**	**31,166,840**	**23,102,212**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

(3) Defined contribution plan

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Basic pension insurance	6,145	**1,844,084**	**1,841,732**	**8,498**
Unemployment insurance	230	**88,902**	**88,930**	**202**
Total	6,375	**1,932,987**	**1,930,662**	**8,701**

33. Taxes payable

Unit: RMB'000

Item	Closing balance	Opening balance
Value-added tax	**1,165,716**	966,156
Enterprise income tax	**9,866,556**	8,047,240
Other taxes	**742,748**	423,046
Total	**11,775,019**	9,436,442

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Non-current liabilities due within one year

Unit: RMB'000

Item	Closing balance	Opening balance
Long-term borrowings due within one year	**18,082,816**	15,132,226
Bonds payable due within one year	**3,620,481**	7,511,773
Long-term payables due within one year	**55,291**	55,039
Lease liabilities due within one year	**478,952**	182,379
Total	**22,237,540**	22,881,417

(1) Long-term borrowings due within one year

Unit: RMB'000

Item	Closing balance	Opening balance
Pledge borrowings	**45,484**	44,259
Mortgage borrowings	**801,713**	958,614
Mortgage and Guaranteed borrowings	**1,147,270**	881,289
Guaranteed borrowings	**4,667,994**	2,968,507
Unsecured borrowings	**11,420,356**	10,279,557
Total	**18,082,816**	15,132,226

(2) Long-term payables due within one year

Unit: RMB'000

Item	Closing balance	Opening balance
Payable cooperative investment	**33,333**	33,333
Unpaid proceeds from mineral rights concessions	**21,834**	21,582
Loans from CDB Development Fund Co., Ltd.	**124**	124
Total	**55,291**	55,039

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Non-current liabilities due within one year (Continued)

(3) Bonds payable due within one year

Unit: RMB'000

Bonds	Nominal value	Issue date	Bond period	Issued amount	Closing balance	Opening balance
22CATL-GN001	5,000,000	December 12, 2022	5 years	5,000,000	**290**	145,000
USD 1.5 billion offshore bonds	9,787,350	September 10, 2020	5 years and 10 years	9,787,350	**92,253**	7,312,860
USD 500 million offshore bonds	3,187,850	September 2, 2021	5 years	3,187,850	**3,527,938**	53,913
Total	17,975,200			17,975,200	**3,620,481**	7,511,773

35. Other current liabilities

Unit: RMB'000

Item	Closing balance	Opening balance
VAT output pending for transfer	**2,556,927**	1,986,462
Input VAT to be transferred out	**3,273,431**	71,734
Total	**5,830,358**	2,058,196

36. Long-term borrowings

Unit: RMB'000

Item	Closing balance	Opening balance
Pledge borrowings	**481,174**	501,916
Mortgage borrowings	**4,025,971**	6,011,659
Guaranteed borrowings	**39,903,286**	36,444,429
Unsecured borrowings	**38,944,244**	42,572,318
Mortgage and Guaranteed borrowings	**12,963,075**	10,840,360
Less: Long-term borrowings due within one year	**18,082,816**	15,132,226
Total	**78,234,935**	81,238,456

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term loans (Continued)

Notes on the Classification of Long-Term Borrowings:

1) As at December 31, 2025, the annual interest rate for the above borrowings is 1.64%-4.55% (2024: 1.74%-5.48%);

2) For the Pledge and mortgaged assets, details refer to Section 8 of the Financial Report, VII. Notes to the Consolidated Financial Statements, 25. Assets Subject to Restrictions on Ownership or Use.

37. Bonds payable

(1) Bonds payable

Unit: RMB'000

Item	Closing balance	Opening balance
Corporate bonds	**3,443,434**	11,922,623
Total	**3,443,434**	11,922,623

(2) Movement of bonds payables (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)

Unit: RMB'000

Bonds	Nominal value	Coupon rate	Issue date	Bond period	Issued amount
22CATL-GN001	5,000,000	2.90%	December 12, 2022	5 years	5,000,000
USD 1.5 billion offshore bonds	9,787,350	1.875%、2.625%	September 10, 2020	5 years and 10 years	9,787,350
USD 500 million offshore bonds	3,187,850	1.50%	September 2, 2021	5 years	3,187,850
Total	17,975,200				17,975,200

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

(2) Movement of bonds payables (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities) (Continued)

Bonds	Opening amount	Issued in the year	Interest accrual on nominal value	Amortization of discount or premium	Repayment in the year	Closing amount	Default or not
22CATL-GN001	5,011,013		132,941	1,068	5,135,000	**10,022**	No
USD 1.5 billion offshore bonds	10,821,449		188,759	-151,106	7,333,146	**3,525,955**	No
USD 500 million offshore bonds	3,601,934		53,513	-73,945	53,564	**3,527,938**	No
Subtotal	19,434,396		375,213	-223,984	12,521,710	**7,063,915**	
Less: Bonds payable due within one year	7,511,773		–	–	–	**3,620,481**	
Total	11,922,623		375,213	-223,984	12,521,710	**3,443,434**	

38. Lease liabilities

Unit: RMB'000

Item	Closing balance	Opening balance
Lease payment	**4,028,984**	938,904
Less: Unrecognised financing costs	**744,951**	93,711
Less: Lease liabilities due within one year	**478,952**	182,379
Total	**2,805,081**	662,814

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Long-term payables

Unit: RMB'000

Item	Closing balance	Opening balance
Long-term payables	**1,639,608**	1,606,480
Total	**1,639,608**	1,606,480

(1) Long-term payables disclosed by nature

Unit: RMB'000

Item	Closing balance	Opening balance
Loans from CDB Development Fund Co., Ltd.	**250,124**	250,124
Cooperative investment payables	**1,283,333**	1,233,333
Unpaid proceeds from mining concessions transfer	**161,442**	178,062
Less: Long-term payables due within one year	**55,291**	55,039
Total	**1,639,608**	1,606,480

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Provisions

Unit: RMB'000

Item	Closing balance	Opening balance	Cause of formation
After-sales comprehensive service fee	**51,233,080**	39,070,181	Estimated cost of quality warranty according to the quality warranty agreement
Sales rebate	**33,944,295**	32,721,169	Rebate in accordance with specific rebate agreement or contract
Disposal cost and others	**146,983**	135,592	Mine reclamation obligations and others
Total	**85,324,358**	71,926,943	

Note, including significant assumptions and estimates relating to material provisions:

The Company reviews the carrying amount of the provision at the closing date of the reporting period and adjusts the carrying amount if necessary. The after-sales comprehensive service fee represents the estimated costs for after-sales comprehensive services to be borne under the warranty agreements, mainly based on the best estimate of "cumulative sales quantities of power battery systems and energy storage systems under warranty", "estimated unit repair cost", "estimated repair rate" and other factors.

41. Deferred income

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance	Cause of formation
Deferred income	22,041,069	**11,023,642**	**5,743,158**	**27,321,553**	
Total	22,041,069	**11,023,642**	**5,743,158**	**27,321,553**	

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other non-current liabilities

Unit: RMB'000

Item	Closing balance	Opening balance
Sales received in advance	**4,484,010**	5,400,795
Total	**4,484,010**	5,400,795

43. Share capital

Unit: RMB'000

	Opening balance	Movement during the period (+、-)					Closing balance
		Issuance of new share	Bonus shares	Conversion from capital reserve	Other	Subtotal	
Total shares	4,403,466	160,409			-72	160,337	**4,563,803**

Note: The increase in share capital for this period primarily relates to the Company's initial public offering on the Hong Kong Stock Exchange in May 2025, during which 155,915 thousand new shares were issued. Additionally, the grant of restricted stock and the exercise of stock options under the equity incentive plan for this period led to the issuance of 4,493 thousand new shares.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Capital reserve

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share premium)	111,836,493	**41,321,444**	**7,815**	**153,150,122**
Other capital reserve	4,919,643	**–**	**1,821,551**	**3,098,092**
Total	116,756,136	**41,321,444**	**1,829,366**	**156,248,214**

Note: The increase in additional paid-in capital for this period is attributable to the company's initial public offering on the Hong Kong Stock Exchange, which resulted in an increase of RMB37,199,533 thousand in the premium on issued shares; an increase of RMB2,759,637 thousand from the premium on share-based payment awards upon vesting and exercise; and a RMB1,362,274 thousand equity change arising from the difference between the minority shareholders' capital contributions to subsidiaries and the company's purchase of non-controlling interests, and the net assets attributable to the minority interests.

45. Treasury shares

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Treasury shares	2,712,804	**4,386,601**	**1,412**	**7,097,993**
Total	2,712,804	**4,386,601**	**1,412**	**7,097,993**

Note: Treasury shares increased by RMB4,386,601 thousand during the period as the Company repurchased shares of the Company through the stock trading system of the Shenzhen Stock Exchange by means of centralized bidding transactions

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Other comprehensive income

Other comprehensive income attributable to the shareholders of the Company in the Statement of financial position:

Unit: RMB'000

Item	Opening balance	Amount incurred in the current period: Attributable to parent Company after tax	Amount incurred in the current period: Less: other comprehensive income in prior periods transfers to Retained earnings in the current period	Closing balance
I. Other comprehensive income that will not be reclassified into profit or loss	722,343	5,323,769	446,809	**5,599,303**
1. Other comprehensive income that cannot be transferred to profit or loss under the equity method	189,976	128,861	1,359	**317,478**
2. Changes in fair value of other equity instruments investment	532,367	5,194,972	445,450	**5,281,889**
3. Others	–	-64	–	**-64**
II. Other comprehensive income that will be reclassified into profit or loss	-1,070,980	1,926,100	–	**855,121**
1. Other comprehensive income transferable to profit or loss under the equity method	303,456	14,781	–	**318,237**
2. Changes in fair value of trade receivables financing	-97,949	15,130	–	**-82,819**
3. Cash flow hedging reserve	-2,884,736	2,859,538	–	**-25,198**
4. Translation differences arising on translation of foreign currency financial statements	1,608,249	-963,349	–	**644,900**
Total other comprehensive income	-348,637	7,249,870	446,809	**6,454,423**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Other comprehensive income (Continued)

Other comprehensive income attributable to the shareholders of the Company in the income statement:

Unit: RMB'000

Item	Amount incurred in the current period				
	Year ended 31/12/2025	Less: other comprehensive income in prior periods transfer to profit or loss for the current period	Less: tax	Less: Attributable to non-controlling interests after tax	Attributable to parent Company after tax
I. Other comprehensive income that will not be reclassified into profit or loss	**6,683,792**	**-**	**1,186,700**	**173,322**	**5,323,769**
1. Other comprehensive income that cannot be transferred to profit or loss under the equity method	**128,861**	**-**	**-**	**-**	**128,861**
2. Changes in fair value of other equity instruments investment	**6,555,221**	**-**	**1,186,700**	**173,549**	**5,194,972**
3. Others	**-290**	**-**		**-227**	**-64**
II. Other comprehensive income that will be reclassified into profit or loss	**2,027,457**	**-**	**304,335**	**-202,978**	**1,926,100**
1. Other comprehensive income transferable to profit or loss under the equity method	**18,610**	**-**	**-**	**3,829**	**14,781**
2. Changes in fair value of trade receivables financing	**17,727**	**-**	**2,659**	**-62**	**15,130**
3. Cash flow hedging reserve	**3,203,075**	**-**	**301,676**	**41,862**	**2,859,538**
4. Translation differences arising on translation of foreign currency financial statements	**-1,211,955**	**-**	**-**	**-248,607**	**-963,349**
Total other comprehensive income	**8,711,249**	**-**	**1,491,035**	**-29,655**	**7,249,870**

Note: In the current period, the comprehensive income (net of tax) was RMB7,220,215 thousand. This included RMB7,249,870 thousand in other comprehensive income (net of tax) attributable to shareholders of the Company and RMB -29,655 thousand in other comprehensive income (net of tax) attributable to non-controlling interests.

47. Specific reserve

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Work safety costs and maintenance fees	35,551	**114,028**	**114,065**	**35,515**
Total	35,551	**114,028**	**114,065**	**35,515**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Surplus reserve

Unit: RMB'000

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	2,194,779	**80,169**	**–**	**2,274,947**
Total	2,194,779	**80,169**	**–**	**2,274,947**

Notes: The balance of the statutory reserve shall not exceed 50% of the parent company's share capital.

