领益智造
LY iTECH

20TH YEARS 週年

2026
INTERIM REPORT



廣東領益智造股份有限公司
LINGYI iTECH (GUANGDONG) COMPANY

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

Stock Code : 002600.SZ • 1688.HK



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ms. Zeng Fangqin (曾芳勤)
(Chairwoman of the Board and General Manager)
Mr. Jia Shuangyi (賈雙誼)
Ms. Huang Jinrong (黃金榮)

NON-EXECUTIVE DIRECTORS

Ms. Wei Zhenghui (尉徵慧)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Lau Kin Shing Charles (劉健成)
Dr. Cai Yuanqing (蔡元慶)
Mr. Ruan Chao (阮超)

AUDIT COMMITTEE

Dr. Lau Kin Shing Charles (劉健成) *(Chairman)*
Dr. Cai Yuanqing (蔡元慶)
Mr. Ruan Chao (阮超)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Ruan Chao (阮超) *(Chairman)*
Dr. Lau Kin Shing Charles (劉健成)
Mr. Jia Shuangyi (賈雙誼)

NOMINATION COMMITTEE

Dr. Cai Yuanqing (蔡元慶) *(Chairman)*
Mr. Ruan Chao (阮超)
Ms. Huang Jinrong (黃金榮)

STRATEGY AND DEVELOPMENT COMMITTEE

Ms. Zeng Fangqin (曾芳勤) *(Chairwoman)*
Mr. Jia Shuangyi (賈雙誼)
Ms. Wei Zhenghui (尉徵慧)

JOINT COMPANY SECRETARIES

Mr. Guo Rui (郭瑞)
Ms. Chan Wing Yan (陳詠欣) *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Ms. Zeng Fangqin (曾芳勤)
Ms. Chan Wing Yan (陳詠欣)

REGISTERED OFFICE IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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AUDITOR

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LEGAL ADVISORS

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15 Queen's Road Central
Hong Kong

COMPLIANCE ADVISOR

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

HONG KONG SHARE REGISTRAR

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Shops 1712–1716
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Wan Chai
Hong Kong

STOCK CODE

1688

COMPANY WEBSITE

www.lingyiitech.com

LISTING OF H SHARES ON THE STOCK EXCHANGE

On June 26, 2026 (the "**Listing Date**"), the H Shares of the Company were listed on the Main Board of the Stock Exchange. A total of 811,811,880 H Shares were issued at HK$10.18 per H Share under the Global Offering. Particulars of the Global Offering and of the use of the net proceeds are set out in "Other Information — Particulars of the Global Offering" and "Other Information — Use of Proceeds from the Global Offering" in this report.

ADOPTION OF THE CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The Company is listed on both the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, and adopted China Accounting Standards for Business Enterprises (the "**CASBE**") and International Financial Reporting Standards for the preparation of financial reports, prospectuses and disclosure of relevant financial information respectively, at the listing application stage.

According to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》)" issued by the Hong Kong Stock Exchange in December 2010, Chinese Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using CASBE, and accounting firms in Chinese Mainland recognised by the Ministry of Finance of the PRC and the CSRC are permitted to provide services using the PRC certified public accountants auditing standards for those issuers.

To ensure the consistency between the information disclosures of A shares and Hong Kong shares, to enhance working efficiency, and to reduce the audit fees, the Board considered and approved at the 26th meeting of the sixth session of the Board on July 10, 2026 that the Company's proposed adoption of CASBE for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the interim financial report for the period ended June 30, 2026. In accordance with the laws and regulations of the PRC and the articles of association of the Company, the relevant matters are not required to be submitted to the shareholders' meeting of the Company for consideration. The transition from IFRS to CASBE does not have any material impact on the Group's shareholders' equity or net profit. The following reconciliation table illustrates the differences between the financial statements of the Group for the period ended June 30, 2026 prepared under the CASBE and those prepared under the IFRS:

	Net profit		Net assets	
	For the six months ended June 30, 2026 RMB (Unaudited)	For the six months ended June 30, 2025 RMB (Unaudited)	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
CASBE	777,038,037.17	942,346,617.42	32,016,993,154.92	24,357,948,261.37
Items and amounts adjusted according to IFRS	—	—	—	—
IFRS	777,038,037.17	942,346,617.42	32,016,993,154.92	24,357,948,261.37

For details, please see the announcement of the Company dated July 10, 2026.

SIGNIFICANT EVENTS

SUBSEQUENT EVENTS

Cessation to Re-Appoint Overseas Financial Report Auditor

Rongcheng (Hong Kong) CPA Limited was the Company's overseas auditor at the listing application stage to provide audit services to the Company in respect of the preparation of financial reports in accordance with International Financial Reporting Standards for a term commencing from the date of consideration and approval at the 2025 fifth extraordinary shareholders' meeting of the Company held on November 14, 2025, to the conclusion of the initial public offering of the Company' s H shares and listing on the Main Board of the Stock Exchange. In view of the Company's proposed uniform adoption of CASBE for the preparation of its financial reports and the fact that the Company's domestic financial report auditor, Rongcheng Certified Public Accountants (Special General Partnership), has been recognised by the Ministry of Finance of the PRC and the CSRC and is qualified to provide auditing services to Hong Kong-listed and Chinese Mainland incorporated issuers in accordance with Chinese Mainland auditing standards, the Board proposed to terminate the re-appointment of Rongcheng (Hong Kong) CPA Limited as the Company's overseas financial report auditor. The proposal of the cessation to re-appoint overseas financial report auditor has been approved at the 26th meeting of the sixth session of the Board convened on July 10, 2026.

For details, please see the announcements of the Company dated July 10, 2026.

Adjustment to the 2026 A-Share Repurchase Plan and Repurchase of A Shares

On March 26, 2026, the Board approved the 2026 A-Share Repurchase Plan (the "**Repurchase Plan**"). For details, please see "Purchase, Sale or Redemption of the Company's Listed Securities" in this report.

On July 17, 2026, the 27th meeting of the sixth session of the Board approved the adjustment to the Repurchase Plan. The total repurchase amount has been adjusted from"not less than RMB200 million (inclusive) and not more than RMB400 million (inclusive)" to"not less than RMB400 million (inclusive) and not more than RMB800 million (inclusive)".The upper limit of the repurchase price remains unchanged at RMB21.08 per A Share (inclusive). The other terms of the Repurchase Plan remain unchanged.

Based on the adjusted upper limit of total repurchase funds of RMB800 million (inclusive) and the repurchase price upper limit of RMB21.08 per A Share, the estimated number of A Shares to be repurchased is approximately 37,950,664 shares, representing approximately 0.47% of the Company' s current total issued share capital; based on the adjusted lower limit of total repurchase funds of RMB400 million (inclusive) and the repurchase price upper limit of RMB21.08 per A Share, the estimated number of A Shares to be repurchased is approximately 18,975,333 shares, representing approximately 0.23% of the Company's current total issued share capital.

Release of Guarantee Provided by a Subsidiary

On September 14, 2026, the joint and several liability guarantee provided by Dongguan Readore Technology Co., Ltd.* (東莞市立敏達電子科技有限公司) (**"Readore"**), a non-wholly-owned subsidiary of the Company, in favour of Bank of China Limited, Chenzhou Branch in respect of a RMB10.0 million working-capital loan granted to Hunan Readore Electronic Technology Co., Ltd.* (湖南立敏達電子科技股份有限公司) (**"Hunan Readore"**) was released upon full repayment of the loan.

Declaration of Interim Dividend

On August 28, 2026, the Board declared an interim dividend of RMB0.2 (tax inclusive) per 10 Shares for the six months ended June 30, 2026. Please refer to "Other Information — Interim Dividend" in this report.

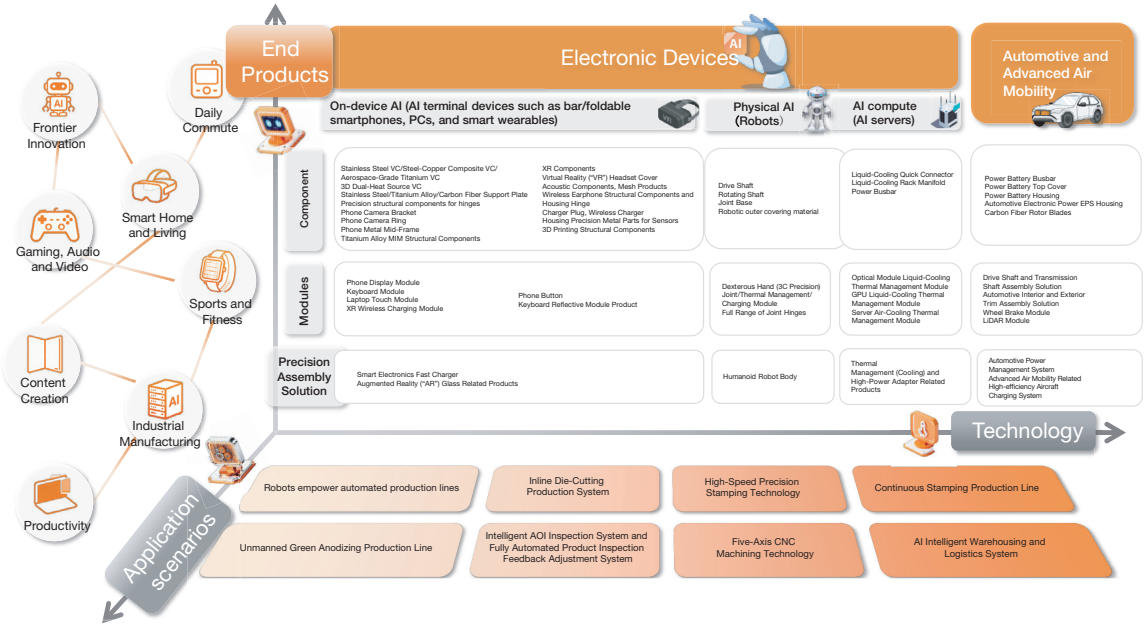
Results of the Extraordinary General Meeting of the Company held on September 23, 2026

At the extraordinary general meeting of the Company held on September 23, 2026 (the "**EGM**"), the Shareholders approved (i) as an ordinary resolution, the re-appointment of Rongcheng Certified Public Accountants (Special General Partnership) as the auditor of the Company for the year ending December 31, 2026; (ii) as a special resolution, the change in the total share capital and registered capital of the Company and the corresponding amendments to the Articles of Association and its appendices, which will take effect upon completion of the relevant approval, filing and registration procedures with the competent PRC authorities; and (iii) as a special resolution, the grant to the Board of a general mandate to repurchase H Shares not exceeding 10% of the total number of H Shares in issue as at the date of the EGM (being 81,181,188 H Shares). For details, please refer to the circular of the Company dated September 8, 2026 and the poll results announcement of the Company dated September 23, 2026.

I. MAIN BUSINESS ENGAGED BY THE COMPANY DURING REPORTING PERIOD

As a leading high-precision intelligent manufacturing platform for electronic devices, relied on advanced manufacturing technologies such as die-cutting, stamping, computer numerical control ("**CNC**") machining, injection moulding, metal injection moulding ("**MIM**") and die casting processes, the Company established one-stop solutions and intelligent manufacturing services system which enable us to provide our clients in multiple countries or regions all around the world with core materials, high-precision functional components, modules and assembled systems, empowering the AI industry from multiple dimensions, including on-device AI, physical AI, and AI computing power.

The Company's core products are widely applied across diverse end-market sectors, including on-device AI, physical AI, AI computing power, automotive, and the advanced air mobility, among other frontier areas, comprehensively covering AI smartphones and foldable smartphones, AI glasses and XR wearable devices, AI PC, AI data center (AI DC), robotics, automotive, and advanced air mobility-related hardware products.