49. Retained earnings

Unit: RMB'000

Item	Year ended 31/12/2025	Year ended 31/12/2024
Retained earnings before adjustment as at 1 January	**126,601,541**	103,244,626
Retained earnings after adjustment as at 1 January	**126,601,541**	103,244,626
Add: Net profit attributable to parent Company for the year	**72,201,282**	50,744,682
Transfer from other comprehensive income	**446,809**	72,577
Less: Appropriation for statutory surplus reserve	**80,169**	2,213
Common dividend payables	**24,540,627**	27,458,131
Retained earnings as at 31 December	**174,628,837**	126,601,541

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Operating income and operating cost

Unit: RMB'000

Item	Year ended 31/12/2025		Year ended 31/12/2024	
	Revenue	**Cost**	Revenue	Cost
Primary operations	**406,785,222**	**308,033,498**	344,524,735	265,082,813
Other operations	**16,916,612**	**4,349,799**	17,487,818	8,436,146
Total	**423,701,834**	**312,383,297**	362,012,554	273,518,959

The lowest of the Company's audited profit before tax, net profit, and net profit excluding non-recurring gains and losses for the reporting period was negative.

☐ Yes ☑ No

Breakdown of operating revenue and operating costs:

Unit: RMB'000

Category	Electrical machinery and equipment manufacturing		Mining, processing and smelting Industry		Total	
	Revenue	**Cost**	**Revenue**	**Cost**	**Revenue**	**Cost**
Business Type	417,723,738	307,077,698	5,978,096	5,305,599	423,701,834	312,383,297
Including:						
Power battery system	316,506,369	241,064,397	–	–	316,506,369	241,064,397
Classified by operating region	–	–	–	–	–	–
Including:						
Domestic	288,841,747	218,857,074	5,218,829	4,640,812	294,060,576	223,497,885

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Operating income and operating cost (Continued)

Information related to performance obligations:

The Company's primary business involves the development, production, sales, and after-sales service of power battery systems, energy storage battery systems, and battery materials derived from battery recycling technology. For transactions involving the sale of goods, the Company fulfills its performance obligations when the customer obtains control of the relevant goods. For transactions involving the provision of services, if the customer obtains and consumes the economic benefits arising from the Company's performance simultaneously with the Company's performance, the Company recognizes the extent of its completed performance obligations over the period of service provision based on the stage of completion, unless the stage of completion cannot be reasonably determined.

51. Taxes and surcharges

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Urban maintenance and construction tax	**870,220**	572,731
Educational surcharge	**592,955**	293,946
Property tax	**591,722**	534,813
Stamp duty	**435,673**	310,263
Others	**341,752**	345,713
Total	**2,832,322**	2,057,466

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. General and administrative expenses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Employee benefits	**6,626,219**	4,707,167
Depreciation and amortization expenses	**1,662,402**	2,059,630
Logistics and office expenses	**1,609,693**	1,248,011
Others	**1,768,427**	1,675,031
Including: Auditor's fees	**6,662**	6,300
Total	**11,666,741**	9,689,839

53. Selling and distribution expenses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Employee benefits	**1,991,174**	1,533,505
Advertising and office expenses	**665,638**	999,331
Operating expenses	**400,112**	343,182
Others	**678,195**	686,778
Total	**3,735,118**	3,562,797

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Research and development expenses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Employee benefits	**8,422,709**	7,561,191
Material costs	**7,227,790**	5,845,226
Others	**6,496,081**	5,200,339
Total	**22,146,581**	18,606,756

55. Financial expenses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Interest expenses	**2,887,843**	4,149,186
Less: Capitalised interest expenses	**153,825**	270,109
Interest income	**10,594,657**	9,502,997
Exchange gains and losses	**-282,298**	1,287,050
Bank charges and others	**203,075**	204,953
Total	**-7,939,863**	-4,131,918

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Other income

Unit: RMB'000

Sources of other income	Year ended 31/12/2025	Year ended 31/12/2024
Other income	**10,600,477**	9,967,630

57. Gains from changes in fair value

Unit: RMB'000

Sources of gains from changes in fair value	Year ended 31/12/2025	Year ended 31/12/2024
Financial assets held for trading	**441,408**	192,135
Other non-current financial assets	**535,385**	472,089
Others	**-2,715**	–
Total	**974,079**	664,223

58. Investment income

Unit: RMB'000

Item	Year ended 31/12/2025	Year ended 31/12/2024
Investment income from long-term equity investment accounted for using equity method	**7,353,106**	3,743,040
Investment income from disposal of long-term equity investment	**613,671**	300,363
Investment income from the disposal of trading financial assets	**388,409**	179,608
Dividend income received during the holding period of other investments in equity instruments	**115,047**	43,321
Gains arising from the remeasurement of fair value after a portion of the equity investment does not have a material impact	**-141,824**	107,281
Others	**-357,857**	-385,790
Total	**7,970,552**	3,987,823

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Credit impairment losses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Credit losses on Trade receivables	**-211,127**	-611,041
Credit losses on other receivables	**-172,704**	-174,453
Credit losses on long-term receivables	**-34,755**	-87,032
Total	**-418,585**	-872,526

60. Assets impairment losses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Decline in value of inventories and contract fulfillment costs	**-5,151,694**	-2,207,180
Impairment losses on fixed assets	**-2,659,992**	-3,214,322
Impairment losses on intangible assets	**-3,273**	-2,017,078
Impairment losses on other assets	**-845,206**	-984,745
Total	**-8,660,164**	-8,423,325

61. Gains from assets disposal

Unit: RMB'000

Sources	**Year ended 31/12/2025**	Year ended 31/12/2024
Gain from disposal of fixed assets	**177,620**	67,090
Others	**-2,979**	-47,771
Total	**174,640**	19,319

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Non-operating income

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024	**Amount included in non-recurring gains or losses**
Penalty income and others	**463,520**	135,422	463,520

63. Non-operating expenses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024	**Amount included in non-recurring gains or losses**
Donations and others	**455,611**	1,005,182	455,611

64. Income tax expenses

(1) Income tax expenses

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Current income tax	**18,469,975**	15,555,258
Deferred income tax	**-5,729,738**	-6,380,013
Total	**12,740,236**	9,175,245

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Income tax expenses (Continued)

(2) Reconciliation between income tax expenses and accounting profits:

Unit: RMB'000

Item	Year ended 31/12/2025
Profit before tax	**89,526,545**
Income tax expenses calculated at statutory/applicable tax rates	**13,428,982**
Impact of different tax rates applied to certain subsidiaries	**1,728,727**
Adjustment for income tax in prior year	**-22,933**
Non-taxable income	**-525,768**
Impact of non-deductible costs, expenses and losses	**69,816**
Utilization of deductible losses of unrecognized deferred tax assets in prior years	**-271,294**
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets in current period	**957,889**
Profit or loss of joint ventures and associates under equity method	**-1,712,164**
Impact of tax rate changes on the deferred income tax balance at the beginning of the period	**621,894**
Impact of super-deduction of research and development expenses (listed by "-")	**-1,644,802**
Other	**109,890**
Income tax expenses	**12,740,236**

65. Other comprehensive income

For details, please refer to Section 8: Financial Report, VII Notes to the Consolidated Financial Statements, 46. Other Comprehensive Income.

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Notes to cash flow statement

(1) Cash flows from operating activities

Proceeds from other operating activities

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Receipt of other income	**13,972,278**	8,775,738
Receipt of interest	**11,562,929**	5,839,929
Receipt of current accounts and others	**848,309**	2,232,183
Total	**26,383,516**	16,847,851

Payment for other operating activities

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Cash expenses such as operating expenses, administrative expenses and financial institution fees	**9,227,990**	7,937,907
Payment of guarantees and security deposits (net amount)	**1,671,880**	145,666
Payment of current accounts	**118,779**	321,025
Total	**11,018,649**	8,404,599

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Notes to cash flow statement (Continued)

(2) Cash flows from investing activities

Proceeds from other investing activities

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Receipt of finance lease payments (lease out) and current accounts	**98,372**	963,920
Total	**98,372**	963,920

Payment for other investing activities

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Payment of investment intention deposit and current accounts	**847,516**	187,907
Total	**847,516**	187,907

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Notes to cash flow statement (Continued)

(3) Cash flows from financing activities

Proceeds from other financing activities

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Receipt of funds for release from pledge and current accounts	**1,003,474**	292,179
Total	**1,003,474**	292,179

Payment for other financing activities

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Payment of share repurchase/capital reduction	**4,413,337**	1,209,018
Payment of financial lease payments and current accounts	**878,669**	928,281
Total	**5,292,005**	2,137,299

Changes in liabilities arising from financing activities

		Cash changes		**Non-cash changes**	
Item	**Opening balance**	**Cash inflows**	**Cash outflows**	**Accrued interest and others**	**Closing balance**
Short-term borrowings and long-term borrowings	**116,066,964**	**39,790,079**	**-41,860,250**	**-4,743,544**	**109,253,249**
Bonds payable	**19,434,396**	**–**	**-12,521,710**	**151,229**	**7,063,915**
Lease liabilities	**845,193**	**–**	**-226,549**	**2,665,390**	**3,284,033**
Total	**136,346,553**	**39,790,079**	**-54,608,510**	**-1,926,925**	**119,601,197**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Supplement to cash flows statement

(1) Supplement to cash flows statement

Unit: RMB'000

Supplement	Year ended 31/12/2025	Year ended 31/12/2024
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	**76,786,309**	54,006,794
Add: Impairment for assets	**8,660,164**	8,423,325
Credit impairment loss	**418,585**	872,526
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	**24,322,780**	22,437,872
Depreciation of right-of-use assets	**337,367**	239,273
Amortization of intangible assets	**512,000**	470,401
Amortization of long-term deferred expenses	**1,764,508**	1,790,382
Losses on disposal of fixed assets, intangible assets, and other non-current assets (Gain as in "-")	**-174,640**	-19,319
Loss on retirement of fixed assets (Gain as in "-")	**151,291**	257,488
Losses on changes in fair value (Gain as in "-")	**-974,079**	-664,223
Financial expenses (Gain as in "-")	**2,470,751**	5,165,670
Investment losses (Gain as in "-")	**-8,429,599**	-4,384,806
Decrease in deferred tax assets (Increase as in "-")	**-7,660,090**	-6,700,359
Increase in deferred tax liabilities (Decrease as in "-")	**1,900,952**	320,345
Decrease in inventories (Increase as in "-")	**-39,837,988**	-16,606,853
Decrease in operating receivables (Increase as in "-")	**-16,911,542**	634,969
Increase in operating payables (Decrease as in "-")	**89,965,735**	31,206,935
Others	**-82,524**	-460,075
Net cash flows from operating activities	**133,219,982**	96,990,345
2. Significant investment or finance activities not involving cash:		
Debts converted to capital	**–**	–
Convertible debts mature within one year	**–**	–
Finance leased fixed assets	**–**	–
3. Net increase/(decrease) in cash and cash equivalents:		
Cash as at 31 December, 2025	**299,929,741**	270,159,734
Less: cash as at 1 January, 2025	**270,159,734**	238,165,487
Add: cash equivalents at 31 December, 2025	**–**	–
Less: cash equivalents at 1 January, 2025	**–**	–
Net increase in cash and cash equivalents	**29,770,008**	31,994,247

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Supplement to cash flows statement (Continued)

(2) Net cash paid to acquire subsidiaries during the period

Unit: RMB'000

	Amount
Cash or cash equivalents paid in the current period for acquisition that occurred in the current period	**2,054,326**
Including:	
Less: the cash and cash equivalents held by the target Company on the purchase day	**651**
Including:	
Net cash paid out	**2,053,675**

(3) Net cash received from the disposal of subsidiaries during the period

Unit: RMB'000

	Amount
Cash or cash equivalents received in the current period from the disposal of subsidiaries that occurred in the current period	**27,500**
Including:	
Less: the cash and cash equivalents held by subsidiaries on the date of loss of control	**89**
Including:	
Net cash received	**27,411**

(4) Cash and cash equivalents

Unit: RMB'000

Item	Closing balance	Opening balance
1. Cash	**299,929,741**	270,159,734
Including: Cash	**435**	373
Cash in bank readily available for payment	**294,503,838**	269,682,360
Other cash and cash equivalents readily available for payment	**5,425,469**	477,001
2. Cash and cash equivalents	**299,929,741**	270,159,734

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Supplement to cash flows statement (Continued)

(5) Supplier Financing Arrangements

① Terms and conditions of supplier financing arrangements

The Company utilizes a third-party supply chain information service platform and reverse factoring services provided through a bank's supply chain finance platform to serve suppliers holding the Company's electronic debt instruments. The Company's payment obligations under the electronic debt instruments are unconditional and irrevocable, unaffected by any commercial disputes among parties involved in the transfer of such instruments. The Company shall not assert set-off or raise defenses against such payment obligations. The Company will transfer the equivalent amount under the electronic debt instruments on the payment date in accordance with business rules. Electronic debt instruments are transferable and eligible for financing.

② Presentation items and related information in the balance sheet

Project	**Closing balance**	Opening balance
Accounts Payable – Factoring	**23,902,653**	44,362,409
Accounts Payable – Reverse Factoring	**13,320,128**	–
Total	**37,222,781**	44,362,409

Of the accounts payable totaling RMB37,222,781 thousand as at December 31, 2025, suppliers have received RMB30,728,127 thousand from financing providers.

③ Changes during the period not involving cash receipts or payments

The changes in the Company's financial liabilities mentioned above were not affected by business combinations or exchange rate fluctuations.

(6) Monetary funds not classified as cash and cash equivalents

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024	**Reasons for not being cash and cash equivalents**
Guarantees	**18,428,631**	22,319,711	Restriction in use
Pledged fixed deposits	**461,587**	1,019,843	Restriction in use
Fixed deposits and accrued interest	**14,692,968**	10,012,705	Not readily withdrawable
Total	**33,583,185**	33,352,259	

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Items in foreign currency

(1) Items in foreign currency

Unit: RMB'000

Item	Foreign currency as at 31/12/2025	Conversion rate	Translated in RMB as at 31/12/2025
Bank balances, deposits and cash			
Including: USD	**22,036,045**	**7.0288**	**154,886,952**
HKD	**1,354,579**	**0.9032**	**1,223,461**
EUR	**2,571,129**	**8.2355**	**21,174,536**
JPY	**5,138,223**	**0.0448**	**230,177**
IDR	**764,821,074**	**0.0004**	**319,292**
AUD	**32,715**	**4.6892**	**153,408**
Other currency	**–**	**–**	**102,710**
Subtotal			**178,090,537**
Trade receivables			
Including: USD	**550,095**	**7.0288**	**3,866,498**
EUR	**77,157**	**8.2355**	**635,432**
JPY	**1,770,305**	**0.0448**	**79,304**
IDR	**153,652,405**	**0.0004**	**64,319**
Subtotal			**4,645,553**
Other receivables			
Including: USD	**36,690**	**7.0288**	**257,888**
EUR	**16,568**	**8.2355**	**136,459**
JPY	**53,313**	**0.0448**	**2,388**
IDR	**33,838,576**	**0.0004**	**14,096**
Other currency	**–**	**–**	**784**
Subtotal			**411,616**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Items in foreign currency (Continued)

(1) Items in foreign currency (Continued)

Unit: RMB'000

Item	Foreign currency as at 31/12/2025	Conversion rate	Translated in RMB as at 31/12/2025
Trade payables			
Including: USD	**154,046**	**7.0288**	**1,081,247**
EUR	**242,696**	**8.2355**	**1,998,682**
GBP	**323**	**9.4346**	**3,048**
IDR	**1,370,990,331**	**0.0004**	**571,542**
MYR	**40,400**	**1.7319**	**68,267**
Other currency	**–**	**–**	**503**
Subtotal			**3,723,289**
Other payables			
Including: USD	**115,390**	**7.0288**	**811,052**
EUR	**136,450**	**8.2355**	**1,123,732**
IDR	**69,563,229**	**0.0004**	**28,985**
Other currency	**–**	**–**	**1,478**
Subtotal			**1,965,247**
Short-term borrowings			
Including: USD	**247,063**	**7.0288**	**1,736,556**
Long-term borrowings			
Including: USD	**1,535,680**	**7.0288**	**10,793,989**
EUR	**785,731**	**8.2355**	**6,470,884**
Subtotal			**17,264,873**

VII. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Items in foreign currency (Continued)

(1) Items in foreign currency (Continued)

Unit: RMB'000

Item	Foreign currency as at 31/12/2025	Conversion rate	Translated in RMB as at 31/12/2025
Bonds payable			
Including: USD	**488,519**	**7.0288**	**3,433,702**
Non-current liabilities due within one year			
Including: USD	**515,051**	**7.0288**	**3,620,191**

(2) Disclosure of Foreign Operating Entities: For significant foreign operating entities, disclosure shall include their principal place of operation abroad, functional currency, and the basis for selection. Should the functional currency change, the reason for such change shall also be disclosed.

☐ Applicable ☑ Not applicable

VIII. RESEARCH AND DEVELOPMENT EXPENDITURES

Unit: RMB'000

Item	Year ended 31/12/2025	Year ended 31/12/2024
Employee Compensation	**8,422,709**	7,561,191
Material Costs	**7,227,790**	5,845,226
Other	**6,496,081**	5,200,339
Total	**22,146,581**	18,606,756
Among these: Expensed R&D expenditures	**22,146,581**	18,606,756

IX. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Disposal of subsidiaries

Is there any transaction or event in this period that results in the loss of control over a subsidiary

☑ Yes ☐ No

Disposed Subsidiary	Circumstances
Guizhou Contemporary Sicong New Material Co., Ltd.	The subsidiary, Longyan Sicong New Material Co., Ltd., transferred 100% equity interest in Guizhou Contemporary Sicong New Material Co., Ltd. during the current period, for a total consideration of RMB550,000 thousand. This equity transfer has no material impact on the Company's overall financial position.
Contemporary Innovation (Hong Kong) Co., Limited	Contemporary Amperex Technology (Hong Kong) Limited, a subsidiary of the Company, transferred 100% equity interest in Contemporary Innovation (Hong Kong) Co., Limited, for a total consideration of US$48 thousand. This equity transfer has no material impact on the Company's overall financial position.

Is there a situation where the investment in a subsidiary is disposed of step by step through multiple transactions and control over the subsidiary is lost in current period

☐ Yes ☑ No

IX. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Other reasons resulting in changes in the scope of consolidation

(1) Subsidiaries established during the period

Company name	Acquisition method
Chuanyu Contemporary Amperex Technology (Chongqing) Limited	Newly established
Luoyuan Contemporary Amperex Technology Limited	Newly established
Dongying Contemporary Amperex Technology Limited	Newly established
Contemporary Aggregation (Ningxia) Energy Technology Co., Ltd.	Newly established
Yibin Contemporary Power Battery Co., Ltd.	Newly established
Tianjin Brunp Teda Recycling Technology Co., Ltd.	Newly established
YunDian Intelligent Technology (Quanzhou) Limited	Newly established
Dongying Contemporary Zero Carbon Amperex Technology Limited	Newly established
Xiamen Contemporary New Energy Power Technology Limited	Newly established
Contemporary Amperex Technology (Luoyang) Limited	Newly established
Hainan Contemporary Zero Carbon Amperex Technology Limited	Newly established
Yichun Xinfeng Contemporary Mining Limited	Newly established
40 subsidiaries of Contemporary Amperex Energy Service Technology Ltd.	Newly established
121 subsidiaries of GCTL Battery Technology Co., Ltd.	Newly established
24 project subsidiaries of Contemporary Green Energy Limited	Newly established
CATG Trust GmbH)	Newly established
CATG Operation Service GmbH & Co. KG	Newly established

IX. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Other reasons resulting in changes in the scope of consolidation (Continued)

(1) Subsidiaries established during the period (Continued)

Company name	Acquisition method
CATL Korea Co., Ltd	Newly established
Contemporary Amperex Technology (Uk) Limited	Newly established
PT. Nickel Cobalt Halmahera	Newly established
Contemporary Amperex Middle East Technology - Llc - Spc	Newly established
Contemporary Star Energy, S.	Newly established
Contemporary Amperex Technology Italia S.R.L	Newly established
Pt Cblib Battery Materials Indonesia	Newly established
Linergy Power Sdn. Bhd	Purchase assets
Hong Kong CBC International Holding Limited	Purchase assets
Contemporary Amperex Technology ChileSpA.	Purchase assets
Contemporary Amperex Technology South Africa (Pty) Ltd.	Purchase assets
CATGAT Vienna AG	Purchase assets
Luoyang Guohong New Industry Development Co., Ltd.	Purchase assets

The company acquired Linergy Power Sdn. Bhd, Hong Kong CBC International Holding Limited, Contemporary Amperex Technology Chile SpA, Contemporary Amperex Technology South Africa (Pty) Ltd, and CATGAT Vienna AG, Luoyang Guohong New Industry Development Co., Ltd. during this period. None of the acquired companies have actual operations and do not constitute a business, so the above acquisitions do not constitute a business combination.

IX. CHANGES IN THE SCOPE OF CONSOLIDATION (CONTINUED)

2. Other reasons resulting in changes in the scope of consolidation (Continued)

(2) Deregistered subsidiaries

Company name	Reason for change
Contemporary Amperex Technology Holding LLC BELGRADE (Serbia)	Deregistered
Contemporary Amperex Technology LLC BELGRADE	Deregistered
5 project subsidiaries of Contemporary Green Energy Limited	Deregistered
Shenzhen Shineyoung Software Technology Co., Ltd.	Deregistered
Barkam Contemporary Mining Limited	Deregistered

X. INTEREST IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Major subsidiaries

Unit: RMB'000

Name of subsidiary	Registered capital	Place of business	Legal Person Type	Principal place of business	Place of registration	Business nature	Equity shares Direct	Equity shares Indirect	Method of acquisition
Jiangsu Contemporary Amperex Technology Limited	1,000,000	Mainland China	Limited Liability Company	Liyang	Liyang	Manufacturing	100.00%	–	Set-up
Fuding Contemporary Amperex Technology Limited	4,500,000	Mainland China	Limited Liability Company	Fuding	Fuding	Manufacturing	100.00%	–	Set-up
Contemporary Amperex Technology (Hong Kong) Limited	9,772,644	Mainland China	Private Company Limited by Shares	Hong Kong	Hong Kong	Investment	100.00%	–	Set-up
Ruiting Contemporary Amperex Technology (Shanghai) Limited	500,000	Mainland China	Limited Liability Company	Shanghai	Shanghai	Manufacturing	100.00%	–	Set-up
Sichuan Contemporary Amperex Technology Limited	5,303,005	Mainland China	Limited Liability Company	Yibin	Yibin	Manufacturing	79.20%	–	Set-up
Guangdong Brunp Recycling Technology Co., Ltd.	147,473	Mainland China	Limited Liability Company	Foshan	Foshan	Manufacturing	62.18%	–	Business combination not under common control

X. INTEREST IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Major subsidiaries (Continued)

Explanation of the difference between the subsidiary's shareholding ratio and voting rights ratio:

① The Company held 51.00% of the equity of Guangzhou Huining Contemporary New Energy Development Co., Ltd. (hereinafter referred to as Huining Contemporary). The reason for not including the merger is that according to the articles of association, shareholders' meeting resolved that the joint venture party has a veto right over the daily operation of Huining Contemporary. The Company is unable to exercise control over Huining Contemporary alone.

② Contemporary Amperex Energy Service Technology Ltd., the wholly owned subsidiary of the Company, held 52.00% of the equity of Chengdu Electric Service Investment Energy Technology Co., Ltd. (hereinafter referred to as Chengdu Electric Service). The reason for not including the merger is that according to the articles of association, resolutions involving major business management must be approved by shareholders representing more than 2/3 of the voting rights of all shareholders. The Company is unable to exercise control over Chengdu Electric Service alone.

③ The Company's wholly-owned subsidiary, Yajiang Snowy Mining Development Co., Ltd., holds a 60% equity interest in Sichuan Miaowei Water Co., Ltd. (hereinafter referred to as "Sichuan Miaowei"). The reason for not consolidating Sichuan Miaowei is as follows: According to Sichuan Miaowei's articles of association, resolutions concerning major operational management matters must be approved by more than two-thirds of the directors. The Company cannot exercise sole control over Sichuan Miaowei, and therefore it has not been included in the scope of consolidation.

Basis for controlling an entity despite holding 50% or less of its voting rights:

① The Company's subsidiary holding company, Luxembourg Contemporary New Energy Technology Co., Ltd., holds a 50% equity interest in Contemporary Star Energy, S.L. (hereinafter referred to as "Contemporary Star"). The rationale for inclusion in the consolidation is as follows: Pursuant to Contemporary Star's Articles of Association, the Company's appointed Chief Executive Officer possesses decision-making authority over all daily operational matters of Contemporary Star, while the Company's appointed Board Chairman holds a decisive vote on major board resolutions. Matters requiring resolution by the shareholders' meeting are non-routine operational items. The Company exercises control over the daily operations of Contemporary Star, and therefore includes Contemporary Star within the scope of consolidation.