A. Development of each business segment

The year 2026 marks the 20th anniversary of the Company's founding, and more importantly, a pivotal year for the Company to strive towards its medium-to-long-term development goals for 2030. In the first half of 2026,the Company confronted the profound transformation driven by the global AI + infrastructure revolution. Guided by the strategic principle of "doing the right things and doing things right", the management team continued to deepen the Company's presence in the core track of intelligent manufacturing, empowering the AI industry across multiple dimensions, including on-device AI, physical AI, and AI computing power.

The Company has achieved phased progress in multiple areas, including new business development, product iteration and upgrading, corporate governance optimization, and cost reduction and efficiency enhancement through the adoption of AI tools, laying a solid foundation for the achievement of its medium-to-long-term development goals for 2030.

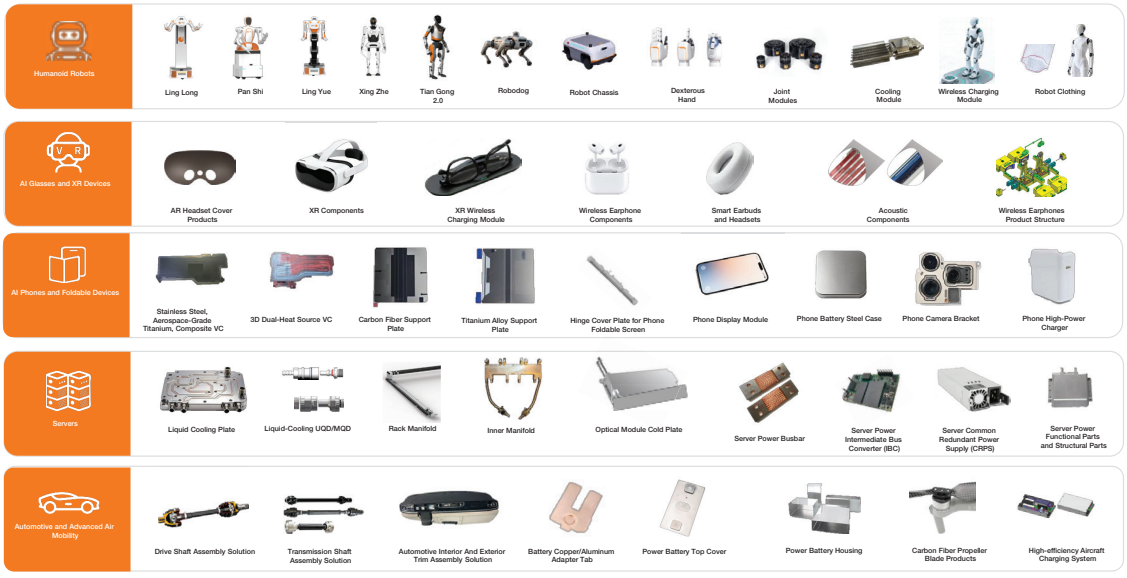
MANAGEMENT DISCUSSION AND ANALYSIS

In terms of on-device AI, the Company has commenced mass production and delivery of high- performance ultra-thin VCs (TVC) and integrated middle-frame VC modules to domestic customers, and supplies core precision components for next-generation terminal products to a major North American customer, including precision hinge structural parts, screen support plates, ultra-thin vapor chambers, and flanged ultra-thin stainless steel battery shell modules.

In terms of physical AI, the assembly lines at the Company's robotics bases in Beijing, Chengdu, Zhengzhou, Dongguan and overseas have officially commenced production, with production capacity being released in an orderly manner and delivery efficiency and response speed steadily improving. The HONOR Robotics D1 won the championship in the 2026 Beijing E-Town Humanoid Robot Half Marathon, and the Company provided core structural components, surface treatment and related products and services for the robot. The Company has further upgraded its embodied AI industrial application scenarios, deploying a wide variety of industrial embodied robots in core production processes such as material loading and unloading handling, automated optical inspection (AOI), and CNC machining with both the depth and breadth of applications significantly enhanced.

In terms of AI computing power, products relating to server common redundant power supplies (CRPS) have commenced mass production and delivery.

The Company's core product portfolio



The development of the Company's business segments is set out below:

(1) Electronic Devices

As the Company's core business segment and the cornerstone for building an intelligent manufacturing platform for electronic devices, the electronic devices segment focuses on three frontier directions: on-device AI, physical AI, and AI computing power. The Company provides comprehensive solutions and intelligent manufacturing services — ranging from core components and functional modules to premium assembly — to world-leading industry customers.

1. On-device AI

The Company's on-device AI segment focuses on the R&D, production, sales and solutions of electronic devices at the terminal side. Its product portfolio covers AI smartphones and foldable smartphones, AI glasses and XR wearable devices, AI PC, AI terminal thermal management (heat dissipation), display and imaging, battery and power supply, sensors and related modules, materials, premium assembly, and others.

The key products and services of the Company's electronic devices business are as follows:

1.1 Foldable Terminal Hardware

In the field of foldable terminal hardware, the Company focuses on providing one-stop hardware manufacturing and solution services to global leading customers. Its core products cover foldable display support components made of various materials such as stainless steel, titanium alloy and carbon fiber; foldable hinge modules; VCs made of copper/stainless steel/steel-copper composite/aluminum alloy and titanium; middle frames; die-cut functional/structural components; chargers and other key components, which are widely used in terminal electronic products such as dual-fold smartphones, foldable smartphones, tri-fold smartphones, and foldable notebook computers.

The Company has been actively engaged in the R&D and processing technologies of various advanced materials tailored to different application scenarios, in order to meet the requirements for performance, lightweight, strength and other criteria.

Representative products in the Company's foldable terminal hardware segment:

No.	Representative Products	Description	Remarks
1	Stainless Steel/ Ultra-thin Titanium Alloy/ Carbon Fiber Support Plate	As the core structural component of foldable displays, the support plate integrates multiple functional elements within a multi-material design that delivers diverse performance while reducing assembly costs	• Depending on the material of the support plate, multiple processing techniques can be applied to the bending areas, including laser, chemical, and physical methods • Titanium alloy and carbon fiber offer substantial weight reduction and better performance than stainless steel
2	Foldable hinge door panels	High-precision hot-press fit with rapid hot-in-hot-out moulding	• One-piece flow fully automated injection moulding process with stable yield

1.2 On-device AI Thermal Management Products and Solutions

The Company provides comprehensive thermal management solutions — from VCs made of various materials to integrated AI terminal thermal management solutions — to global leading technology customers. Its core product portfolio covers stainless steel, composite materials, aviation-grade titanium and 3D dual-heat-source products in various material and form factors, aiming to significantly push the limits of terminal heat dissipation performance. The Company's ultra-thin VCs and integrated thermal solutions have been successfully adopted in a number of mid-to-high-end smartphones and have achieved mass production and delivery. Among them, the stainless steel VC solution significantly reduces weight while ensuring high structural strength and excellent heat dissipation efficiency, making it widely applicable to premium flagship models. The ultra-thin titanium VC solution is custom-designed for foldable smartphones and ultra-premium models, leveraging the properties of titanium to achieve extreme lightweight and thinness.

1.3 AI Glasses and XR Wearable Devices

The Company has established a strong presence in the field of AI glasses and XR wearable devices, comprehensively covering core hardware products such as soft functional components, injection-moulded parts, thermal management solutions and chargers for AR, VR, MR and AI glasses and other smart wearable devices. By working closely with terminal brands, the Company is committed to becoming a leading supplier of core hardware and key technologies in the smart wearable device sector.

1.4 Other On-device AI Products:

The Company continues to expand its diversified product portfolio in other on-device electronic devices areas, covering key fields such as display and imaging, battery and power supply, sensors and materials.

2. Physical AI (robotics)

The Company's robotics strategy is positioned to become a global leading embodied electronic devices manufacturer through three dimensions. First, to build a full-stack service capability covering the entire process from core components to complete machine assembly with a global footprint and full-process capabilities. Second, to focus on the R&D and design of core components and assemblies. Third, to provide comprehensive industrial application scenario development and deployment for robotics.

The Company provides comprehensive embodied AI product solutions to terminal manufacturers, including CNC machining, 3D printing, metal injection moulding (MIM), and die-casting manufacturing services covering structural components across the entire body, and focuses on core components such as joint modules, high- power charging, thermal modules, dexterous hands, as well as complete machine assembly services. Through internal and external collaboration and supply chain coordination, the Company actively promotes innovation and application of robotics technologies, contributing new solutions and products to the industry to meet the growing market demand for high-performance robotics products. As of the date hereof, the Company has completed hardware/complete machine assembly services for several thousand units for a number of leading embodied AI enterprises, and has implemented robots in multiple application scenarios.

Key humanoid robot products and technology developments of the Company are set out below (certain products are not listed due to confidentiality agreements with customers):

No.	Representative Products	Description	Remarks
1	Joint Modules	Multiple flagship products providing full motion coverage for humanoid robots	• Lightweight design • High durability and impact resistance • Deeply customized bearings
2	Dexterous Hand (Precision)	Humanoid robot end-effector, designed for precision manufacturing scenarios such as loading and unloading, product inspection, packaging, and precision assembly, enabling human-like hand operations	• Lightweight, high freedom and human-like design • Finger control accuracy with long service life • Standardized interface compatible with mainstream humanoid robots and cobots

No.	Representative Products	Description	Remarks
3	Humanoid Robot Apparel	Materials: Carbon fiber support + medical-grade silicone bonding layer + breathable mesh fabric	• Protection: impact resistance, waterproofing, corrosion resistance, and electromagnetic shielding • Flexibility: hinged, pleated or elastic materials at the joints to ensure freedom of movement • Lightweight: weight reduction through structural optimization (e.g., honeycomb structures) and the use of lightweight materials • Bionic appearance: mimicking human form • Modular design: enables rapid replacement of damaged parts or upgrading of functional modules • Thermoplastic polyurethane (TPU) and silicone: offering good elasticity and wear resistance, used for joint protective sleeves or bionic skin substrates • Ergonomic fit, lightweight, washable and disinfectable, with integrated electromyography (EMG) sensors
4	Thermal Management Module	Cooling for AI processors and joints	• Ensures stable performance • Dual VC and hotspot integration design • Improved cooling
5	Wireless Fast Charging Module	Enables persistent operation of robots with long service life and high-power charging efficiency	• High charging flexibility • High safety (isolation, wear-free, waterproof)

3. AI Computing Power-Related Hardware

The Company acquired Dongguan Readore Technology Co., Ltd. (Readore), whose principal business includes core thermal management hardware products such as server liquid-cooling quick-disconnect connectors (UQD), liquid cooling manifolds, single-phase liquid cooling modules (including server liquid cooling plates and optical module cold plates), phase-change liquid-cooling modules, server vapor chambers (VC and 3DVC), as well as busbars. As a core supplier to the leading customer in the North American computing power industry, Dongguan Readore Technology Co., Ltd.(Readore) continues to deliver server liquid cooling and power supply-related products in bulk to overseas computing power industry leaders and their supply chain partners, server OEMs, power solution companies and other customers.