X. INTEREST IN OTHER ENTITIES (CONTINUED)

2. Transactions resulting in changes to the share of equity in subsidiaries while retaining control over them

(1) Statement of changes in share of equity in subsidiaries

Name of Subsidiary	Circumstance
Contemporary QIJI New Energy Technology (Ningde) Co., Ltd.	The Company's subsidiary holding company, Contemporary QIJI New Energy Technology (Shanghai) Co., Ltd. (hereinafter referred to as "QiJi Shanghai"), originally held a 70% equity interest in Contemporary QIJI New Energy Technology (Ningde) Co., Ltd. (hereinafter referred to as "QiJi Ningde"). During the current period, QiJi Shanghai purchased the remaining 30% equity interest in QiJi Ningde. This transaction resulted in a decrease of RMB5,015 thousand in capital surplus.
Ningbo Bangya Trade Co., Ltd.	Ningbo Brunp Contemporary Amperex Co., Ltd. (hereinafter referred to as "Ningbo Brunp Contemporary"), a subsidiary holding company of the Company, originally held 66% equity interest in Ningbo Bangya Trade Co., Ltd. (hereinafter referred to as "Ningbo Bangya"). During the current period, Ningbo Brunp Contemporary acquired an additional 34% equity interest in Ningbo Bangya. This transaction resulted in a decrease of RMB633 thousand in capital surplus.
Contemporary Amperex Xinan Energy Technology Limited	The Company originally held 87.99% equity interest in Contemporary Amperex Xinan Energy Technology Limited (hereinafter referred to as "Contemporary Xinan"). During the current period, the Company purchased an additional 2.01% equity interest in Contemporary Xinan. This transaction resulted in a decrease of RMB8,911 thousand in capital surplus.
Guangdong Brunp Recycling Technology Co., Ltd.	The Company originally held 69.08% equity interest in Guangdong Brunp Recycling Technology Co., Ltd. (hereinafter referred to as "Guangdong Brunp"). During the period, new shareholders of Guangdong Brunp made capital contributions, resulting in the Company's equity interest in Guangdong Brunp decreasing to 62.18%. This transaction resulted in an increase of RMB53,479 thousand in capital surplus.
Contemporary Terapower (Shenzhen) Technology Co., Ltd.	The Company originally held a 99.51% equity interest in Contemporary Terapower (Shenzhen) Technology Co., Ltd. (hereinafter referred to as "Contemporary Tianyuan"). During the period, the Company purchased an additional 0.19% equity interest in Contemporary Tianyuan. This transaction resulted in a decrease of RMB4,347 thousand in capital surplus.
Contemporary Amperex Intelligent Technology (Shanghai) Limited	The Company originally held a 90% equity interest in Contemporary Amperex Intelligent Technology (Shanghai) Limited (hereinafter referred to as "Intelligent Technology Shanghai"). During the current period, the Company transferred part of its equity interest in Intelligent Technology Shanghai, and new shareholders of Intelligent Technology Shanghai made additional capital contributions, resulting in the Company's equity interest in Intelligent Technology Shanghai changing to 69.57%. This transaction resulted in an increase in capital surplus of RMB1,327,701 thousand.

X. INTEREST IN OTHER ENTITIES (CONTINUED)

2. Transactions resulting in changes to the share of equity in subsidiaries while retaining control over them (Continued)

(2) Impact of the transaction on non-controlling interests and equity attributable to owners of the parent company

Unit: RMB'000

Item	QiJi Ningde, Ningbo Bangya, Contemporary Xinan, Guangdong Brunp, Contemporary Tianyuan, Intelligent Technology Shanghai
Purchase cost/disposal consideration	3,759,387
—Cash	3,759,387
Total purchase cost/disposal consideration	3,759,387
Less: share of net assets of subsidiaries calculated based on the proportion of equity interests acquired/disposed of	2,397,113
Difference	1,362,274
Including: Adjustment to capital reserve	1,362,274

3. Interests in joint ventures or associates

(1) Significant joint ventures or associates

Name of joint ventures or associates	Place of business	Place of registration	Business nature	Equity shares		Accounting method for investments in joint ventures or associates
				Direct	Indirect	
CMOC Group Limited	Luoyang	Luoyang	Nonferrous metal mining and beneficiation industry	–	24.91%	Equity method

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Risks arising from financial instruments

The Company's financial instruments include bank balances, deposits and cash, derivative financial assets, trade receivable, notes receivable, accounts receivable financing, other receivables, non-current assets due within one-year, other current assets, trading financial assets, other equity instrument investments, other non-current financial assets, long-term receivables and derivative financial liabilities, trade payable, notes payable, dividend payable, other payables, short-term borrowings, non-current liabilities due within one-year, long term loans, bonds payable, lease liabilities and long-term payables. The details of various financial instruments have been disclosed in the relevant notes. Risks associated with these financial instruments, as well as the Company's risk management policies meant to mitigate these risks are described below. The Company's management managed and monitored these risk exposures to ensure the above risks are controlled within certain limits.

(1) Risk management objectives and policies

The Company's objective in risk management is to obtain an appropriate balance between risk and profits, and strive to reduce the adverse impact of the financial risk on the Company's financial performance. Based on this objective, the Company has developed the risk management policy to identify and analyze the risks that the Company is facing, set the appropriate tolerable level of risks and design the internal control process to monitor the risk level. The Company reviews the risk management policy and relevant internal control system to adapt to the changes of market or operations regularly. The Company's internal audit department also regularly or randomly performs tests to check whether the operations of internal control system in accordance with the risk management policy.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including interest rate risk, foreign exchange rate risk and other commodity price risk).

1) Credit risk

Credit risk is the risk that a counterparty of financial assets will cause a financial loss for the Company by failing to discharge an obligation.

The Company managed the credit risk by groups. Credit risk mainly came from bank, notes receivable, trade receivable and other receivables.

The bank deposits of the Company mainly deposited in a financial institution with a good reputation and a high credit rating. The Company expects that there are no significant credit risks exist on the bank deposit.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks arising from financial instruments (Continued)

(1) Risk management objectives and policies (Continued)

1) Credit risk (Continued)

For notes receivable, trade receivable and other receivables, the Company makes relevant policies to control credit risk exposures. The Company assesses the quality of debtors' credit rating and set their credit limits and credit period based on the debtors' financial position, credit history and other factors such as current market condition. The Company monitors the debtors' credit records regularly and ensures its overall credit risk within controllable range by written reminders, shorten or cancel credit periods to the debtors with bad credit history.

The debtors of the Company's trade receivable are customers distributed in different industries and regions. The Company continues to perform credit assessments on the financial status of trade receivable and purchase credit guarantee insurance when appropriate.

The maximum exposure to credit risk borne by the Company is the carrying amount of each financial asset in the statement of financial position. The Company does not provide any other guarantee that may expose the Company to credit risk.

Trade receivable due from the top five customers of the Company account for 26.50% of total accounts receivable (31 December 2024: 26.12%); other receivables due from the top five customers of the Company account for 46.70% of total other receivables (31 December 2024: 55.54%).

2) Liquidity risk

Liquidity risk is the risk that the Company is short of funds to deliver cash or other financial assets or meet settlement obligations.

To manage liquidity risk, the Company maintains cash and cash equivalents at a level that the management considers adequate and monitors them so as to meet its operation demand as well as to reduce the effect of cash flow fluctuations. The management is responsible for monitoring the usefulness of bank loans to ensure it complies with the covenants in loan agreements. Meanwhile, the management obtains the commitment from the principal financial institutions to provide enough surplus in reserve to satisfy the Company's short and long-term fund demands.

The Company finances working capital with funds arising from operation and bank and other borrowings. As at 31 December 2025, the available loan limit for withdrawal by the Company is RMB365.5 billion (31 December 2024: RMB344.1 billion).

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks arising from financial instruments (Continued)

(1) Risk management objectives and policies (Continued)

2) Liquidity risk (Continued)

At the end of the period, the analysis of due date of the Company's financial liabilities by undiscounted cash flow of remaining contracts are as follow:

Unit: RMB'000

	Closing balance				
Item	**Within 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
Short-term borrowings	**12,935,498**	**–**	**–**	**–**	**12,935,498**
Derivative financial liabilities	**393,224**	**–**	**–**	**–**	**393,224**
Notes payable	**103,276,999**	**–**	**–**	**–**	**103,276,999**
Trade payable	**160,328,962**	**–**	**–**	**–**	**160,328,962**
Other payables	**10,504,098**	**–**	**–**	**–**	**10,504,098**
Non-current liabilities due within one year	**22,237,540**	**–**	**–**	**–**	**22,237,540**
Long term borrowings	**–**	**15,076,474**	**46,515,161**	**16,643,300**	**78,234,935**
Bonds payable	**–**	**9,732**	**3,433,702**	**–**	**3,443,434**
Lease liabilities	**–**	**421,341**	**1,379,038**	**1,004,702**	**2,805,081**
Long-term payables	**–**	**18,080**	**1,554,541**	**66,988**	**1,639,608**
Total	**309,676,322**	**15,525,627**	**52,882,441**	**17,714,990**	**395,799,379**

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks arising from financial instruments (Continued)

(1) Risk management objectives and policies (Continued)

2) Liquidity risk (Continued)

As at beginning of the year, the analysis of due date of the Company's financial liabilities by undiscounted cash flow of remaining contracts are as follow:

Unit: RMB'000

	Opening balance				
Item	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	19,696,282	–	–	–	19,696,282
Derivative financial liabilities	2,116,017	–	–	–	2,116,017
Notes payable	67,356,323	–	–	–	67,356,323
Trade payable	130,977,408	–	–	–	130,977,408
Other payables	10,761,762	–	–	–	10,761,762
Non-current liabilities due within one year	22,881,417	–	–	–	22,881,417
Long term borrowings	–	22,611,084	36,384,553	22,242,818	81,238,456
Bonds payable	–	3,548,021	4,866,013	3,508,589	11,922,623
Lease liabilities	–	136,886	415,156	110,772	662,814
Long-term payables	–	12,372	756,606	837,502	1,606,480
Total	253,789,209	26,308,364	42,422,328	26,699,681	349,219,581

3) Market risk

Market risk of financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes of market price, including interest rate risk, foreign exchange rate risk and other pricing risk.

Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value or future cash flow of financial instrument due to the changes of market interest rate. Interest rate risk can come from the recognised interest-bearing financial instruments and unrecognised financial instruments (such as loan commitments).

Interest rate risk of the Company mainly arises from interest bearing borrowings, such as long-term bank loans and long-term payables. A financial liability with floating interest rates causes interest rate risks in cash flow to the Company; and a financial liability with fixed interest rates causes interest rate risks in fair value to the Company. The Company determines the proportion of bank loans with fixed and floating interest rate according to current market situation and maintains the appropriate combination of the instruments with fixed and floating interest rate by regular review and monitoring.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risks arising from financial instruments (Continued)

(1) Risk management objectives and policies (Continued)

3) Market risk (Continued)

Interest rate risk (Continued)

The Company pays close attention to the effect of interest rate changes on the Company's interest rate risk. The Company does not adopt any interest rate hedge, but the management is responsible for monitoring interest rate risk and will consider hedging on significant interest rate risk. The rise in interest rates will increase the cost of new interest-bearing debts and the interest expenses of interest-bearing debts that have not been paid by the Company at floating interest rates, and will have a significant adverse impact on the Company's financial results. The management will rely on the latest market. The situation is adjusted in a timely manner. These adjustments may be arranged for interest rate swaps to reduce interest rate risk.

Foreign exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of financial instrument fair value or future cash flow fluctuation due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instruments measured at foreign currencies other than the functional currency.

The main operations of the Company are within China and mainly settled in RMB. However, assets and liabilities denominated in foreign currencies recognised by the Company and the future foreign currency transactions (Foreign currency assets and liabilities and foreign currency transactions are primarily denominated in USD or EUR) are still having exchange risk.

The Company's foreign currency financial assets and foreign currency financial liabilities are presented in Section 8 Financial Report, VII. Consolidated Financial Statements, 68 Items in foreign currency.

Other pricing risk

Other price risk is the risk of fluctuation due to the changes of market price, besides of foreign exchange risk and interest rate risk, no matter whether the change is caused by individual financial instrument or factors relating to issuer or all similar financial instruments traded in the market. Other pricing risk may be affected by the changes in price of goods, equity instrument, share market index or the other risk factors.

The Company's investments in equity of listed securities as classified as investment in other equity instruments are measured at fair value on the closing date of the reporting period, and the Company undertakes the fluctuation risk of stock market.

The Company pays close attention to the effect of price changes on the Company's price risk of equity security investment. The management is responsible for monitoring other price risk and will consider in holding a portfolio of multiple equity securities in order to mitigate the price risk of equity security investment.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Capital management

The purpose of the Company's capital management policy is to ensure the Company is going concern so as to provide returns to the shareholders and benefit other stakeholders and maintain the optimal capital structure to reduce capital cost.

To maintain or adjust the capital structure, the Company may adjust the sources of financing, amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or other equity, or sell assets to reduce debts.

The Company monitors capital structure on the basis of debt-to-asset ratio (Total liabilities divided by total assets). As at 31 December 2025, the Company's debt-to-asset ratio is 61.94% (31 December 2024: 65.24%).

3. Hedging

(1) The company engages in hedging activities for risk management purposes

☑ Applicable ☐ Not applicable

(1) During the reporting period, the company conducted commodity hedging business, using metal forwards and other derivative contracts as hedging instruments. The commodity price risk components of some anticipated purchases and sales transactions are hedged items, as a means of hedging the company's exposure to fluctuation risk in expected future cash flows from anticipated purchases and sales arising from fluctuations in commodity market prices. Such type is cash flow hedge.

(2) During the reporting period, the company conducted commodity hedging business, using metal futures and other derivative contracts as hedging instruments. Holding metal raw materials as the hedged items, as a means of hedging the company's exposure to the commodity price risk of holding metal raw materials. Such type of hedge is fair value hedge.

(3) During the reporting period, the company conducted foreign exchange hedging business, using forward settlement and other derivative contracts as hedging instruments, and some of the foreign exchange cash flows involved in expected purchase and sales transactions as hedged items. The commodity price risk components of some anticipated purchases and sales transactions are hedged items, as a means of hedging the company's exposure to fluctuation risk in expected future cash flows from anticipated purchases and sales arising from fluctuations in foreign exchange market prices. Such type is cash flow hedge.

(4) During the reporting period, the company conducted foreign exchange hedging business, using forward settlement and other derivative contracts as hedging instruments and certain foreign exchange deposits as hedged items, as a means of hedging the company's exposure to fluctuation risk in existing foreign exchange deposits arising from fluctuations in foreign exchange market prices. Such type is fair value hedging.

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

3. Hedging (Continued)

(2) The company engages in qualifying hedging transactions and applies hedge accounting

The carrying amount and changes in fair value of hedging instruments are as follows:

December 31, 2025

Unit: RMB'000

Item	Notional amount of the hedging instrument	Carrying amount of the hedging instrument		Statement of financial position presentation items containing hedging instruments
		Assets	Liabilities	
Commodity	**5,080,849**	**155,131**	**296,266**	**Derivative financial assets/liabilities**
Foreign exchange	**126,264,723**	**978,371**	**96,958**	**Derivative financial assets/liabilities**

December 31, 2024

Unit: RMB'000

Item	Notional amount of the hedging instrument	Carrying amount of the hedging instrument		Statement of financial position presentation items containing hedging instruments
		Assets	Liabilities	
Commodity	445,396	–	2,962	Derivative financial liabilities
Foreign exchange	36,324,037	–	2,113,055	Derivative financial liabilities

(3) The company engages in hedging activities for risk management purposes and expects to achieve its risk management objectives, but does not apply hedge accounting

☐ Applicable ☑ Not applicable

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

4. Financial assets

(1) Classification of transfer methods

☐ Applicable ☑ Not applicable

(2) Financial assets derecognized due to transfer

☐ Applicable ☑ Not applicable

(3) Financial assets subject to ongoing asset transfers

☐ Applicable ☑ Not applicable

Notes:

In the year 2025, the Group engaged in several notes receivable discounting transactions with multiple banks and endorsed several bank acceptance bills to other parties to settle payables of equivalent amounts. The Group considers that substantially all risks and rewards upon discounting or endorsement of the relevant notes receivable have been transferred, meeting the criteria for derecognition of financial assets. Therefore, the relevant notes receivable was fully derecognized at their carrying value on the discounting or endorsement date. As at December 31, 2025, the amount of notes receivable derecognized due to discounting and endorsement but not yet matured was RMB68,880,369 thousand. As at December 31, 2025, there were no transferred financial assets with continuing involvement.

XII. FAIR VALUE DISCLOSURE

1. Fair value of assets and liabilities measured at fair value at the end of the period

Unit: RMB'000

	Fair value at the end of the period			
Item	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
I. Recurring fair value measurement	–	–	–	–
(1) Financial assets held for trading	–	58,993,528	–	58,993,528
(2) Derivative financial assets	–	1,133,502	–	1,133,502
(3) Receivable financing	–	43,205,292	–	43,205,292
(4) Other equity instruments investments	11,769,745	–	4,527,107	16,296,853
(5) Other non-current financial assets	–	–	2,882,264	2,882,264
Total assets measured at fair value on a recurring basis	11,769,745	103,332,323	7,409,371	122,511,440
(1) Derivative financial liabilities	–	393,224	–	393,224
Total liabilities measured at fair value on a recurring basis	–	393,224	–	393,224

The Company's other financial assets and financial liabilities did not experience any transfers between Level 1 and Level 2 fair value measurements, nor were there any transfers into or out of Level 3.

For financial instruments traded in active markets, the Company determines their fair value based on quoted prices in those active markets. For financial instruments not traded in active markets, the Company employs valuation techniques to determine their fair value. The primary valuation models used include discounted cash flow models and comparable company models. Inputs for these valuation techniques mainly comprise risk-free rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and illiquidity discounts.

XII. FAIR VALUE DISCLOSURE (CONTINUED)

2. Level 2 fair value measurement

Assets measured at Level 2 fair value primarily include wealth management products and structured deposits, receivables financing measured at fair value through other comprehensive income, and hedging instruments corresponding to hedging activities.

Unit: RMB'000

Item	Fair value at the end of the period	Valuation techniques	Input values
Financial assets held for trading	58,993,528	Discounted cash flow method	Expected interest rate or contract interest rate
Derivative financial assets	1,133,502	Discounted cash flow method	Contract index or exchange rate
Receivables financing	43,205,292	Discounted cash flow method	Expected interest rate or contract interest rate
Derivative financial liabilities	393,224	Discounted cash flow method	Contract index or exchange rate

3. Quantitative information on significant unobservable inputs used in Level 3 fair value measurements

Assets measured at fair value in Level 3 primarily include unlisted equity investments measured at fair value through profit or loss and those measured at fair value through other comprehensive income. These assets are primarily measured using the market approach, adjusted net asset value, and recent transaction price methods. The determination of Level 3 fair value is based on the significance of unobservable inputs in calculating the overall fair value.

Unit: RMB'000

Item	Fair value at the end of the period	Valuation techniques	Unobservable input values	Range interval
Other equity investments	4,527,107	Market approach, recent transaction price approach	Price-to-book ratio, price-to-sales ratio, price-to-earnings ratio, liquidity discount, latest financing price	2.21-4.49 1.64-24.14 35.43-86.10 40%-70% 1.79-120.58
Other non-current financial assets	2,882,264	Net asset value	Not applicable	Not applicable

XIII. RELATED PARTY AND TRANSACTIONS

1. The Company's controlling shareholder and actual controlling party

The controlling shareholder of the Company is Xiamen Ruiting Investment Co., Ltd. As of 31 December 2025, its shareholding ratio in the Company was 22.45%.

As at 31 December, 2025, Mr. Zeng Yuchun directly and indirectly held in aggregate 100% equity interest in Xiamen Ruiting Investment Co., Ltd., the controlling shareholder of the Company, and indirectly held 22.45% of the shares of the Company.

2. Subsidiaries

The Company's subsidiaries refer to Section 8 Financial Report, X. Interests in Other Entities, 1. Interests in Subsidiaries.

3. Joint ventures and associates

Significant joint ventures and associates refer to Section 8 Financial Report, X. Interests in Other Entities, 3. Interests in Joint Arrangements or Associates

Joint ventures and associates that have related party transactions with the Company during this year or the previous year are as follows:

Joint ventures or associates	Relationship with the Company
Chengdu Dianfu Jiaotou Energy Technology Co., Ltd	Joint venture
Fujian Contemporary Mindong New Energy Industry Equity Investment Partnership (Limited Partnership)	Joint venture
Fujian Times Zeyuan Equity Investment Fund Partnership (Limited Partnership) and certain subsidiaries	Joint venture
Futian Contemporary Amperex Technology Co., Ltd.	Joint venture
Some subsidiaries of Era Energy Storage (Fujian) Technology Co., Ltd	Joint venture
Liberation Contemporary Amperex Technology Co., Ltd.	Joint venture
Jinjiang Mintou Power Energy Storage Technology Co., Ltd.	Joint venture
Some subsidiaries of Shanghai Kuaibu New Energy Technology Co., Ltd.	Joint venture
Yibin Sanjiang Lvcheng Energy Technology Co., Ltd.	Joint venture
Avita Technology (Chongqing) Co., Ltd	Associate
AiXing (Hainan) Smart Mobility Technology Co., Ltd.	Associate
Anmai Era Intelligent Manufacturing (Ningde) Co., Ltd	Associate
Beijing Chaboshi Technology Co., Ltd.	Associate
Beijing China Automotive Engineering Institute Technology Co., Ltd.	Associate

XIII. RELATED PARTY AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates (Continued)

Joint ventures or associates	Relationship with the Company
Certain subsidiaries of Changzhou Lithium Source New Energy Technology Co., Ltd	Associate
Dongying Times Energy Storage Technology Co., Ltd.	Associate
Foshan Huapu Gas Technology Co., Ltd	Associate
Fujian Hongda Era New Energy Technology Co., Ltd	Associate
Certain subsidiaries of Fujian Ningde Zhixiang Unlimited Technology Co., Ltd.	Associate
Fujian Times Star Cloud Technology Co., Ltd.	Associate
Fujian Yongfu Power Engineering Co., Ltd. and its certain subsidiaries	Associate
Gwei Semiconductor (Xiamen) Co., Ltd.	Associate
Zhongke Xingcheng Graphite Co., Ltd. in Gui'an New Area	Associate
Guizhou Phosphating New Energy Technology Co., Ltd.	Associate
National Automotive Power Battery Research Institute Co., Ltd.	Associate
Guoning Xinchu (Fujian) Technology Co., Ltd	Associate
Hangzhou Anmaisheng Intelligent Technology Co., Ltd. its certain subsidiaries	Associate
Henan Yuexiu Era New Energy Technology Co., Ltd	Associate
Jiangxi Chunyou Lithium Industry Co., Ltd	Associate
Jiangxi Shenghua New Materials Co., Ltd and its certain subsidiaries	Associate
CMOC Group Limited and its certain subsidiaries	Associate
Nengjian Era New Energy Technology Co., Ltd and certain subsidiaries	Associate
Ningde Huizhi Magnesium and Aluminum Technology Co., Ltd.	Associate
CATL-KSTAR Science and Technology Co., Ltd	Associate
Ningxiang Jinli Bangpu Environmental Protection Technology Co., Ltd	Associate
QuJing LinTie Technology Co., Ltd and its certain subsidiaries	Associate
Xiamen Xinnengda Technology Co., Ltd and its certain subsidiaries	Associate
Shandong Genyuan New Materials Co., Ltd and its certain subsidiaries	Associate
Shandong Ronghui Times Ship Technology Co., Ltd.	Associate
COMAC Times (Shanghai) Aviation Co., Ltd.	Associate
Shanghai Jieneng Zhidian New Energy Technology Co., Ltd.	Associate
Shanghai Qiyuan Xin Power Technology Co., Ltd	Associate
Shanghai Ronghe Dianke Financial Leasing Co., Ltd. and some of its subsidiaries	Associate
Some subsidiaries of Shanghai Shanshan Lithium Battery Materials Technology Co., Ltd.	Associate
Shanghai Xinshidai New Energy Technology Co., Ltd.	Associate
SAIC Times Power Battery System Co., Ltd.	Associate
Shaowu Yongtai Advanced Materials Co., Ltd.	Associate

XIII. RELATED PARTY AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates (Continued)

Joint ventures or associates	Relationship with the Company
Certain subsidiaries of Shenzhen Gecko New Energy Vehicle Technology Co., Ltd.	Associate
Shenzhen Jiyang Intelligent Technology Co., Ltd. and its certain subsidiaries	Associate
Shenzhen Shengde New Energy Technology Co., Ltd and some of its subsidiaries	Associate
Times Wisdom Technology (Fujian) Co., Ltd. and certain subsidiaries thereof	Associate
Wuxi Lead Intelligent Equipment CO., LTD. and some of its subsidiaries	Associate
Yibin Baichuan Green Energy Technology Co., Ltd	Associate
Yibin Tianyi Lithium Industry Co., Ltd and some of its subsidiaries	Associate
Yichang Baiyang Heating Co., Ltd	Associate
Yichun Longpan Era Lithium Industry Technology Co., Ltd	Associate
Certain subsidiaries of Yifeng County Huaqiao Yongtuo Mining Co., Ltd	Associate
Certain subsidiaries of Zhongde Century (Tianjin) New Energy Technology Co., Ltd	Associate
Honghua Times Smart Energy Technology (Suzhou) Co., Ltd and its certain subsidiaries	Associate
Ningpu Yichong New Energy Technology (Jiangsu) Co., Ltd	Associate
Nanjing Karui Innovation and Entrepreneurship Management Service Co., Ltd	Associate
GAC Times Power Battery System Co., Ltd	Associate
Ganghua Times Smart Energy Technology (Suzhou) Co., Ltd	Associate
Changzhou Mengteng Intelligent Equipment Co., Ltd	Associate
PT.QMB New Energy Materials	Associate
PT. Sumberdaya Arindo	Associate
Some subsidiaries of Newstride Technology Limited	Associate
Some subsidiaries of CHC Co. Limited	Associate
Some subsidiaries of Autoflightx Inc	Associate