3.1 AI Server Liquid Cooling and Other Thermal Management Hardware

The Company's key products for AI server liquid cooling and other thermal management hardware are as follows:

No.	Representative Products	Description	Remarks
1	Liquid Cooling Plate	Direct contact with GPUs/CPUs to facilitate heat exchange, and work in conjunction with liquid cooling distribution systems and quick disconnect couplings to complete the thermal management process	• Through internal flow channel design and precision machining, it achieves a cooling capacity of 2,700W-3,100W TDP, featuring low thermal resistance and high heat exchange efficiency, providing a stable and efficient direct-contact cooling solution for high-density AI servers
2	Liquid Cooling UQD/MQD	Serve as core connecting components for high-density liquid cooling systems used in high-computing-power servers, with straight, angled and mini structural forms	• Adopting an optimized flow channel design, it delivers high flow rate and low pressure drop performance. It is compatible with the cold plate and manifold liquid loop platforms of leading international customers. Among them, the MQD features a simple and reliable manual locking mechanism with a foolproof design, enabling high-density cooling connections • The MQDB supports blind-mate connections through a guiding mechanism, accommodates axial and radial deviation compensation within a certain range, and enables efficient hot swapping
3	Inner Manifold	Designed as core liquid loop distribution units within trays to enable precise coolant distribution inside the tray	• Adopting a modular integrated manifold design, it enables even coolant distribution across multiple GPU/CPU cold plates and supports hot-swap maintenance through precision blind-mate quick disconnects and optimized internal flow channels. Featuring low thermal resistance, low pressure drop and zero leakage, it significantly simplifies deployment and maintenance

No.	Representative Products	Description	Remarks
4	Rack Manifold	Designed to connect cooling loops with each server through liquid cooling pipelines and enable rapid mainline-to-branchline connection through quick disconnects	• The product adopts a dual-path parallel architecture to achieve precise and balanced flow distribution across the entire rack. Equipped with a high-density blind-mate quick disconnect array, it supports minute-level hot-swap of computing trays, significantly simplifying deployment and maintenance. Featuring redundant sealing and zero-leakage assurance, low flow resistance and high reliability, it effectively reduces system power consumption and optimizes data center and power supply utilisation, serving as a critical infrastructure component for large-scale AI liquid cooling deployment
5	Optical Module Cold Plate	A liquid cooling component designed for the thermal management needs of high-speed optical communication modules. By coming into direct contact with the critical heating areas of the optical modules, it enables efficient heat extraction from high-speed optical modules. The product can be applied in AI servers, switches and high- speed optical communication equipment, ensuring stable operation of optical modules under high—bandwidth and high-power-density conditions	• Adopting a high thermal conductivity metal substrate and optimized internal flow channel design, the product achieves efficient heat exchange and stable coolant flow distribution through precision machining and sealing processes. It offers robust thermal resistance control and reliable sealing performance, effectively reducing the operating temperature of optical modules and enhancing system stability as well as the long-term operational reliability of communication equipment

3.2 AI Server Power Supply Hardware

The Company's key products and technology developments for AI server power supply hardware are as follows:

No.	Representative Products	Description	Remarks
1	Power Busbars (including flexible copper busbars, gold- plated copper busbars, etc.)	Used for high-current power transmission and distribution in server power supply systems, applied in high-power power supplies, power distribution units and various load equipment to achieve high-efficiency, low-loss power transmission. The products are widely used in AI servers, high-performance computing servers and data center power systems	• Made from high-purity copper as the base material, with dedicated design solutions for various product types, offering excellent electrical conductivity and high-current carrying capacity. Through precision stamping, bending and surface coating processes, it effectively reduces contact resistance and power loss, while improving conductivity stability and oxidation resistance. The flexible copper busbar structure provides good compensation capability, accommodating thermal expansion and assembly tolerance variations to ensure long-term system reliability
2	Module Power Supply (DC Module), including AIDC power Intermediate Bus Converter (IBC)	The power module is an isolated converter with power management bus communication, suitable for supercomputers and high-performance servers.	• Adopting a compact mechanical structure and high-density integrated design, it achieves high power density and significantly saves installation space • Through advanced topology and device optimization, it substantially reduces energy loss and thermal load • Built-in power management bus digital control interface supports real-time monitoring, configuration and system management; fully isolated input/output design enhances electrical safety and noise immunity • Supports parallel operation for flexible power expansion and redundant backup, providing an efficient, intelligent and scalable power solution for systems with high-reliability and high-power requirements

No.	Representative Products	Description	Remarks
3	Common Redundant Power Supply (CRPS) for Servers	The Company's CRPS (Common Redundant Power Supply) product line provides a full range of high-efficiency and reliable front-end power solutions for data centers, high-performance servers, storage and communication systems.	• The product portfolio covers both 54V and 12V mainstream DC bus voltages, with power ratings ranging from 800W to 5,500W, all in the standard compact CRPS hot-swappable form factor, supporting N+1 or N+N redundant architectures. The full series features wide-range AC and high-voltage DC hybrid input capability, high conversion efficiency, tight voltage regulation, forced air cooling and high reliability, and has obtained major global safety certifications, capable of meeting diverse requirements ranging from cost-sensitive edge devices to high-density core IT infrastructure
4	Other Functional Components, Structural Parts and Related Products (including electromagnetic shielding, etc.)	Used for structural support, electromagnetic shielding and auxiliary functional implementation in server systems, including EMI shielding components, structural fasteners, mounting brackets and others, providing stable structural support and electromagnetic compatibility protection for the internal electronic systems of servers	• Manufactured using high-precision stamping, bending and surface treatment processes, offering excellent structural strength and dimensional stability. Through optimized structural design and material selection, it delivers effective electromagnetic shielding performance and system compatibility, effectively reducing electromagnetic interference (EMI) to ensure stable operation of server systems, while also supporting customized design requirements for various server platforms

(2) Automotive and Advanced Air Mobility

Through the acquisitions of Zhejiang Xianglong and Jiangsu Kooda, the Company has accelerated its strategic deployment in the automotive components sector, building a diversified product portfolio covering automotive drivetrain systems, interior and exterior trim components and new energy vehicle battery core components, and establishing a core position in the automotive industry chain. The Company's major customers in the automotive segment include new energy vehicle and internal combustion engine vehicle OEMs such as Volkswagen, Toyota, GWM, BYD, NIO, Leapmotor, GAC, FAW, Chery, Li Auto, Geely and JAC, as well as leading global off-road vehicle brands such as Bombardier and Polaris. The Company's advanced air mobility-related products include carbon fiber rotor blades for aircraft and high- power charging systems for aerial vehicles.

B. Industry Position

Driven by technological innovation as its core engine, the Company has steadily consolidated its leading industry position through long-term commitment and accumulation in multiple key areas, supported by superior product quality, a robust management system, efficient operations and a strong capital market presence. By translating its mission into tangible actions, the Company continues to drive the industry towards high-quality development.

According to Frost & Sullivan, in terms of revenue in 2025, we ranked first globally in the high-precision functional component market for smart electronic, and third globally among high-precision intelligent manufacturing platforms for smart electronic.

Ranking of Global High-precision Functional Components Industry for AI Terminal Devices by Revenue, 2025

Ranking	Company Name	Revenue (Million US$)	Market Share
1	The Company	2,616.6	7.0%
2	Company E	630.0	1.7%
3	Company F	258.0	0.7%
4	Company G	154.0	0.4%
5	Company H	79.0	0.2%

Source: Annual reports of listed companies, Interviews with industry experts by Frost & Sullivan, Frost & Sullivan

Notes:

1. Company E is a listed company on the Shenzhen Stock Exchange established in 1993, focusing on the R&D and manufacturing of high-precision functional components, electromagnetic shielding materials, and thermal conductive materials, which are widely applied in the AI terminal devices and communications sectors.

2. Company F is a listed company on the Shenzhen Stock Exchange established in 1999, mainly providing precision functional components, precision structural components, and modules for AI terminal devices.

3. Company G is a listed company on the Shenzhen Stock Exchange established in 2016, with main products including precision functional components and intelligent automation equipment, serving applications in AI terminal devices, automotive, and new energy industries.

4. Company H is a listed company on the Shenzhen Stock Exchange established in 2004, primarily engaged in the R&D, production and sales of functional and structural components for AI terminal devices, as well as optical and wearable modules.

II. INDUSTRY LANDSCAPE DURING THE REPORTING PERIOD

A. Electronic Devices (On-device AI, Physical AI and AI Computing Power Related)

Electronic devices refers primarily to smart hardware that integrates artificial intelligence technologies and is capable of intelligent interaction and perception. This includes core components for on-device AI (such as smartphones, foldable smartphones, PCs and smart wearables), physical AI (robotics) and AI computing power (AI servers). Through high-performance computing platforms, intelligent operating systems and multimodal interaction methods, these core hardware products are driving innovation in human-computer interaction and accelerating the adoption of AI technologies in everyday life and industrial applications.

1. On-device AI Industry Overview and Development Trends

Innovative AI-driven devices are redefining the value structure of the On- device AI Industry. In the near term, the on-device AI market has shown a moderate recovery, with innovative product categories such as foldable devices, AI glasses and XR devices emerging as key growth drivers. This has also accelerated the continuous evolution of technologies and processes related to high-precision hardware. The core value proposition for manufacturers is shifting from cost and efficiency competition to comprehensive competitiveness anchored in forward-looking technology reserves and collaborative innovation capabilities.

1.1 AI Smartphone Industry Overview and Development Trends

With the continued advancement of generative AI technologies, the smartphone industry has entered a new phase empowered by AI technologies. Since the breakthrough progress in large language models in 2023, global smartphone manufacturers have widely adopted AI capabilities as a core driver of product innovation, propelling the industry into a new cycle of technological transformation. The smartphone market has entered a phase of competition within a mature installed base, where AI capabilities are becoming a key driver of differentiation. AI smartphone innovation is no longer limited to computational power enhancements and feature additions, but is now reaching deeper into the operating system level, where on-device large language models are being deeply integrated with mobile operating systems to enable seamless, cross-application service flows powered by AI Agents. AI smartphones, through their built-in artificial intelligence capabilities and leveraging cutting-edge technologies such as machine learning, deep learning, natural language processing, and computer vision, can accurately analyse user behaviour patterns to deliver personalized services and intelligent recommendations, enabling automated performance optimization, intelligent voice interaction, and efficient image recognition, thereby greatly enhancing the device's intelligence and user experience. According to a forecast by research firm Counterpoint Research, generative AI smartphones are expected to account for 45% of global smartphone shipments in 2026, with shipments projected to exceed 500 million units, and the penetration rate is expected to further increase to 52% in 2027.

1.2 Foldable Smartphone Industry Overview and Development Trends

Foldable smartphones represent a premium innovation segment within the smartphone industry, effectively addressing the inherent conflict between large-screen experiences and device portability. With the screen support layer, hinges and flexible display modules as their core components, foldable smartphones, given their high technological barriers and high value-added attributes, have become a new growth driver and an important development opportunity in the smartphone market. These products continue to achieve breakthroughs in thinness and lightness, durability, performance delivery, and interactive experience, with product optimization deeply aligned with real user usage scenarios. By integrating flexible displays, multi-axis hinges and screen support layers, foldable devices enable screen folding functionality while imposing new technical requirements on structural components such as screen support parts, hinge structural components, rotation modules and lightweight, high-strength materials. The design of high- precision components for foldable devices is highly complex and assembly is challenging, demanding extremely high manufacturing precision. Therefore, the growing popularity of foldable devices will continue to drive growth for companies with capabilities in precision hinge processing, CNC machining, stamping, MIM processing and automated assembly.

1.3 AI PC Industry Overview and Development Trends

With the continuous advancement of large AI models, PC terminals will be able to deliver more proactive, personalized and intelligent services, emerging as a core driver for cross-scenario switching, software-hardware coordination and multi-device connectivity. AI technology is evolving from a traditional assistive tool into a virtual hub that connects users, large models and the hardware ecosystem, building a bridge for intelligent interaction. It can flexibly allocate resources based on user needs, provide customized services, expand application boundaries, and transform PCs into intelligent terminals for multiple scenarios, delivering a smarter and more personalized user experience.

AI PCs refer to desktop and laptop computers equipped with dedicated chips or modules (such as NPUs) designed to handle AI workloads. AI PCs are not a simple combination of AI technology and traditional computers; rather, through deep integration and innovation of hardware and software, they have undergone a comprehensive

intelligent transformation spanning from underlying architecture to application experience. In terms of hardware configuration, AI PCs are typically powered by high-performance chips with substantial computing capabilities, such as processors integrating neural processing units (NPUs), paired with powerful graphics processing units (GPUs), as well as high-speed, high-capacity storage devices, to meet the demands of AI algorithms for high-speed data processing and storage.