4. The Company's other related parties

Related parties	Relationship with the Company
Hezhoulanhai Cultural Industry Development (Fujian) Co., Ltd.	Other enterprises directly or indirectly controlled by a related natural person, or in which the related natural person serves as a director or senior managerial personnel
Hainan Yian Business Consulting Co., Ltd.	Other enterprises directly or indirectly controlled by a related natural person, or in which the related natural person serves as a director or senior managerial personnel
Directors, senior management	Key management personnel

XIII. RELATED PARTY AND TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Sale and purchase with related party

Purchase of goods and receiving services

Unit: RMB'000

Related parties	Related party transaction	Year ended 31/12/2025	Year ended 31/12/2024
Associate	Purchase of goods	**13,899,432**	16,355,995
Associate	Purchase of material	**17,066,845**	11,026,643
Associate	Purchase of services and other	**199,830**	299,951
Joint venture	Purchase of goods	**1,670**	539
Joint venture	Purchase of material	**4,723**	–
Joint venture	Purchase of services and other	**3,439**	–
Other enterprises directly or indirectly controlled by a related natural person, or in which the related natural person serves as a director or senior managerial personnel	Purchase of services and other	**–**	4,841

Sale of goods and rendering of services

Unit: RMB'000

Related party	Related party transaction	Year ended 31/12/2025	Year ended 31/12/2024
Joint venture	Sale of goods	**87,340**	11,786
Joint venture	Render of services and others	**4,551**	8,368
Associate	Sale of goods	**6,248,366**	5,389,551
Associate	Sale of material	**1,760,164**	1,661,404
Associate	Render of services and others	**905,895**	1,109,221
Other enterprises directly or indirectly controlled by a related natural person, or in which the related natural person serves as a director or senior managerial personnel	Render of services and others	**–**	12

XIII. RELATED PARTY AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Information of guarantee

The Company as guarantor

Unit: RMB'000

Guarantee	Guarantee amount	Start date	Expiry date	Whether guarantee expired
Jinjiang Mintou Electrical Energy Storage Technology Co., Ltd.	2,860	19 July, 2019	20 April, 2025	Yes
Jinjiang Mintou Electrical Energy Storage Technology Co., Ltd.	2,860	19 July, 2019	20 October, 2025	Yes
Jinjiang Mintou Electrical Energy Storage Technology Co., Ltd.	52,140	19 July, 2019	18 July, 2034	No
Foshan Huapu Gas Technology Co., Ltd.	1,640	1 January, 2023	21 June, 2025	Yes
Foshan Huapu Gas Technology Co., Ltd.	6,561	1 January, 2023	21 December, 2025	Yes
Foshan Huapu Gas Technology Co., Ltd.	31,163	1 January, 2023	12 December, 2027	No
Yichun Longpan Era Lithium Industry Technology Co., Ltd.	16,560	23 August, 2023	21 February, 2025	Yes
Yichun Longpan Era Lithium Industry Technology Co., Ltd.	21,920	23 August, 2023	21 August, 2025	Yes
Yichun Longpan Era Lithium Industry Technology Co., Ltd.	243,358	23 August, 2023	22 February, 2030	No
Yichun Longpan Era Lithium Industry Technology Co., Ltd.	112,099	25 August, 2023	24 August, 2031	No
PT.QMB New Energy Materials	1,201	December 10, 2024	10 December, 2025	Yes
PT.QMB New Energy Materials	75,901	December 10, 2024	18 June, 2029	No

XIII. RELATED PARTY AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3) Key management personnel remuneration

Unit: RMB'000

Item	**Year ended 31/12/2025**	Year ended 31/12/2024
Key management personnel remuneration	**24,503**	24,749

(4) Other related party transactions

The Company's subsidiary holding company, Contemporary Amperex Technology (Hong Kong) Limited, acquired 100% equity interest in Hong Kong CBC International Holding Limited (formerly known as CMOC Beta Limited) during the current period. The target company has not yet commenced actual operations. The acquisition consideration was RMB1, with the counterparty being a subsidiary of CMOC Group Limited.

During the period, the Company's subsidiary, Guizhou Contemporary Sicong New Material Co., Ltd., was sold to the associate company for a transaction consideration of RMB55 million.

XIII. RELATED PARTY AND TRANSACTIONS (CONTINUED)

6. Receivables and payables with related party

(1) Receivables

Unit: RMB'000

Item	Related Party	Closing balance		Opening balance	
		Book balance	**Provision for bad debts**	Book balance	Provision for bad debts
Trade receivable	Joint venture	**94,898**	**73,834**	85,504	57,483
Trade receivable	Associate	**1,616,411**	**24,498**	1,997,056	75,050
Contract assets	Associate	**9,276**	**115**	2,000	26
Prepayments	Joint venture	**–**	**–**	22	–
Prepayments	Associate	**5,062,354**	**–**	1,949,136	–
Long-term receivables	Joint venture	**18,355**	**–**	–	–
Long-term receivables	Associate	**418**	**–**	–	–
Other Receivables	Associate	**203,205**	**14,206**	198,354	33
Other non-current assets	Joint venture	**605**	**–**	523	–
Other non-current assets	Associate	**9,603,959**	**–**	11,421,073	–

(2) Payables

Unit: RMB'000

Item	Related party	Closing balance	Opening balance
Trade payable	Joint venture	**2,422**	388
Trade payable	Associate	**7,476,563**	7,432,522
Contract liabilities	Joint venture	**145,859**	17,213
Contract liabilities	Associate	**363,193**	136,215
Other payables	Joint venture	**833**	5,423
Other payables	Associate	**121,497**	173,125

XIV. SHARE-BASED PAYMENTS

1. Overview of Share-based payments

Unit: RMB'000

Category of grant recipients	Grant		Exercise		Unlock		Lapse	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management Personnel	–	–	954	91,661	676	83,242	2,447	243,851
Sales Personnel	–	–	378	37,369	216	27,513	929	97,912
Research and Development Personnel	–	–	838	91,385	727	92,288	1,774	186,728
Manufacturing Personnel	–	–	372	43,381	332	40,921	208	18,441
Total	–	–	2,542	263,796	1,951	243,964	5,356	546,932

Stock options or other equity instruments issued and outstanding at the end of the period

☑ Applicable ☐ Not applicable

Notes:

(1) In September 2022, the exercise price of the equity incentive granted by the Company through the issuance of restricted stock is RMB263.23 per share. The exercise price of the stock option is RMB525.81 per share, and the contract period does not exceed 5 years.

(2) In September 2023, the exercise price of the equity incentive granted by the Company through the issuance of restricted stock is RMB112.71 per share, and the contract period does not exceed 5 years.

XIV. SHARE-BASED PAYMENTS (CONTINUED)

2. Information on equity-settled share-based payments

☑ Applicable ☐ Not applicable

Unit: RMB'000

Method in determining the fair value of equity instruments at the date of grant	(1) The fair value of restricted shares is determined based on the closing price of the Company's shares on the grant date, minus the price granted to employees. (2) Determined according to the Black-Scholes option pricing model (B-S model)
Key parameters of grant date fair value of equity instruments	Current market price of stock, annualized volatility, annualized risk-free rate, maturity, dividend yield
Basis in determining the quantity of exercisable equity instruments	Determined according to the expected turnover rate and the conditions of the right to exercise
Reason for significant difference of estimation between current year and prior year	Not applicable
Accumulated amount recorded in capital reserve for equity-settled share-based payments	3,071,589
Total expense recognized for equity-settled share-based payments for the period	-82,524

3. Share-based payment expense during the reporting period

☑ Applicable ☐ Not applicable

Unit: RMB'000

Category of grant recipients	Equity-settled share-based payment expense	Cash-settled share-based payment expense
Management Personnel	-39,738	–
Sales Personnel	-20,291	–
Research and Development Personnel	-27,401	–
Manufacturing Personnel	4,906	–
Total	-82,524	–

XV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Capital commitment

Unit: RMB'000

Capital commitments contracted but not yet recognized in the financial statements	Closing balance	Opening balance
Commitments for the acquisition and construction of non-current assets	**13,726,018**	11,268,941
Total	**13,726,018**	11,268,941

As of December 31, 2025, the Company has no other commitments that require disclosure.

2. Contingencies

(1) Significant contingencies existing at the balance sheet date

The Company and its subsidiaries provided guarantees for the following loans of external party:

As at December 31, 2025, the actual external guarantee balance provided by the Company and its subsidiaries was RMB4,663,512 thousand (December 31, 2024: RMB4,333,653 thousand).

As at December 31, 2025, the actual guarantee balance provided by the Company to its subsidiaries was RMB49,555,686 thousand (December 31, 2024: RMB52,127,777 thousand).

As at December 31, 2025, the Company has no other contingent matters that should be disclosed.

XVI. EVENTS AFTER THE REPORTING PERIOD

1. Information of profit distribution

Proposed dividend per 10 shares (RMB)	69.57
Profit distribution plan	Based on the distributable share capital of 453,188,5650 shares (i.e., the Company's current total share capital of 4,563,868,956 shares, excluding 31,982,306 shares repurchased and held in the A-share repurchase special account), a cash dividend of RMB69.57 (including tax) will be distributed to all shareholders for every 10 shares, with a total distribution of RMB31,532,206,318.17. The cash dividend is valued and announced in RMB, paid to A-share shareholders in RMB and to H-share shareholders in HKD. The actual amount of the H-share will be calculated based on the middle exchange rate against HKD published by the People's Bank of China on the trading day preceding the board of directors' review of this proposal (March 6, 2026). (1 HKD to 0.88253 RMB), so the amount of dividend per 10 H-shares to be paid is HKD78.83 (including tax). In 2025, the Company will not implement capital reserve conversion into share capital nor distribute bonus shares. Should changes occur in the Company's total share capital or the number of repurchased shares between the date of disclosure of this proposal and the record date for the equity distribution, the total cash dividend will be adjusted accordingly. This adjustment will be based on the total share capital as of the record date for the distribution plan, excluding shares held in the dedicated repurchase account. The Company will adhere to the principle of maintaining a fixed cash dividend distribution ratio.

Note: The above profit distribution proposal was reviewed and approved at the 14th Meeting of the Fourth Board of Directors on March 9, 2026, and is subject to approval by the Company's shareholders' meeting.

2. Other post-balance sheet events

As at March 9, 2026 (the date when the board of directors approved this report), the Company has no other after-balance-sheet-date events that need to be disclosed.

XVII. OTHER SIGNIFICANT EVENTS

1. Remuneration of directors and supervisors

Disclosed in accordance with applicable Hong Kong Listing Rules and the Hong Kong Companies Ordinance, the remuneration of directors and supervisors are RMB25,504 thousand (previous year: 24,987 thousand), details of the remuneration for the current year is disclosed as follows:

Unit: RMB'000

Personnel	Salaries, allowances, and bonuses	Retirement, medical, housing and other benefits	Share-based compensation expenses	Total
Executive director:				
Zeng Yuqun	**5,690**	**102**	**–**	**5,792**
Pan Jian	**330**	**–**	**–**	**330**
Li Ping	**352**	**7**	**–**	**359**
Zhou Jia	**1,724**	**76**	**1,919**	**3,719**
Ouyang Chuying	**3,290**	**8**	**–**	**3,298**
Zhao Fenggang (resigned since December 5, 2025)	**3,293**	**100**	**1,077**	**4,470**
Wu Yingming (assigned since December 25, 2025)	**2,011**	**102**	**–**	**2,113**
Independent executive directors:				
Lin Xiaoxiong	**–**	**–**	**–**	**–**
Wu Yuhui	**200**	**–**	**–**	**200**
Zhao Bei	**200**	**–**	**–**	**200**
Supervisors:				
Wu Yingming (ceased since December 25, 2025)	**Details in note**	**–**	**–**	**–**
Feng Chunyan (ceased since December 25, 2025)	**2,818**	**100**	**–**	**2,918**
Liu Na (ceased since December 25, 2025)	**2,007**	**97**	**–**	**2,105**
Total	**21,915**	**593**	**2,995**	**25,504**

Note: Wu Yingming, Feng Chunyan, and Liu Na have resigned as supervisors of the Company; Zhao Fenggang resigned as an executive director of the Company on December 25, 2025; Wu Yingming was appointed as an executive director of the Company on December 25, 2025.