1.4 AI Glasses and XR Wearable Devices

With the deep integration of AI and XR technologies, the XR industry has moved from its nascent stage onto a fast track of development, and AI glasses are gradually evolving into a core carrier for a new generation of human-computer interaction. In this process, device lightweighting, all-day wearability and functional integration have become the core focus of industry advancement, directly driving systematic upgrade opportunities for upstream functional components, injection-moulded parts, thermal management solutions, chargers and other core hardware. The lightweighting processes for precision functional and structural components, innovations in surface treatment for injection-moulded parts, breakthroughs in active thermal management solutions and the enhanced convenience of charging solutions collectively form the main thread of technological iteration in this segment. Suppliers with mastery of core processes and system integration capabilities will continue to benefit during the industry's volume growth phase.

The rapid development of AI is profoundly driving innovation in XR devices. Through technologies such as natural language processing and gesture recognition, AI significantly enhances the interactive experience of XR devices, enabling users to interact with the virtual world in more natural and intuitive ways. At the same time, AI-generated content technologies can produce personalized virtual content based on user preferences and behaviour patterns, markedly improving the personalization and immersiveness of the user experience. The convergence of these technologies is not only promoting the widespread application of XR devices in areas such as gaming, education and healthcare, but also offering broad prospects for use in scenarios such as smart homes, tourism and social interaction. According to data from research firm IDC, global XR device shipments are expected to grow by 41.6% in 2025 to reach 14.5 million units, with a projected compound annual growth rate of 29.3% from 2025 to 2029.

AI Smart Glasses Industry Overview and Development Trends: AI smart glasses integrate artificial intelligence technologies with traditional eyewear, featuring real-time voice interaction, image recognition, navigation and other functions to deliver a convenient and intelligent user experience. With their visual interaction advantages and strong alignment with large AI models, they have become an ideal hardware platform for AI deployment. As on-device AI technologies mature, AI glasses have moved beyond the early reliance on cloud computing that caused noticeable latency, achieving near-instantaneous interaction with a qualitative leap in user experience. Furthermore, leveraging their all-day wearable nature and environmental perception capabilities, AI glasses can capture real-world scenarios and user needs through integrated multi-sensors, enabling proactive information delivery. This scenario-based capability — shifting from passive response to proactive service — constitutes a unique advantage that distinguishes them from other terminals, and AI glasses are gradually evolving into a core carrier for a new generation of human-computer interaction.

2. Physical AI (robotics) Industry Overview and Development Trends

Driven by the continuous advancement of large AI models, traditional robots are gradually transforming into adaptive machines capable of operating in complex environments and learning from them, achieving breakthroughs in safety and precision. Intelligent robots, with their increasingly realistic perceptual and interactive capabilities, ergonomically optimized structural designs, and natural and smooth motion performance, are rapidly penetrating industrial, professional service and consumer scenarios. Of particular note, the improvements in performance,

stability and safety of humanoid robots, combined with rising global labour costs and accelerating industrial automation, are collectively driving robust market growth.

With accelerating technological iteration, the humanoid robotics industry is set to enter a critical phase of commercialization in 2026. Building on the transition from "0 to 1" and the move towards "1 to 10" achieved in 2025, the industry is expected to overcome the pre-scale bottleneck in 2026, accelerating towards "10 to 100" mass production and widespread commercial deployment. The core theme of industry development is shifting towards "scale production and commercialization acceleration."

The humanoid robotics industry chain continues to improve, and can be broadly divided into three segments: upstream core components, midstream body manufacturing, and downstream application scenarios. The upstream segment includes key hardware such as cameras, bearings, batteries, controllers, lead screws, sensors, motors, and reducers, which form the core foundation affecting robot motion performance, control precision, perception capability, and operational stability. The midstream segment focuses on the manufacturing of humanoid robot bodies, involving algorithm models, torso structures, complete machine integration, dexterous hands, motion control systems, and joint modules. The downstream segment covers operation and maintenance services, system integration, subsequent software iteration and upgrades, product sales, and scenario deployment. The industry is transitioning from prototype validation to small-batch delivery, with a progressively clearer division of labor across the chain; however, significant differences have already emerged in the development prospects and competitive landscape of each sub-segment.

In humanoid robots, rotational joints, linear joints, and dexterous hands are key components of the actuation system, driving strong demand for high-precision components and functional modules. As humanoid robots need to achieve balanced walking, precise manipulation and human-robot interaction in complex environments, they impose extremely high requirements on the precision, consistency and response speed of their components. High-precision components can significantly reduce transmission errors, improve control accuracy and dynamic stability, thereby ensuring smooth movement and operational safety and reliability. With the increasing degrees of freedom and enhanced structural flexibility of robots, the complexity of system integration rises, and future reliance on high-precision components and functional modules will further deepen, with increasing demands for precision, power density, and modular design. According to Frost & Sullivan, the combined value share of rotational joints, linear joints and dexterous hands is expected to increase from 47.4% in 2024 to 50.0% in 2029.

3. AI Computing Power Industry Overview and Development Trends

The surge in computing power demand is driving growth in the enterprise-grade commercial server market. With the rapid increase in demand for AI large model training and inference, global computing power demand is rising exponentially, prompting leading global AI companies and major cloud service providers to accelerate the deployment of hyperscale high-power data centers. According to Frost & Sullivan, global data center capital expenditure is expected to grow from approximately US$450 billion in 2024 to over US$3 trillion by 2030. The scale of generative AI training and inference is driving up demand for enterprise-grade commercial servers, significantly boosting demand for related high-precision hardware such as server cooling and power supply systems.

With the surge in AI computing power, cooling requirements for servers have risen significantly, driving exponential growth in the high-precision thermal management hardware market for enterprise-grade commercial servers. AI computing centers impose higher demands on the precision, thermal management and long-term reliability of core components, testing manufacturers' capabilities in process consistency and yield. According to Frost & Sullivan, the AI server cooling market is expected to maintain strong growth momentum, reaching US$33 billion by 2029, representing a compound annual growth rate of 47.1% from 2025. Against the backdrop of continuously increasing

power density and energy efficiency requirements in data centers, liquid cooling solutions are rapidly penetrating the market, which will further drive demand for high-precision thermal management hardware and consolidate its strategic position as a core enabler for sustainable AI infrastructure expansion. Manufacturers that take early steps in building capabilities in related high-precision hardware are well positioned to secure first-mover advantages during the growth phase of the enterprise- grade commercial server industry.

3.1 AI Server Liquid Cooling Industry Overview and Development Trends

Liquid cooling technologies are generally classified into two categories based on the contact relationship between the cooling medium and the heat source: indirect contact liquid cooling and direct contact liquid cooling. The former mainly includes single-phase and two-phase cold plate liquid cooling, which transfers heat through intermediate heat exchange components, with the coolant not directly touching the heat source. The latter transfers heat through direct contact between the coolant and the heating components, mainly including single-phase immersion cooling, two-phase immersion cooling and spray cooling. In practical applications, cold plate liquid cooling, with its integration of micro-channel enhanced heat transfer technology, demonstrates excellent heat dissipation performance and is the most mature in terms of industrialization. In comparison, immersion and spray liquid cooling, by achieving full liquid envelopment of the heat source, offer more significant advantages in heat dissipation efficiency and energy efficiency ratio.

The core components of liquid cooling systems include liquid cooling plates, quick disconnect couplings and rack manifolds. The liquid cooling plate operates by using a sealed metal cold plate with built-in microchannels that are placed in close contact with core heating components such as CPUs and GPUs, allowing coolant to circulate within the plate to efficiently remove heat generated by the chips without directly contacting the electronic components. The core technological barriers primarily lie in the structural design of the internal microchannels and the maturity of precision welding processes. Quick disconnect couplings are used to support online hot-swap and rapid maintenance of IT equipment such as servers, with the core technical challenge being the assurance of high reliability. At the moment of connection or disconnection, the internal valves must open or close with precise synchronization to prevent any coolant leakage. The rack manifold functions to distribute coolant from the cooling distribution unit evenly and stably to each server or cold plate within the cabinet. Its technical barrier primarily lies in the need to precisely balance the flow resistance of each branch to prevent localized overheating or underflow caused by uneven flow distribution.

Component	Installation Location	Function
Coolant Distribution Unit (CDU)	Bottom of the rack or standalone installation	1. Facilitates heat exchange and heat transfer between the primary and secondary sides 2. Acts as an intermediate heat exchange unit, isolating the thermal loads of the primary and secondary sides 3. Dynamically adjusts flow rate based on server load, monitors chip temperature and coolant flow in real time to ensure on-demand coolant distribution 4. Automatically replenishes coolant, removes impurities and prevents blockage of cold plate microchannels
Manifold	Mounted vertically on the inner side of the rack	Distributes the low-temperature coolant from the CDU evenly to the cold plates of each server layer within the rack according to the designed flow rate, ensuring consistent cooling conditions for each GPU/CPU and preventing localized overheating

Component	Installation Location	Function
Quick Disconnect Coupling (UQD)	At pipeline connection points	1. Connects the manifold, pipelines and cold plates 2. Supports hot-swap, allowing pressurized connection or disconnection during system operation for easy maintenance
Liquid Cooling Plate	In direct contact with chips	Rapidly conducts heat from the heating components to the plate interior, where the coolant transfers the heat to the remote heat exchanger

3.2 AI Server Power Supply Industry Overview and Development Trends

As the power consumption of data center equipment and AI servers continues to rise, AI data centers require more advanced power hardware to support the stable operation of high-power computing loads. The importance of power management in server operations is becoming increasingly prominent, placing higher demands on power supply systems in terms of efficient conversion, compact layout and thermal optimization. As the core of data center power distribution systems, the importance of server power supplies continues to escalate with the increase in AI computing power. AI server power supplies are expected to evolve towards higher power density, better energy efficiency ratios and stronger dynamic response capabilities. With the rise of edge computing and distributed computing, the miniaturization and standardization of power modules are becoming particularly important. In addition, power management systems are expected to deeply integrate with AI algorithms to enable intelligent prediction, dynamic scheduling and fault warning, thereby providing strong support for the green operation and sustainable development of data centers. Driven by the increase in AI computing power and the trend toward thinner and lighter servers, demand for advanced AI power supplies will continue to grow.

Common Redundant Power Supply (CRPS) Industry Overview and Development Trends: Common Redundant Power Supply (CRPS) is a standardized, modular, hot-swappable and highly reliable power supply module designed for servers, storage devices and high-performance computing scenarios. CRPS adopts a unified 1U form factor and standardized electrical interfaces, supporting N+1 or N+N redundant parallel architectures. When a single module fails, the remaining modules can seamlessly take over the load to ensure uninterrupted system operation. It also supports live hot-swap replacement, enabling data center maintenance without system downtime, and has become one of the mainstream choices for enterprise-class servers and storage systems.

According to data from market research firm Data Insights Market, with the rapid development of AI technologies, particularly the surge in computing power demand for large model training and inference, data centers are undergoing a rapid transformation from traditional general-purpose computing architectures to higher-density and higher-power-load configurations. Compared to traditional general- purpose servers, the power consumption per rack of AI servers has increased substantially, with typical power levels jumping from the conventional 10/20kW range to 100kW or even over 130kW, while the power rating per server power supply has also risen from the 1–2kW range to the 5–10kW range. The high power demands of AI are reshaping data center power supply models, driving profound changes in the power distribution systems of data center facilities. Against this backdrop, CRPS power supplies are rapidly evolving from “optional components” to “standard necessities” — their high power density, redundant fault tolerance and hot-swappable features precisely meet the stringent requirements of high-density GPU clusters for power continuity, rapid maintenance and scalable deployment.

Server Busbar Industry Overview and Development Trends: Busbars are conductive components used in power systems for collecting, distributing and transmitting high currents. Compared with traditional wiring harnesses, busbars feature a more compact structure and can carry larger currents with the same cross-sectional area,

significantly saving installation space, reducing energy loss and improving heat dissipation performance. Server busbars represent a new modular power distribution system that enables efficient upgrading of data center power supply and distribution infrastructure through the integration of power transmission, intelligent monitoring and flexible scalability. With the rapid advancement of AI technologies, particularly the surge in computing power demand for large model training and inference, data centers are undergoing a rapid transformation from traditional architectures to higher-density and higher-power-load configurations. Compared to traditional general-purpose servers, the power consumption per rack of AI servers has continued to rise substantially, with typical power levels jumping from the conventional 10/20kW range to over 100/130kW. This high-power demand from AI is reshaping data center power supply models, driving profound changes in power distribution systems. Given their advantages of higher current capacity, space savings, safety and reliability, busbars are gradually replacing the combination of distribution cables and power distribution cabinets at the end of data center power distribution, becoming a critical choice for data center power supply systems.