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. The five highest-paid individuals

The top five highest-paid individuals at the Company this fiscal year include 0 directors (1 director last fiscal year), whose compensation is reflected in "1. Compensation for Directors and Supervisors." The remaining 5 individuals (4 last fiscal year) are non-directors, with compensation amounted to RMB74,676 thousand (previous year: RMB78,645 thousand). The details of their total compensation this year are disclosed as follows:

Item	Current Period Amount
Salaries, allowances, and bonuses	**69,017**
Retirement, medical, housing and other benefits	**505**
Share-based compensation expenses	**5,154**
Total	**74,676**

The number of non-directors whose remuneration falls within the following ranges is as follows:

Salary Range	Number of people in the current period
RMB 12,250,001 to 12,500,000	**1**
RMB 12,500,001 to 12,750,000	**1**
RMB 13,750,001 to 14,000,000	**1**
RMB 14,000,001 to 14,250,000	**1**
RMB 21,500,001 to 22,750,000	**1**

3. Dividends

The Company has declared the following cash dividends to shareholders:

Unit: RMB'000

Item	Current Period Amount	Previous Period Amount
Interim Dividend	**4,568,435**	–
Final and Special Dividend	**19,972,193**	27,458,131
Total	**24,540,627**	27,458,131

XVII. OTHER SIGNIFICANT EVENTS (CONTINUED)

4. Segment reporting

According to the Company's internal organizational structure, management requirements and internal reporting system, the Company's operations and strategies are operating as a whole, and the financial information provided to the chief operating decision makers does not contain profit or loss information for various operating activities. Therefore, the management believes that the Company has only one operating segment and does not need to prepare a segment report, so the Company does not present any segment information.

5. Other information

(1) Products and services information

The external transaction income of the Company as a whole and its products and services, details refer to Section 8 Financial Report, VII. Notes to the Consolidated Financial Statements, 50. Operating income and Operating cost.

(2) Region information

The external transaction region information of the Company as a whole and its products and services, details refer to Section 8 Financial Report, VII. Notes to the Consolidated Financial Statements, 50. Operating income and Operating cost.

Non-current assets include fixed assets and construction in progress, depending on the actual location of the assets. The proportion of non-current assets located in the company exceeds 80%, so there is no need to present more detailed regional information on non-current assets.

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY

1. Trade receivable

(1) Disclosure by aging

Unit: RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**75,499,876**	60,502,327
1 to 2 years	**1,919,389**	7,796,458
2 to 3 years	**5,186,544**	3,186,737
Over 3 years	**4,084,926**	740,075
Total	**86,690,735**	72,225,597

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

1. Trade receivable (Continued)

(2) Disclosure by allowance method

Unit: RMB'000

	Closing balance					Opening balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts assessed on a collective basis	**715,663**	**0.83**	**715,663**	**100.00**	**-**	730,184	1.01	730,184	100.00	-
Provision for bad debts assessed on an individual basis	**85,975,071**	**99.17**	**1,697,330**	**1.97**	**84,277,741**	71,495,413	98.99	1,526,352	2.13	69,969,060
Including:										
Receivables from external customers	**55,319,037**	**63.81**	**1,697,330**	**3.07**	**53,621,707**	41,541,052	57.52	1,526,352	3.67	40,014,700
Receivables from related parties within the scope of consolidation	**30,656,035**	**35.36**	**-**	**-**	**30,656,035**	29,954,360	41.47	-	-	29,954,360
Total	**86,690,735**	**100.00**	**2,412,993**	**2.78**	**84,277,741**	72,225,597	100.00	2,256,537	3.12	69,969,060

Provision for bad debts assessed on an individual basis:

Unit: RMB'000

	Closing balance			
Name	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason for provision
Debtor 1	**383,441**	**383,441**	**100.00**	**Expected not recoverable**
Debtor 2	**213,383**	**213,383**	**100.00**	**Expected not recoverable**
Debtor 3	**45,389**	**45,389**	**100.00**	**Expected not recoverable**
Debtor 4	**16,975**	**16,975**	**100.00**	**Expected not recoverable**
Others	**56,475**	**56,475**	**100.00**	**Expected not recoverable**
Total	**715,663**	**715,663**	**100.00**	

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

1. Trade receivable (Continued)

(2) Disclosure by allowance method (Continued)

Unit: RMB'000

	Opening balance			
Name	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason for provision
Debtor 1	409,322	409,322	100.00	Expected not recoverable
Debtor 2	213,383	213,383	100.00	Expected not recoverable
Debtor 3	45,389	45,389	100.00	Expected not recoverable
Debtor 4	16,975	16,975	100.00	Expected not recoverable
Others	45,115	45,115	100.00	Expected not recoverable
Total	730,184	730,184	100.00	

Provision for bad debts assessed on a collective basis:

Provision on a collective basis: Receivable from external customers

Unit: RMB'000

	Closing balance		
Aging	**Book balance**	**Provision for bad debts**	**Expected credit loss rate (%)**
Within 1 year	**54,002,512**	**669,784**	**1.24**
1 to 2 years	**465,924**	**185,100**	**39.73**
2 to 3 years	**97,416**	**89,260**	**91.63**
Over 3 years	**753,186**	**753,186**	**100.00**
Total	**55,319,037**	**1,697,330**	**–**

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

1. Trade receivable (Continued)

(2) Disclosure by allowance method (Continued)

Unit: RMB'000

Aging	Opening balance		
	Book balance	Provision for bad debts	Expected credit loss rate (%)
Within 1 year	40,249,904	551,396	1.37
1 to 2 years	462,600	166,860	36.07
2 to 3 years	143,114	122,662	85.71
Over 3 years	685,434	685,434	100.00
Total	41,541,052	1,526,352	–

Provisions for bad debts on accounts receivable calculated by the expected credit loss general model:

☐ Applicable ☑ Not applicable

(3) Additions, recoveries or reversals of provision for bad debts during the reporting period

Provision for bad debts for the current period:

Unit: RMB'000

Category	Opening balance	Changes in current period				Closing balance
		Addition	Recoveries or reversals	Write-off	Others	
Provision for bad debts	2,256,537	**180,136**	**–**	**-23,680**	**–**	**2,412,993**
Total	2,256,537	**180,136**	**–**	**-23,680**	**–**	**2,412,993**

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

1. Trade receivable (Continued)

(4) Details of top five trade receivables and contract assets with the closing balances classified by debtors

Trade receivable and contractual assets due from the top five debtors as at 31/12/2025 was totaling RMB30,992,043 thousand, which accounted for 35.60% of total trade receivable and contractual assets, and the corresponding provision for bad debts was totaling RMB117,249 thousand.

2. Other receivables

Unit: RMB'000

Item	Closing balance	Opening balance
Other receivables	**98,022,722**	33,353,170
Total	**98,022,722**	33,353,170

(1) Other receivables

1) Disclosure by nature

Unit: RMB'000

Nature	Closing balance	Opening balance
Receivables from employees	**43,345**	84,998
Security deposits or deposits	**508,568**	430,260
Receivables from related parties within the scope of consolidation	**97,058,339**	32,297,465
Other receivables	**826,558**	826,842
Total	**98,436,810**	33,639,565

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

2. Other receivables (Continued)

(1) Other receivables (Continued)

2) Disclosure by aging

Unit: RMB'000

Aging	Closing balance	Opening balance
Within 1 year	**97,285,272**	25,397,764
1 to 2 years	**17,636**	7,959,409
2 to 3 years	**941,503**	48,232
Over 3 years	**192,400**	234,161
Total	**98,436,810**	33,639,565

3) Disclosure by allowance method

Provision for bad debts based on the expected credit loss general model:

Unit: RMB'000

Provision for bad debts	First stage Expected credit loss within 12 months	Second stage Expected credit loss for the entire duration (no credit impairment occurred)	Third stage Expected credit loss for the entire duration (credit impairment has occurred)	Total
Balance at 1/1/2025	**186,395**	**–**	**100,000**	**286,395**
Changes of the balance at 1/1/2025 during the year				
Provision for the year	**127,694**	**–**	**–**	**127,694**
Balance at 31/12/2025	**314,089**	**–**	**100,000**	**414,089**

Basis for stage classification and allowance for loan losses

Significant changes in book value of accounts with substantial current period adjustments to loss allowance

☐ Applicable ☑ Not applicable

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

2. Other receivables (Continued)

(1) Other receivables (Continued)

4) Additions, recoveries or reversals of provision for bad debts during the reporting period

Provision for bad debts for the current period:

Unit: RMB'000

Category	Opening balance	Changes in current period				Closing balance
		Addition	**Recoveries or reversals**	**Write-off**	**Others**	
Provision for bad debts assessed on a collective basis	186,395	**127,694**	**–**	**–**	**–**	**314,089**
Provision for bad debts assessed on an individual basis	100,000	**–**	**–**	**–**	**–**	**100,000**
Total	286,395	**127,694**	**–**	**–**	**–**	**414,089**

5) Details of top five other receivables with the closing balances classified by debtors

The aggregate amount of the top five other receivables closing balances due from debtors was RMB78,059,846 thousand, accounting for 79.30% of the other receivables closing balances, and the aggregate amount of corresponding bad debt provisions was RMB0 thousand.

3. Long-term equity investment

Unit: RMB'000

Item	Closing balance			Opening balance		
	Book balance	**Provision for impairment**	**Carrying amount**	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	**96,112,642**	**6,669,403**	**89,443,238**	79,414,185	6,363,785	73,050,400
Investment in joint ventures or associates	**16,456,552**	**769,857**	**15,686,695**	14,766,650	769,857	13,996,794
Total	**112,569,193**	**7,439,260**	**105,129,933**	94,180,835	7,133,641	87,047,194

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

3. Long-term equity investment (Continued)

(1) Investment in subsidiaries

Unit: RMB'000

Investee	As at 31/12/2024 (Carrying amount)	Provision for impairment as at 31/12/2024	Movement in the year				As at 31/12/2025 (Carrying amount)	Provision for impairment as at 31/12/2025
			Increase	Decrease	Provision for impairment	Others		
Haikou Runshi New Energy Co., Ltd.	–	–	**10,000,000**	**–**	**–**	**–**	10,000,000	–
Ningde Runkang Technology Co., Ltd.	9,888,747	–	**164,703**	**721,006**	**–**	**–**	9,332,443	–
Contemporary Amperex Technology (Hong Kong) Limited	6,336,643	–	**2,631,061**	**–**	**–**	**–**	8,967,703	–
Yajiang Snowway Mining Development Co., Ltd.	3,543,681	2,898,976	**–**	**–**	**–**	**–**	3,543,681	2,898,976
Guangdong Brunp Recycling Technology Co., Ltd.	4,735,821	–	**–**	**–**	**–**	**–**	4,735,821	–
Fuding Contemporary Amperex Technology Limited	4,508,961	–	**1,012**	**–**	**–**	**–**	4,509,973	–
Sichuan Contemporary Amperex Technology Limited	4,252,724	–	**2,240**	**–**	**–**	**–**	4,254,964	–
Contemporary Amperex Runzhi Software Technology Limited	3,219,707	–	**702**	**–**	**–**	**–**	3,220,410	–
Xiamen Ampcore Technology Limited	2,527,000	–	**448,000**	**–**	**–**	**–**	2,975,000	–
Ningde Jiaocheng Contemporary Amperex Technology Limited	2,500,000	–	**–**	**–**	**–**	**–**	2,500,000	–
Ningbo Meishan Bonded Port Area Wending Investment Co., Ltd	2,167,000	–	**–**	**–**	**–**	**–**	2,167,000	–
Contemporary Amperex Intelligent Technology (Shanghai) Limited	2,250,000	–	**–**	**249,750**	**–**	**–**	2,000,250	–
Yichun Contemporary Amperex Technology Co., Ltd.	2,000,000	–	**–**	**–**	**–**	**–**	2,000,000	–
Other subsidiaries	25,120,117	3,464,809	**4,423,161**	**1,666**	**305,619**	**–**	29,235,993	3,770,427
Total	73,050,400	6,363,785	**17,670,878**	**972,422**	**305,619**	**–**	89,443,238	6,669,403

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

3. Long-term equity investment (Continued)

(2) Investment in joint ventures and associates

Unit: RMB'000

Investee	As at 31/12/2024 (Carrying amount)	Provision for impairment as at 31/12/2024	Movement in the year								As at 31/12/2025 (Carrying amount)	Provision for impairment as at 31/12/2025
			Addition	Reduction	Investment income under equity method	Adjustment to other comprehensive income	Change in other equity	Declared distribution of cash dividend or profit	Provision for impairment	Other		
I. Joint ventures												
Fujian Times Zeyuan Equity Investment Fund Partnership (Limited Partnership)	700,000	-	-	-	-5,902	-	-	-	-	-	694,098	-
Fujian Contemporary Mindong New Energy Industry Equity Investment Partnership (Limited Partnership)	462,941	-	-	-	-7,736	-	-	-	-	-	455,205	-
Liberation Era New Energy Technology Co., Ltd.	41,710	-	191,000	-	11,043	-	95		-	-	243,848	-
Other joint ventures	177,570	-		-	-7,467	-	4,709	-8,816	-	-	165,996	-
Subtotal	1,382,221	-	191,000	-	-10,062	-	4,804	-8,816	-	-	1,559,147	-
II. Associates												
Livit Life Insurance Co., Ltd.	991,915	-	-	-	122,705	128,323	-	-	-	-	1,242,944	-
Fujian Ningde Zhixiang Unlimited Technology Co., Ltd.	417,761	138,113	-	-	68,650	-	-44,190	-	-	-	442,221	138,113
Shanghai Jieneng Zhidian New Energy Technology Co., Ltd.	501,817	-	-	-	3,445	-	-	-1,067	-	-	504,195	-
Suzhou CATH Energy Technology Co., Ltd.	416,383	-	-	-	17,440	538	-	-	-	-	434,361	-
United Auto Battery System Co., Ltd.	278,206	-	-	-	24,041	-	-	-80,469	-	-	221,777	-
Investments in listed companies and certain subsidiaries of listed companies	6,051,327	583,555	3,292,145	2,227,162	-246,287	-	-	-469	-	-	6,869,554	583,555
Other associates	3,957,164	48,189	335,155		73,336	-	59,180	-12,339	-	-	4,412,496	48,189
Subtotal	12,614,572	769,857	3,627,300	2,227,162	63,330	128,861	14,991	-94,344	-	-	14,127,548	769,857
Total	13,996,794	769,857	3,818,300	2,227,162	53,268	128,861	19,794	-103,160	-	-	15,686,695	769,857

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

3. Long-term equity investment (Continued)

(2) Investment in joint ventures and associates (Continued)

The recoverable amount is determined as the net amount of fair value less costs to sell.

☑ Applicable ☐ Not applicable

Unit: RMB'000

Item	Carrying Amount	Recoverable Amount	Impairment Amount	Projection period	Key parameters for the projection period	Key parameters for the stabilization period	Basis for determining key parameters for the stabilization period
Subsidiary A	700,000	394,381	305,619	Management prepares the financial budget based on past performance and its expectations for market development. Cash flows for the next five years are forecasted on the basis of the financial budget, while cash flows for subsequent years are consistent with those in the fifth year and will not exceed the long-term average growth rate of the asset group's operating business.	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: Management prepares financial budgets based on historical performance and expectations of market developments Discount rate: The pre-tax discount rate used for the present value of future cash flows is 12.38%.

4. Operating income and operating cost

Unit: RMB'000

Item	Year ended 31/12/2025		Year ended 31/12/2024	
	Revenue	**Cost**	Revenue	Cost
Primary operations	**198,414,434**	**182,467,819**	138,033,720	119,132,376
Other operations	**66,912,360**	**5,044,006**	53,287,222	3,551,324
Total	**265,326,794**	**187,511,825**	191,320,942	122,683,701

XVIII. NOTES TO SIGNIFICANT ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY (CONTINUED)

5. Investment income

Unit: RMB'000

Item	Year ended 31/12/2025	Year ended 31/12/2024
Dividend income from subsidiaries	**17,634,023**	12,079,222
Gains from long-term equity investments under the equity method	**53,268**	-494,374
Others	**-451,630**	332,304
Total	**17,235,661**	11,917,152

XIX. SUPPLEMENTARY INFORMATION

1. Details of non-recurring gains or losses for the year

☑ Applicable ☐ Not applicable

Unit: RMB'000

Item	Amount	Statement
Gains and losses on disposal of non-current assets	788,312	–
Gains and losses arising from changes in the fair value of financial assets and liabilities held by non-financial enterprises and gains and losses arising from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations	1,362,488	–
Reversal of provision for impairment of receivables that was made on individual basis	28,886	–
Non-operating income and expenses other than listed above	7,909	–
Other profit or loss items that meet the definition of non-recurring gains or losses	8,704,038	–
Less: effects of income tax	2,017,532	–
Effects of non-controlling interests (net of tax)	1,180,684	–
Total	7,693,417	–

Specific circumstances regarding other profit and loss items meeting the definition of non-recurring gains and losses:

☑ Applicable ☐ Not applicable

XIX. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Details of non-recurring gains or losses for the year (Continued)

Primarily investment gains and other income arising from changes in equity holdings in certain equity investments.

Explanation of circumstances where non-recurring gains and losses items listed in "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public – Non-recurring Gains and Losses" are classified as recurring gains and losses items.

☐ Applicable ☑ Not applicable

2. Return on equity and earnings per share

Profit in reporting period	Weighted average return on equity %	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the shareholders of the Company	24.91	16.14	16.14
Net profit excluding non-recurring items attributable to the shareholders of the Company	22.26	14.42	14.42

3. Differences in accounting data under domestic and international accounting standards

(1) Differences in net profit and net assets between financial statements prepared in accordance with International Financial Reporting Standards and those prepared in accordance with Chinese Accounting Standards

☐ Applicable ☑ Not applicable

(2) Differences in net profit and net assets between financial statements prepared in accordance with overseas accounting standards and those prepared in accordance with Chinese accounting standards

☐ Applicable ☑ Not applicable

(3) Explanation of the reasons for discrepancies in accounting data under domestic and international accounting standards. Where adjustments have been made to data already audited by an overseas auditing institution, the name of that overseas institution shall be stated

☐ Applicable ☑ Not applicable

Section IX Five-Year Financial Highlights

Unit: RMB'000

Item	Year ended 31 December 2025	2024	2023	2022	2021
I. Total Operating Revenue	**423,701,834**	362,012,554	400,917,045	328,593,988	130,355,796
Including: operating revenue	**423,701,834**	362,012,554	400,917,045	328,593,988	130,355,796
II. Total Operating Costs	**344,824,196**	303,303,900	350,610,618	293,745,632	111,367,291
Including: Operating costs	**312,383,297**	273,518,959	323,982,130	270,629,780	99,262,495
Taxes and surcharges	**2,832,322**	2,057,466	1,695,508	907,485	486,534
Selling expenses	**3,735,118**	3,562,797	3,042,744	2,519,230	1,199,096
Administrative expenses	**11,666,741**	9,689,839	8,461,824	6,978,669	3,368,937
Research and development expenses	**22,146,581**	18,606,756	18,356,108	15,510,454	7,691,428
Finance costs	**-7,939,863**	-4,131,918	-4,927,697	-2,799,986	-641,200
Including: interest expenses	**2,734,017**	3,879,076	3,446,516	2,132,375	1,161,100
Interest income	**10,594,657**	9,502,997	8,321,802	3,987,365	2,323,262
Add: other income	**10,600,477**	9,967,630	6,267,388	3,037,345	1,673,454
Investment income ("–" for losses)	**7,970,552**	3,987,823	3,189,201	2,514,539	1,232,699
Including: income from investment from associates and joint ventures	**7,353,106**	3,743,040	3,745,762	2,614,517	575,837
Gain on financial assets at amortised cost derecognised	**-37,696**	-396,983	-636,725	-530,397	-328,332
Gains from the changes in fair values ("–" for losses)	**974,079**	664,223	46,270	400,241	–
Credit impairment losses ("–" for losses)	**-418,585**	-872,526	-254,041	-1,146,248	-13,302
Assets impairment losses ("–" for losses)	**-8,660,164**	-8,423,325	-5,853,927	-2,826,927	-2,034,438
Gains from disposal of assets ("–" for losses)	**174,640**	19,319	16,984	-5,323	-23,190
III. Profit from Operations ("–" for losses)	**89,518,636**	64,051,799	53,718,302	36,821,983	19,823,729
Add: Non-operating income	**463,520**	135,422	503,675	159,427	183,040
Less: Non-operating expenses	**455,611**	1,005,182	307,924	308,554	119,640
IV: Total Profit ("–" for losses)	**89,526,545**	63,182,039	53,914,053	36,672,856	19,887,129
Less: income tax expenses	**12,740,236**	9,175,245	7,153,019	3,215,713	2,026,399
V. Net Profit ("–" for losses)	**76,786,309**	54,006,794	46,761,035	33,457,144	17,860,730
(I) Classified by operating continuity			–	–	–
1. Net Profit from continuing operations ("–" for losses)	**76,786,309**	54,006,794	46,761,035	33,457,144	17,860,730
2. Net profit from discontinuing operations ("–" for losses)			–		
(II) Classified by ownership			–		
1. Net profit attributable to Shareholders of the parent company	**72,201,282**	50,744,682	44,121,248	30,729,164	15,931,318
2. Profit or loss of minority Shareholders	**4,585,027**	3,262,113	2,639,786	2,727,980	1,929,412
VIII. Earnings per Share					
(1) Basic earnings per share	**16.14**	11.58	10.06	7.18	3.82
(2) Diluted earnings per share	**16.14**	11.58	10.05	7.16	3.80

Unit: RMB'000

	As of 31 December				
	2025	2024	2023	2022	2021
Total assets	**974,827,544**	786,658,123	717,168,041	600,952,352	307,666,861
Non-current assets	**336,346,001**	276,516,035	267,380,039	213,217,495	129,931,922
Current assets	**638,481,543**	510,142,089	449,788,002	387,734,857	177,734,939
Total liabilities	**603,801,220**	513,201,949	497,284,890	424,043,190	215,044,686
Non-current liabilities	**204,175,232**	196,030,416	210,283,821	128,281,771	65,699,854
Current liabilities	**399,625,988**	317,171,534	287,001,069	295,761,419	149,344,833
Net assets	**371,026,324**	273,456,174	219,883,151	176,909,162	92,622,175
Total equity attributable to Shareholders of the parent company	**337,107,747**	246,930,033	197,708,052	164,481,252	84,513,271

Notes:

(1) The A Shares of the Company have been listed on the ChiNext Market of the Shenzhen Stock Exchange since 2018, and its financial statements have been prepared in accordance with the China Accounting Standards for Business Enterprises (the "CAS"). The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 20 May 2025. At the time of the initial public offering of the H Shares, the financial statements for the three years ended 31 December 2024 as set out in the prospectus were prepared in accordance with International Financial Reporting Standards (the "IFRS"). Given that the ongoing convergence between CAS and IFRS, the Company resolved on 9 January 2026. pursuant to the relevant provisions of the Hong Kong Listing Rules, to adopt and disclose financial statements prepared solely in accordance with CAS, which will be audited by Grant Thornton Zhitong Certified Public Accountants LLP, which is in compliance with Recognised PIE Auditor Requirement. The Board is of the view that the above decision will enhance the efficiency of information disclosure and unify disclosure standards, and will not have a material adverse effect on the truthfulness, accuracy and completeness of the financial reports or on the decision-making of shareholders and potential investors. Accordingly, the five-year financial summary set out in this annual report comprises data prepared in accordance with the CAS.

(2) In December 2024, the Ministry of Finance of the People's Republic of China issued the Interpretation No. 18 of the Accounting Standards for Business Enterprises (Cai Kuai 2024 No. 24, "Interpretation No. 18"). The specific requirements and their impact on the Company are as follows:

Accounting treatment for assurance-type quality warranties that do not constitute a separate performance obligation

Interpretation No. 18 provides that when accounting for estimated liabilities arising from assurance-type quality warranties that do not constitute a separate performance obligation, an enterprise shall, in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 13 — Contingencies", debit accounts such as "cost of main business" and "cost of other business" and credit the "estimated liabilities" account for the determined amount of estimated liabilities. The amounts shall be presented accordingly under "operating costs" in the income statement and under "other current liabilities", "non-current liabilities due within one year", and "estimated liabilities" in the balance sheet.

The Company has adopted this provision since the date of issuance of Interpretation No. 18 and has made retrospective adjustments. The adoption of Interpretation No. 18 did not have a material impact on the financial position and operating results of the Company. The impact of implementing the above accounting policy on the consolidated income statements for the years ended 31 December 2024, 2023, 2022 and 2021 is as follows:

Section IX Five-Year Financial Highlights

Unit: RMB'000

Consolidated income statement item	2024	2023	2022	2021
Selling expenses:				
Amount before adjustment	15,405,403	17,954,440	11,099,401	4,367,869
Adjustment amount	-11,842,606	-14,911,696	-8,580,171	-3,168,773
Amount after adjustment	3,562,797	3,042,744	2,519,230	1,199,096
Operating costs:				
Amount before adjustment	261,676,353	309,070,434	262,049,609	96,093,722
Adjustment amount	11,842,606	14,911,696	8,580,171	3,168,773
Amount after adjustment	273,518,959	323,982,130	270,629,780	99,262,495

寧德時代新能源科技股份有限公司

Contemporary Amperex Technology Co., Limited