B. Automotive Components Industry Overview and Development Trends

In 2025, the global automotive industry moved forward steadily amid profound structural transformation. As the world's largest automobile producer and consumer market, China has seen simultaneous improvement in both industry scale and quality, providing broad growth opportunities for companies along the industrial chain. According to statistics from the China Association of Automobile Manufacturers, China's automobile production and sales reached new historic highs in 2025, with 34.531 million and 34.40 million units produced and sold respectively, representing year-on-year growth of 10.4% and 9.4%, marking 17 consecutive years as the world's largest automobile market. Among these, the leading role of new energy vehicles (NEVs) continued to strengthen, with annual production and sales both exceeding 16 million units, marking 11 consecutive years as the world's largest NEV market and signaling that the electrification transition has entered a new phase of large-scale, market-driven development. As the foundational segment of the industry, the automotive components sector is closely aligned with the development trajectory of the vehicle manufacturing industry. According to a report by research firm Business Research Insights, the global automotive components market is expected to reach US$1,853.34 billion in 2026 and is projected to grow to US$2,660.79 billion by 2035, representing a compound annual growth rate of 4.1% from 2026 to 2035.

Automotive Components Classification and Industry Chain System: Automotive components form the foundation of the automotive industry and represent a critical segment of the industrial chain, providing nearly all parts and components for vehicle manufacturing except for the chassis frame. According to Frost & Sullivan, the automotive components industry in China can be classified by function into three major categories: fuel power system components (mainly used in internal combustion engine vehicles and hybrid vehicles, covering core components such as engines, transmissions and fuel supply systems); general automotive components (commonly used across various vehicle types, including chassis, body, electrical/electronic and intelligent systems); and new energy power system components (specifically designed for electric and hybrid vehicles, with core components including batteries, electric motors, electronic controls and energy recovery devices).

III. ANALYSIS OF CORE COMPETITIVENESS

A. A Globally Leading Intelligent Manufacturing Platform for Electronic Devices, Empowering the AI Industry Across Multiple Dimensions

The Company is a globally leading intelligent manufacturing platform for electronic devices. Leveraging advanced manufacturing processes and technological accumulation, it has built an integrated solution platform capability spanning core materials, precision functional components, modules and premium assembly. Supported by an

institutionalized and systematic management system, the Company has developed a globally operating model with Lingyi's distinctive features, which has been efficiently replicated across various business segments and units. The Company possesses the capability to provide multi-dimensional electronic devices intelligent manufacturing services and efficient product delivery to leading customers across multiple industries worldwide.

The Company has maintained a global industry-leading market share and shipment volume for its related products for many consecutive years, setting industry standards in quality, process, technology and other aspects. Leveraging advanced manufacturing technologies including die-cutting, stamping, CNC machining, injection moulding, MIM and die-casting, the Company's products are widely applied across industries such as on-device AI, physical AI, AI computing power, automotive and the advanced air mobility, contributing to industry innovation and development.

B. Industry-leading Full-Stack Technology and Intelligent Manufacturing Innovation Capabilities

With forward-looking strategic vision, full-stack technology and intelligent manufacturing innovation capabilities, the Company has achieved multiple breakthrough innovations from 0 to 1 and has defined industry standards. The Company comprehensively promotes its "one core, four modernizations" strategy, with technology as its core competitiveness and "lean, automated, data-driven and green" manufacturing as its operating philosophy. By integrating AI and robotics into automated production and core processes, the Company has significantly improved manufacturing precision, operational efficiency and resource utilisation, building highly efficient and modern smart factories. In response to the rapid iteration and personalized demands brought by AI technologies, the Company, through deep integration of innovative material applications, cutting-edge process development and diversified application scenarios, continues to extend its capabilities from core processes to integrated product capabilities, and further upgrades to system-level solutions, providing replicable solution capabilities across multiple scenarios.

C. Deep Engagement with Premium Customers and Joint Construction of a Long-term Stable Strategic Customer Ecosystem

The Company is a hidden champion in the precision manufacturing industry, consistently upholding a "customer-centric" service philosophy and establishing long-term, stable cooperative relationships with global leading players in on-device AI, physical AI (robotics) and AI computing power (commercial servers) automotive and advanced air mobility-related sectors. Major brand manufacturers impose stringent standards on supplier qualification and only collaborate with suppliers that have passed their certification or hold certifications from recognised authorities. The certification process is complex, covering production capacity, product quality, factory environment and human resources, among other aspects, driving the Company to continuously review and enhance its capabilities. Leveraging its full-stack capabilities spanning product definition, R&D support, scaled manufacturing, supply chain management and global delivery, the Company has achieved deep strategic integration with customers throughout the entire process from concept to mass production.

D. Global Strategic Layout to Foster New Business Growth

The Company adheres to an international development strategy of coordinated multi-category and multi-region expansion, and is committed to achieving both domestic and international excellence through localized operations and global delivery. Through deep strategic deployment at home and abroad, the Company has achieved localized management of R&D, production, sales and delivery, enabling rapid response to customer needs worldwide. The Company is one of the most extensively globalized enterprises in the electronic devices high-precision intelligent manufacturing platform sector.

The Company has built a highly efficient global production and delivery network, with over 80 production bases and regional hubs across 12 countries. Domestically, the Company's manufacturing facilities are located across multiple provinces and cities, covering core materials, precision functional components and modules, and premium assembly. Internationally, the Company has established localized production capacity in major global markets. To further align with customers and markets, the Company has set up dedicated R&D centers, sales branches and delivery centers in key regions worldwide, enabling localized operations and rapid delivery, and providing customized integrated solutions to its customers.

E. Excellent Green Intelligent Manufacturing Practices, Defining New Standards for Sustainable Development in the Global Industry

The Company has always regarded business growth and sustainable development as mutually reinforcing dual objectives. Guided by the core principle of "Reduce, Reuse, Recycle" (3R), the Company has systematically embedded green concepts throughout its entire production process. Through the development of innovative technologies such as nested cutting processes, material-saving routing processes and circulating cleaning systems, the Company has significantly improved resource utilisation efficiency, achieved savings in water and cleaning fluids, and driven improvements in material utilisation rates across key processes.

F. Engineer Culture Anchored in Technological Innovation

Talent is the core driver of enterprise development, and the Company's essence lies in its engineer culture. In recent years, the Company has established a clear career progression system and promotion pathways for technical personnel, directing rewards, training and benefits towards technical talent to ensure that key professionals play pivotal roles in critical technical positions. The Company regularly conducts skills assessments for technical roles and develops tiered learning roadmaps. By establishing talent development standards, it integrates role competencies, career pathways and learning activities to provide clear guidance for employee growth. At the same time, the Company has launched specialized development programmes in technical fields such as R&D, engineering, lean manufacturing and quality, and has established fast-track promotion channels for outstanding young talent to accelerate their growth.

IV. FINANCIAL REVIEW

Overview

(1) The Company's operating results for the first half of 2026 are summarized as follows: the Company achieved operating revenue of RMB25,149.1 million in the first half of 2026, representing an increase of 6.45%; net profit attributable to owners of the parent was RMB763.6 million, representing a decrease of 17.88%; and net cash inflow from operating activities was RMB1,709.9 million, representing an increase of 2.20%. The key reasons are as follows:

1. The Company continued to increase R&D investment in new products, and, by leveraging its strengths in technological innovation to optimize its product structure, has driven a year-on-year growth in total gross profit of 18.07% and a year- on-year increase in gross profit margin of 1.65 percentage points.

2. Due to factors such as exchange rate fluctuations, the Company's net profit declined.

(2) The operating conditions of the business segments in the first half of 2026 are as follows:

1. The electronic devices business achieved revenue of approximately RMB20,463.8 million, a year-on-year

decrease of 1.92%, alongside a year- on-year increase of 0.58 percentage points in the gross profit margin. Among them, the revenue of the battery/power supply (including On-device AI and AI computing power server power supply) related business was RMB3,927.7 million, a year-on-year increase of 12.73%. Revenue from thermal management-related businesses (including heat dissipation for On- device AI and AI computing power servers) was RMB2,919.5 million, representing a year-on-year increase of 43.46%.

2. The automotive and advanced air mobility business achieved revenue of RMB3,527.8 million, a year-on-year increase of 198.26%, and the gross profit margin recorded a year-on-year increase of approximately 6.25 percentage points.

Revenue and gross profit. Revenue increased by approximately 6.45% to RMB25,149.1 million (the same period of last year: RMB23,625.3 million), primarily attributable to growth in the automotive and advanced air mobility business. Overseas sales represented approximately 67.97% of disaggregated revenue. Gross profit increased by approximately 18.07% to RMB4,206.5 million and the gross profit margin improved from approximately 15.08% to approximately 16.73%, primarily attributable to the Company's continuous increase in R&D investment in new products and the optimization of its product structure by leveraging its strengths in technological innovation.

Operating expenses. Research and development expenses increased by approximately 27.86% to RMB1,441.7 million; selling and distribution expenses increased by approximately 35.16% to RMB257.3 million; and administrative expenses increased by approximately 32.44% to RMB1,072.9 million, primarily attributable to an increase in research and development expenses and administrative expenses driven by total research and development investment and new business expansion, while the sales team was also expanded in response to the growth in revenue scale.

Finance costs. Finance costs increased from RMB113.5 million to RMB620.0 million, principally attributable to the increase in foreign exchange losses.

Income tax. Income tax expenses were RMB122.2 million (the same period of last year: RMB281.1 million), representing a decrease of approximately 56.53%, primarily attributable to the recognition of deferred tax assets during the period.

Impairment. Impairment losses on assets were RMB359.7 million (the same period of last year: RMB426.3 million), comprising mainly write-downs of inventories and costs to fulfil contracts; credit impairment reversal of RMB68.9 million was recognised (the same period of last year: RMB113.7 million).

Assets subject to restrictions on ownership or use. As at June 30, 2026, the Group had assets with a total carrying amount of RMB1,906.3 million pledged as security to obtain bank borrowings and property preservation for litigation, which mainly included buildings, land, bills and cash and bank balances.

Guarantees. As at June 30, 2026, Dongguan Readore Technology Co., Ltd. ("**Readore**"), a non-wholly-owned subsidiary of the Company, together with certain individual shareholders of Readore, had provided a joint and several liability guarantee in favour of Bank of China Limited, Chenzhou Branch in respect of a working-capital loan of RMB10.0 million granted to Hunan Readore Electronic Technology Co., Ltd. ("**Hunan Readore**"), a company controlled by certain individual shareholders of Readore and not a connected person of the Company. The guarantee was entered into before the Listing. The loan was fully repaid and the guarantee was released on September 14, 2026. Guarantees and security previously provided by Readore for other bank facilities of Hunan Readore (maximum amounts of RMB16.0 million, RMB14.0 million and RMB7.0 million) had been fully released on or before June 30, 2026. Save as disclosed above and in Note XVI.2 to the interim financial statements, the Group had no material contingent liabilities as at June 30, 2026.

Liquidity and financial resources. As at June 30, 2026, the Group had cash and cash equivalents of approximately RMB10,690.3 million. The Group has sufficient liquidity to meet its daily working capital management and capital expenditure requirements and to control internal operating cash flows.

For the six months ended June 30, 2026, the Group's net cash generated from operating activities was approximately RMB1,709.9 million, compared to net cash generated from operating activities of approximately RMB1,673.2 million for the same period in 2025, which was primarily due to the increasing revenue. Net cash used in investing activities was approximately RMB4,178.4 million, compared to net cash used in investing activities of approximately RMB3,841.4 million for the same period in 2025, which was primarily due to the increase of acquisition payment for the subsidiaries. Net cash generated from financing activities was approximately RMB7,862.4 million, compared to net cash generated from financing activities of approximately RMB917.9 million for the same period in 2025, which was primarily due to the inflow of proceeds from the H-share initial public offering. As at June 30, 2026, the Group's total borrowings amounted to approximately RMB15,163.9 million, representing an increase of approximately 13.66% from December 31, 2025. The Group's borrowings primarily consisted of discounted bills and guaranteed borrowings. Of the total borrowings, approximately RMB10,086.0 million was repayable within one year and approximately RMB5,077.9 million after one year. Substantially all of the Group's borrowings were denominated in RMB. The Group maintains a mix of fixed and floating rate borrowings and manages its interest rate exposure in accordance with its treasury policies. Details of the borrowings are set out in Notes VII.24, VII.32 and VII.34 to the interim financial statements.

The Group's funding and treasury policies are centrally managed by the finance department of the Company, with the primary objective of maintaining adequate liquidity, a healthy capital structure and prudent management of interest rate and currency exposures. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

Capital structure and net debt to equity ratio. The Group monitors its capital position using the net debt to equity ratio, which equals total interest-bearing borrowings (including current and non-current portions), lease liabilities (including current and non-current portions), and long-term payables (including current and non-current portions) less the sum of cash and cash equivalents, divided by total equity as of the end of the period. It is the Group's policy to maintain the net debt to equity ratio at a low level. As at June 30, 2026, the Group's net debt to equity ratio was approximately 19.50% (December 31, 2025: 38.58%).

Foreign exchange exposure. The Group's exchange rate risk arises principally from foreign currency exposures generated by overseas sales, procurement and other operating activities and from fluctuations in exchange rates, which may be affected by domestic and overseas political and economic conditions and may in turn affect the Group's operating results denominated in RMB. The majority of the Group's raw material procurement is denominated in RMB, while the currencies used in product exports and the day-to-day operations of its overseas subsidiaries are principally U.S. dollars. Therefore, exchange rate fluctuations may have an adverse impact on the Company. In the future, there may be a risk of significant foreign exchange losses resulting from substantial exchange rate fluctuations. While ensuring safety and liquidity, the Company will adopt various measures to hedge and mitigate foreign exchange risk.

Significant investments. The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at June 30, 2026) during the Reporting Period.

Material acquisitions and disposals. Save for the acquisition of a 35% equity interest in Readore (36.75% as at the acquisition date, before the minority shareholders completed their capital contributions) for a cash consideration of RMB875 million, which was completed in January 2026 and, together with a voting rights entrustment over a further 17.78% of the equity interest in Readore, gives the Group control over 52.78% of the voting rights in Readore, such that Readore has been consolidated as a non-wholly-owned subsidiary of the Company since January 31, 2026 (details of which are set out in Note IX to the interim financial statements), the Group did not have any other material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates or joint ventures during the Reporting Period. The Directors do not regard the acquisition as material to the Group, having regard to the size of Readore relative to the Group's total assets and its contribution to the Group's revenue and results for the Reporting Period.

Employees and remuneration policy

As of June 30, 2026, the Group had 106,514 employees. During the Reporting Period, the total employee remuneration of the Company was RMB5,586.82 million. The Company continued to deepen its value-oriented performance culture, adhering to the compensation philosophy of "high efficiency, high output, and high return". Guided by strategy and oriented by value, the Company has built a compensation system that balances internal fairness, external competitiveness, and long-term incentives, ensuring that incentive resources are precisely directed toward organisation and individuals that create core value. Under the premise of strict compliance with national and local laws and regulations, the Company carried out job value assessments and continuously optimized salary bands in conjunction with market data to ensure that the compensation of core talent remains market-competitive. Annual salary adjustment resources were tilted toward high-performing personnel and young backbone members born in the 1990s. Both the number of promotions and salary adjustments increased year-on-year, further achieving the tilting of resources toward high-performance and high-potential talent. The concept of "Accountability and Shared Value Creation" has been integrated into the incentive orientation, encouraging employees to be brave in taking on responsibilities and growing together. Details of the Company's A Share Incentive Plans are set out in "Other Information — A Share Incentive Plans in this report."

Employee training plan

The Company has established a systematic talent review to build a dynamic reserve pool. Relying on learning maps and tiered and classified training systems, the Company precisely enhances the comprehensive capabilities of core technical talent. The Company also promoted school- enterprise collaborative education at the junior college level, co-constructing training systems with more than ten colleges and universities to effectively align teaching standards with job requirements, thereby improving the supply quality and matching efficiency of technical talent.

Aimed at managers at various levels, including new directors, managers, and grassroots team leaders, the Company has carried out tiered specialized leadership development. Through customized courses, practical training, 360-degree assessments, and specialized improvement projects, the Company achieved 100% coverage of training for the management and team leader levels, systematically enhancing team leadership, business breakthrough, and grassroots management capabilities, thereby solidifying the management pipeline.

Through the implementation of the "Green Orange Plan (青橙計劃)", "Future Star Plan (未來之星計劃)", and "Morning Star Plan (啟明星計劃)", the Company has built a full-cycle cultivation system covering young talent, management trainees, and junior college students, continuously introducing and nurturing a large number of outstanding reserve talents.

Future plans for material investments or capital assets

As of June 30, 2026, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and further explained in the section headed "Use of Proceeds from the Global Offering" below, the Group did not have any plans for material investments and capital assets.

The Company intends to apply the net proceeds from the Global Offering, in accordance with the Prospectus, to enhance our production capacity and upgrade core manufacturing processes, strengthen our core R&D capabilities, scale our manufacturing infrastructure within and outside Chinese Mainland, fund strategic investments and acquisitions, and provide working capital. As of June 30, 2026, none of the net proceeds had been utilised and there had been no change in the intended use of the net proceeds. Details are set out in the section headed "Other Information — Use of Proceeds from the Global Offering" in this report.

V. OUTLOOK ON THE COMPANY'S FUTURE DEVELOPMENT

A. Company Development Strategy

Looking ahead to 2026, we stand at a new starting point marking the 20th anniversary of Lingyi iTech's founding, and a pivotal year in our drive towards the medium-to-long-term development goals for 2030. As we confront the profound transformation driven by the global AI + infrastructure revolution, our strategic direction has become even more resolute.

Anchored in long-term value creation, we remain committed to "doing the right things." Doing the right things represents our direction, strategy and guiding philosophy. We stay focused on the core track of intelligent manufacturing while accelerating our deployment in emerging sectors such as on-device AI, physical AI (robotics) and AI computing power (commercial servers), automotive and the advanced air mobility, fostering new growth engines. With a global perspective, we are deepening our overseas footprint and replicating the competitive advantages of China's intelligent manufacturing to bring our products and services to a broader customer base. By aligning ourselves with the macro trends of our time, we are turning our strategic vision into tangible results.

Sharpening execution efficiency by earnestly "doing things right." "Doing things right" is about process, capability and execution. We will leverage digital and intelligent systems to drive operational efficiency and deepen organisation transformation. We are fully launching a "company-wide AI adoption" initiative, integrating AI into the entire value chain of R&D and innovation, manufacturing and plant management, with the goal of becoming a global one-stop intelligent manufacturing solutions provider.

Guided by our core belief of "doing the right things and doing things right," and leveraging our dual strengths in full-chain technological capabilities and global service infrastructure, we are committed to increasing the revenue contribution of high-value-added products. As we navigate through market cycles, we will continue to strengthen our core competitiveness, enhance our global market position and build sustainable development capabilities. Through steady and long-term growth, we aim to deliver value in return for the trust and support of our shareholders.

Looking ahead, the Company will make comprehensive efforts across six key dimensions: product portfolio, technological innovation, international management, strategic mergers and acquisitions, talent development and green manufacturing. We will continue to strengthen our industry-leading position, build core competitiveness suited for future competition, and drive the Company towards high-quality and sustainable development.

B. Risks That the Company May Face

1. Risk of Industry Fluctuations

The downstream industries in which the Company operates are subject to ongoing fluctuations due to a variety of factors, which may lead to changes in demand for the Company's products and adversely affect its operating results. Technological changes, disruptive innovations, or shifts in consumer preferences may also impact the market for end products.

2. Risk of Exchange Rate Fluctuations

The Company's current exchange rate risk primarily arises from foreign currency exposures and related exchange rate fluctuations resulting from its overseas sales, procurement and other operating activities. Exchange rates may be affected by domestic and international political and economic conditions and other factors, which could in turn have an impact on the Company's operating results as denominated in its local currency.

3. Risk of International Management

As the Company's operating scale expands, it is required to address the management challenges arising from differences in language, legal systems and business environments across different countries.

4. Risk of Intensified Industry Competition

Competition in the AI terminal industry is becoming increasingly intense. Should it further intensify, product pricing may come under pressure, and the Company's future development would face greater market risks.

5. Risk Arising from Uncertainty in International Trade Policies

The intensification of trade frictions and policy uncertainties may affect the demand and pricing of consumer electronics products, and may lead to supply chain shifts, which could in turn impact the Company's revenue and production operations.

6. Risks Relating to Investment and Mergers & Acquisitions

6.1 Risk of Transaction Suspension/Termination/Cancellation

Regulatory review, insider trading, commercial disagreements or sudden risks relating to the target company may impede the progress of the transaction.

6.2 Post-Acquisition Integration Risk

If the integration with the target company in terms of organisation, business operations and corporate culture is not effectively managed after the acquisition, the Company may fail to maintain the target's competitive advantages and realise the expected synergies.

7. Risk of Strategic Planning

If the Company's strategy deviates from its core business, lacks clarity, or fails to adapt to market changes, the planned objectives may not be achieved, and adjustments may be required in light of actual circumstances.

8. Risk of Goodwill and Asset Impairment

Goodwill arising from acquisitions, as well as the Company's fixed assets, inventories and other assets, may be exposed to impairment risk if significant changes occur in the industry, which could adversely affect the Company's financial condition.

9. Risk of Trade Receivables Collection

The Company's business expansion may lead to an increase in trade receivables. If not properly managed or if customers' operations deteriorate, the Company may face the risk of credit impairment losses.

10. Risk of Fluctuations in Raw Material Prices

The prices of raw materials procured by the Company, including metals, plastics, and electronic components, are subject to fluctuations due to factors such as market cycles, supply and demand dynamics, and geopolitical conditions, which may weaken the Company's profitability.

11. Risk of Talent Turnover

Talent competition in the industry is intense. If the Company fails to attract, develop and retain key technical and management personnel, its production and operations may be adversely affected.

12. Risk of Over-reliance on Major Customers

The Company has a high degree of customer concentration for certain products. If there are significant changes in the operations or demand of its major customers, the Company's sales revenue may be adversely affected.

13. Risk of Intellectual Property

As the Company advances its globalization strategy, it will face heightened intellectual property risks, including intellectual property disputes and patent infringement.

14. Risks Relating to the Fund-Raising Investment Projects

14.1 Implementation Risks of the Fund-Raising Projects

If the Company's reserves in technology, talent and other areas are insufficient to meet the development needs of new products, it may result in R&D failure, impeded progress or an inability to smoothly achieve mass production.

Uncertainties in construction schedules, market development and other factors may also lead to project termination or lower-than-expected returns.

14.2 Risk of Lower-than-Expected Returns from the Fund-Raising Projects

Changes in market conditions or the Company's insufficient efforts in market development may cause actual returns from the fund-raising projects to differ from expectations.

14.3 Risk of Construction Delays/Changes in the Use of Proceeds

During project implementation, progress may be slower than planned, or delays or adjustments to the use of funds may become necessary due to changes in market conditions.

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code set out in Appendix C1 to the Listing Rules became applicable to the Company on the Listing Date. From the Listing Date to June 30, 2026, the Company complied with all applicable code provisions of the Corporate Governance Code, save for the deviation from code provision C.2.1 explained below.

Code provision C.2.1 of the Corporate Governance Code recommends, but does not require, that the roles of chairperson and chief executive should be separate and should not be performed by the same person. The Company deviates from this provision because Ms. Zeng performs both the roles of chairperson of the Board and general manager of the Company, given that she has extensive experience in the business operations and management of our Company. Our Board believes that, in view of her experience, personal profile and her roles in our Company as mentioned above, Ms. Zeng is the Director best suited to identify strategic opportunities and the focus of the Board due to her extensive understanding of our business.

The Board considers that the balance of power and authority in the present arrangement is not compromised, given the size of the Board, oversight from the independent non-executive Directors, and robust senior management team, and believes that this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to evaluate the roles of chairwoman of the Board and general manager of the Company at an appropriate time, taking into account the circumstance s of the Company as a whole.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company since the Listing Date. Having made specific enquiry of all the Directors, all Directors confirmed that they have complied with the Model Code during the Reporting Period.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and Development Committee, for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code.

The primary duties of the Audit Committee include, but are not limited to, reviewing the Company's financial information and its disclosure, and monitoring and evaluating internal and external audit work and internal controls, and exercising the supervisory powers prescribed under the Company Law of the People's Republic of China (中華人民共和國公司法).

The Audit Committee comprises three independent non-executive Directors, being Dr. Lau Kin Shing Charles, Dr. Cai Yuanqing and Mr. Ruan Chao, with Dr. Lau Kin Shing Charles (who possesses the appropriate professional accounting and related financial management expertise) as the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited interim results and interim report of the Group for the six months ended June 30, 2026 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Save as disclosed in this report, since the date of the Prospectus (June 17, 2026) and up to the date of this report, there has been no change in the information of the Directors or the chief executive of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

INTEREST IN THE COMPANY

Name of Shareholder	Position	Nature of Interest	Class of Shares	Number of Shares Held or Interested[1]	Approximate Shareholding Percentage in the A Shares[2] (%)	Approximate Shareholding Percentage in the Total Issued Share Capital[2] (%)
Ms. Zeng	Chairwoman of the Board, executive Director and general manager	Beneficial owner	A Shares	108,536,846	1.49	1.34
		Interest in controlled corporation	A Shares	4,139,524,021	56.64	50.98
Mr. Jia Shuangyi (賈雙誼)	Vice chairperson of the Board, executive Director and chief human resources officer	Beneficial owner	A Shares	780,000[3]	0.01	0.01
Ms. Huang Jinrong (黃金榮)	Executive Director (employee representative Director) and senior director of finance department	Beneficial owner	A Shares	390,000[4]	0.01	0.01

Notes:

1. All interests stated are long positions in the Shares.

2. The calculation is based on the total number of 7,308,198,680 A Shares (including A Shares held in the Company's repurchase securities account as treasury shares) and 811,811,880 H Shares in issue as at June 30, 2026.

3. Including 780,000 A Shares underlying share awards granted to Mr. Jia Shuangyi pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the share awards).

4. Including 390,000 A Shares underlying share awards granted to Ms. Huang Jinrong pursuant to the 2024 Employee Stock Ownership Plan (subject to the relevant conditions of the share awards).

OTHER INFORMATION

INTEREST IN OUR ASSOCIATED CORPORATION

Name of Shareholder	Position	Name of associated corporation	Capacity/ Nature of interests	Number of shares of the associated corporation	Approximate percentage of issued share capital of the associated corporation (%)
Ms. Zeng	Chairwoman of the Board, executive Director and general manager	Lingsheng Investment	Beneficial owner	RMB50,000,000	100.00

Save as disclosed above, as at June 30, 2026, none of the Directors and chief executives of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at June 30, 2026, to the best knowledge of the Directors, the following persons (other than the Directors and chief executives of the Company) had an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares Held or Interested[1]	Approximate Shareholding Percentage in the A Shares[2] (%)	Approximate Shareholding Percentage in the Total Issued Share Capital[2] (%)
Lingsheng Investment[3][4]	Beneficial interest	A Shares	4,139,524,021	56.64	50.98

Notes:

1. All interests stated are long positions in the Shares.

2. The calculation is based on the total number of 7,308,198,680 A Shares (including A Shares held in the Company's repurchase securities account as treasury shares) and 811,811,880 H Shares in issue at June 30, 2026, assuming no additional A Shares are issued under the 2024 Share Option Scheme.

3. Lingsheng Investment is a limited company established in the PRC and is wholly owned by Ms. Zeng. As such, under the SFO, Ms. Zeng is deemed to be interested in the entire equity interests held by Lingsheng Investment in the Company.

4. As of June 30, 2026, Lingsheng Investment pledged 182,220,000 A Shares it held to certain regulated financial institutions in the PRC for financings provided by them to Lingsheng Investment, representing approximately 2.24% of the issued share capital of the Company. The pledge secures financing obtained by Lingsheng Investment for its own purposes and is not connected with any loan facility or covenant of the Group.

Save as disclosed above, as at June 30, 2026, to the best knowledge of the Directors, no person (other than the Directors and chief executives of the Company) had an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

A SHARE INCENTIVE PLANS

The Company has adopted the A Share Incentive Plans, including the 2024 Employee Stock Ownership Plan and the 2025 Employee Stock Ownership Plan (collectively, the "**Employee Stock Ownership Plans**") and the 2024 Share Option Scheme, which are in effect as of the date of the Prospectus. As the Employee Stock Ownership Plans do not involve the issuance of new Shares by the Company, the terms of the Employee Stock Ownership Plans are not subject to the provisions of Chapter 17 of the Listing Rules, save for the disclosure requirements under Rule 17.12 of the Listing Rules. Given that no further options will be granted under the 2024 Share Option Scheme after the Listing, the terms of the 2024 Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules.

The 2024 Employee Stock Ownership Plan involves up to 30,034,872 A Shares, representing approximately 0.43% of the Company's total issued share capital on the date of publication of the plan. The 2025 Employee Stock Ownership Plan involves up to 26,400,000 A Shares, representing approximately 0.38% of the Company's total issued share capital on the date of publication of the plan. The aggregate number of A Shares underlying the share awards granted under all effective Employee Stock Ownership Plans shall not exceed 10% of the Company's total issued share capital, and the underlying A Shares attributable to any individual participant shall not exceed 1% of the total share capital of the Company. The purchase prices for A Share underlying Share Awards granted under the 2024 Employee Stock Ownership Plan and 2025 Employee Stock Ownership Plan are RMB3.48 and RMB4.47 per A Share, respectively. The vesting periods are 12 months, 24 months and 36 months commencing from the date when the draft of each Employee Stock Ownership Plan is reviewed and approved by the Company's Shareholders' general meeting, and the Company announces the transfer of the last batch of target stocks to the name of each Employee Stock Ownership Plan.

As of June 30, 2026, the total number of A Shares underlying share awards granted under the Employee Stock Ownership Plans was 44,420,924, representing approximately 0.55% of the issued Shares at June 30, 2026 (assuming no additional A Shares are issued pursuant to the 2024 Share Option Scheme). Details of the outstanding Share Awards granted as of June 30, 2026 are set out below:

Name	Position in our Group	Number of A Shares underlying the Share Awards	Date of Grant	Purchase Price	Approximate Shareholding Percentage at June 30, 2026 (assuming no Additional A Shares are issued pursuant to the 2024 Share Option Scheme) (%)
2024 Employee Stock Ownership Plan					
Directors and Senior Management					
Mr. Jia Shuangyi	Vice chairperson of the Board, executive Director and chief human resources officer	780,000	November 5, 2024	RMB3.48	0.01

Name	Position in our Group	Number of A Shares underlying the Share Awards	Date of Grant	Purchase Price	Approximate Shareholding Percentage at June 30, 2026 (assuming no Additional A Shares are issued pursuant to the 2024 Share Option Scheme) (%)
Ms. Huang Jinrong	Executive Director (employee representative Director) and senior director of finance department	390,000	November 5, 2024	RMB3.48	0.005
Mr. Wang Tao	Financial controller and chief financial officer	780,000	November 5, 2024	RMB3.48	0.01
Mr. Guo Rui	Deputy general manager and secretary of the Board	780,000	November 5, 2024	RMB3.48	0.01
Others					
7 grantees (600,000 Shares or fewer)	–	2,109,600	November 5, 2024	RMB3.48	0.03
2 grantees (600,001 Shares to 1,500,000 Shares)	–	2,378,400	November 5, 2024	RMB3.48	0.03
5 grantees (1,500,001 Shares or above)	–	10,802,924	November 5, 2024	RMB3.48	0.13
Sub total					
18		18,020,924	–	–	0.22
2025 Employee Stock Ownership Plan					
58 grantees (99,999 Shares or fewer)	–	1,740,200	December 19, 2025	RMB4.47	0.02
37 grantees (100,000 Shares or above)	–	24,659,800	December 19, 2025	RMB4.47	0.30
Sub total					
95		26,400,000	–	–	0.33

As of June 30, 2026, 18,020,924 A Shares and 26,400,000 A Shares held under the 2024 Employee Stock Ownership Plan and the 2025 Employee Stock Ownership Plan, respectively (44,420,924 A Shares in aggregate), remained unvested. As of January 1, 2026 and June 30, 2026, the maximum number of A Shares that can be granted under each of the 2024 Employee Stock Ownership Plan and the 2025 Employee Stock Ownership Plan was nil. During the Reporting Period, no A Shares were granted under the 2024 Employee Stock Ownership Plan or the 2025 Employee Stock Ownership Plan.

The total number of options (the "**Share Options**") granted under the 2024 Share Option Scheme is 235,757,500, representing 235,757,500 A Shares of our Company. As of June 30, 2026, Share Options representing 150,241,371 A Shares under the 2024 Share Option Scheme remained outstanding. The exercise price is RMB4.40 per A Share and the exercise period is one year since the Share Options are vested. There are three vesting periods: the First Vesting Period is from the first trading day after the 12th month to the last trading day within 24 months after the grant date; the Second Vesting Period is from the first trading day after the 24th month to the last trading day within 36 months after the grant date; the Third Vesting Period is from the first trading day after the 36th month to the last trading day within 48 months after the grant date. No Share Options under the 2024 Share Option Scheme will be further granted after Listing and all granted Share Options have been granted to specific individuals under the 2024 Share Option Scheme. As of January 1, 2026 and June 30, 2026, the maximum number of options that can be granted under the 2024 Share Option Scheme was nil. During the Reporting Period, no options were granted under the 2024 Share Option Scheme. Details of the share options granted under the 2024 Share Option Scheme are set out below:

Name	Number of A Shares underlying the Share Options	Date of Grant	Vesting Period and Exercise Period	Exercise Price	Approximate Shareholding Percentage at June 30, 2026 (%)
Connected Persons					
Luo Yan (駱燕)	100,000	September 18, 2024	Note 2	RMB4.40	0.001
Jia Zhenghong (賈正紅)	180,000	September 18, 2024	Note 2	RMB4.40	0.002
Wang Chongqi (王崇祁)	480,000	September 18, 2024	Note 2	RMB4.40	0.006
Yang Yanxiang (楊艷香)	60,000	September 18, 2024	Note 2	RMB4.40	0.001
Wu Zegeng (吳澤庚)	190,000	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.002
Wang Li (王利)	200,000	August 6, 2025	Note 2	RMB4.40	0.002
Other Grantees					
421 grantees (1 to 50,000 A Shares)	13,716,000	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.17
805 grantees (50,001 to 100,000 A Shares)	53,448,868	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.66
209 grantees (100,001 to 150,000 A Shares)	26,523,500	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.33
202 grantees (150,001 to 1,800,000 A Shares)	55,343,003	September 18, 2024 and August 6, 2025	Note 2	RMB4.40	0.68
Total					
1,643 grantees (Note 1)	150,241,371	—	—	—	1.85

Notes:

1. As of June 30, 2026, there are no Directors or senior management of our Company granted Share Options under the 2024 Share Option Scheme.

2. The outstanding Share Options granted shall be vested in accordance with the vesting period as follows: (i) as to 40% of the aggregate number of options after the First Vesting Period; (ii) as to 30% of the aggregate number of options after the Second Vesting Period; and (iii) as to 30% of the aggregate number of options after the Third Vesting Period. The exercise period is one year since the Share Options are vested.

3. There is no grant price for the Share Options.

Details of the material terms of the Employee Stock Ownership Plans and the 2024 Share Option Scheme are set out in the Prospectus. Details of the movements in the unvested A Shares held under the Employee Stock Ownership Plans during the Reporting Period will be set out in the annual report of the Company for the year ending December 31, 2026 in accordance with Rule 17.12 of the Listing Rules. Details of the movements in the Share Options during the Reporting Period are set out in the table above. During the Reporting Period, the number of Shares that could be issued in respect of options and awards granted under all share schemes of the Company was nil, representing 0% of the weighted average number of A Shares in issue (excluding treasury shares) during the Reporting Period.

CONVERTIBLE SECURITIES

Save for the Share Options granted under the 2024 Share Option Scheme disclosed above, the Company did not issue any convertible securities, options, warrants or similar rights during the Reporting Period and none was outstanding as at June 30, 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, pursuant to the 2026 A-Share Repurchase Plan approved by the Board on March 26, 2026, the Company continued to repurchase a portion of RMB ordinary shares (A shares) issued by the Company on the Shenzhen Stock Exchange through centralised competitive bidding. As at June 30, 2026, the Company had cumulatively repurchased 22,199,300 A Shares via the designated repurchase securities account by way of centralised competitive bidding, representing approximately 0.3% of the Company's total A Share capital then in issue. The highest transaction price was RMB14.43 per share and the lowest transaction price was RMB13.68 per share. The total transaction amount was RMB311,132,511.58 (excluding transaction fees). As at June 30, 2026, the Company held 34,031,200 treasury shares, all of which were A Shares to be used for the Company's employee share incentive plan.

Subsequently, the Company had repurchased a total of 10,176,500 A Shares on the Shenzhen Stock Exchange and held as treasury shares at an aggregate consideration (excluding transaction cost) of RMB127,972,006.73 in July 2026.

Save as otherwise disclosed in this report, during the Reporting Period, the Company and any of its subsidiaries did not purchase, sell, or redeem any of the Company's listed securities (including sales of treasury shares (as defined under the Listing Rules)). As of the date of this report, the Company held 44,207,700 treasury shares, all of which were A Shares and to be used for the Company's employee share incentive plan.

MATERIAL LITIGATION

During the Reporting Period, there was no material litigation or arbitration against the Company. The Directors are not also aware of any material litigation or claims that are pending against the Group during the Reporting Period.

PARTICULARS OF THE GLOBAL OFFERING

On June 26, 2026 (the "**Listing Date**"), the Company issued 811,811,880 H Shares of nominal value RMB1.00 each (aggregate nominal value of RMB811,811,880) under the Global Offering, comprising 81,181,320 H Shares under the Hong Kong Public Offering (as defined in the Prospectus) and 730,630,560 H Shares under the International Offering (as defined in the Prospectus), and the H Shares were listed on the Hong Kong Stock Exchange on the same day. The Offer Price was fixed at HK$10.18 per H Share. The H Shares were allotted to public investors under the Hong Kong Public Offering and to institutional, professional and other investors under the International Offering, including the cornerstone investors named in the Prospectus. The gross proceeds were approximately HK$8,264.2 million and the net proceeds, after deducting underwriting commissions and other listing expenses, were approximately HK$8,170.33 million. As the H Shares were not listed when the Offer Price was fixed on June 24, 2026, there was no market price for the H Shares on that date; the closing price of the H Shares on the Listing Date was HK$9.71. The Global Offering was made to fund the plans set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus; the use of the net proceeds is set out below.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On June 26, 2026, the H Shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering were approximately HKD8,170.33 million. As at June 30, 2026, none of the net proceeds had been utilised. The intended use of the net proceeds and the expected timetable for their utilisation are set out below:

	Net proceeds from the Global Offering (HKD in million)	Approximate% of the total amount	Utilised proceeds as at June 30, 2026 (HKD in million)	Unutilised proceeds as at June 30, 2026 (HKD in million)	Expected timetable for the fully utilising of unutilised proceeds
Enhance our production capacity and upgrade core manufacturing processes	3,072.04	37.60%	0	3,072.04	Before December 31, 2028
Strengthen our core R&D capabilities	972.27	11.90%	0	972.27	–
Scale our manufacturing infrastructure within and outside Chinese Mainland	857.89	10.50%	0	857.89	–
Strategic investments and acquisitions	2,451.10	30.00%	0	2,451.10	–
Working capital	817.03	10.00%	0	817.03	–
Total	8,170.33	100%	0	8,170.33	–

The utilised proceeds as described above were utilised in accordance with the purposes set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The remaining balance of the net proceeds of approximately HKD8,170.33 million was placed with reputable banks in Hong Kong or the PRC as of June 30, 2026. The Group will gradually apply the remaining balance in the manner set out in the Prospectus depending on actual business needs.

OTHER INFORMATION

INTERIM DIVIDEND

(I) Distributable Profits

For the first half of 2026, the Company recorded an undistributed profit as of June 30, 2026 of consolidated amount of RMB11,059,419,195.40, while the parent company realised an undistributed profits as of June 30, 2026 of RMB6,184,462,987.68. The amounts are based on the undistributed profits at the beginning of 2026 (of the consolidated amount of RMB10,441,272,317.12; of the parent company of RMB6,301,978,745.93), plus net profit attributable to shareholders for the current period (of the consolidated amount of RMB763,630,227.88; of the parent company of RMB27,967,591.35), and deducting the profit distribution of RMB145,483,349.60 paid in the Reporting Period.

Pursuant to the lower of the undistributed profits in the consolidated financial statements and the parent company's financial statements, the actual distributable profit available to the Shareholders as of June 30, 2026 amounted to RMB6,184,462,987.68.

(II) Profit Distribution Plan

The interim profit distribution plan for the first half of 2026 proposed by the Board of the Company is as follows: a cash dividend of RMB0.2 (including tax) for every 10 shares will be distributed based on the total share capital of 8,076,077,727 shares as of July 31, 2026, after deducting the shares held in the repurchase special account, without issuing bonus shares or converting capital reserves into share capital. The Company plans to distribute an aggregate cash dividend of RMB161,521,554.54 (tax inclusive). If there is a change in the total share capital of the Company between the date of July 31, 2026 and the date of registration of the right to implement the profit distribution, the Company will adjust the total cash dividend amount according to the principle of unchanged distribution amount per share. This cash dividend is denominated and declared in RMB, with the A-share dividend to be distributed in RMB and the H-share dividend to be distributed in Hong Kong dollars. The actual amount of H-share dividend to be distributed will be calculated based on the exchange rate which shall be the middle exchange rate of RMB against HKD published by the People's Bank of China for the one business day preceding the date of the twenty-eighth meeting of the sixth term of the Board of the Company.

Reference is made to the Company's announcement dated March 28, 2026 issued on the Shenzhen Stock Exchange, in relation to, among other matters, the resolution passed at the 2025 annual general meeting of the Company authorising the Board to determine the 2026 interim profit distribution plan.

Pursuant to the authorisation granted by the 2025 annual general meeting of the Company, the Company's interim profit distribution proposal for 2026 is not subject to consideration and approval at the general meeting of the Company. The Company will implement this profit distribution plan within two months after obtaining the approval at the Board meeting. The cash dividend is expected to be paid to shareholders on or before Tuesday, October 27, 2026.

(III) Closure of Register of Members of H Shares for the 2026 Interim Dividend Distribution

For determining the entitlement to the proposed 2026 Interim Dividend, the register of members of H Shares will be closed from Monday, 14 September 2026 to Thursday, 17 September 2026, both days inclusive, during which period no transfer of H Shares will be registered. The record date (the "**Record Date**") for determining the entitlement of the holders of H Shares (the "**H Shareholders**") to the proposed 2026 Interim Dividend will be Thursday, 17 September 2026. In order to qualify for entitlement to the proposed 2026 Interim Dividend, the H Shareholders whose transfers of H Shares have not been registered shall lodge the transfer instruments together with the relevant share certificates with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712- 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 September 2026.

The Company will withhold and pay relevant income tax strictly in accordance with the relevant laws or requirements of the relevant government departments and strictly based on the 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 payment of relevant income tax.

TAX ON DIVIDEND

Withholding and Payment of Corporate Income Tax for Non-Resident Enterprise Shareholders

According to Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) and the relevant implementing rules which came into effect on 1 January 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% before distributing dividends to non-resident enterprise Shareholders whose names appear on the register of H Shareholders of the Company. Any H Shares registered in the name of non-individual H Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise Shareholders and, therefore, the dividends will be subject to the withholding and payment of corporate income tax. Should any H Shareholder wish to change its Shareholder status, please consult your agent or trust institution in relation to the relevant procedure. The Company will withhold and pay the corporate income tax strictly in accordance with the relevant laws and requirements of the relevant governmental departments and strictly based on what has been registered on the Company's register of H Shareholders on the Record Date.

OTHER INFORMATION

Withholding and Payment of Individual Income Tax for Individual Foreign Shareholders

According to the regulation promulgated by the State Administration of Taxation of the People's Republic of China (Guo Shui Han [2011] No. 348)(中華人民共和國税務總局國税函[2011]348號), the Company is required to withhold and pay the individual income tax for its individual H Shareholders (the "**Individual H Shareholder(s)**") and the Individual H Shareholders are entitled to the relevant tax preferential treatments according to the tax agreements between those countries where the Individual H Shareholders are residents and the People's Republic of China (the "**PRC**") and the provisions in respect of tax arrangements between Chinese Mainland and Hong Kong (Macau). The Company would withhold and pay the individual income tax at the tax rate of 10% on behalf of the Individual H Shareholders who are Hong Kong residents, Macau residents or residents of those countries having agreements with the PRC for individual income tax rate in respect of dividends of 10%. For Individual H Shareholders who are residents of those countries having agreements with the PRC for individual income tax rates lower than 10% in respect of a dividend, the Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments under Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements (Announcement No. 35 of the State Taxation Administration (2019))《非居民納税人享受税收協議待遇管理辦法》((國家税務總局公告2019年第35號)) if such Shareholders claim refund of the amount in excess of the individual income tax payable under the tax agreements, provided that the relevant Shareholders shall submit the relevant documents and data in accordance with the requirements of the relevant tax agreements in a timely manner and provide supplemental information on their entitlements of treatments under the relevant agreements. The Company would assist with the refund of the paid amount in excess of the tax paid and payable under the tax agreements subject to approval of the competent tax authority. For Individual H Shareholders who are residents of those countries having agreements with the PRC for individual income tax rates in respect of a dividend higher than 10% but lower than 20%, the Company would withhold the individual income tax at the agreed effective tax rate. For Individual H Shareholders who are residents of those countries without any taxation agreements with the PRC or having agreements with the PRC for individual income tax in respect of a dividend of 20% and other circumstances, the Company would withhold the individual income tax at the tax rate of 20%.

The Company will determine the country of domicile of an Individual H Shareholder based on the registered address as recorded in the register of members of the Company and will accordingly withhold and pay the individual income tax. The Company shall not entertain any claims or be held liable for any disputes arising from the late determination or inaccuracy of the status of the Shareholders in relation to the withholding and payment of tax.

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the Shenzhen Stock Exchange ("**Northbound Trading**"), their dividends will be distributed in RMB by the Company through the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate which is lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the relevant tax authorities regulating the Company for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded. The Record Date and the date of distribution of dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares.

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange (including enterprises and individuals) and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares which are listed on the Hong Kong Stock Exchange ("**Southbound Trading**"), the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the holders of H Shares for Southbound Trading, will receive cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depositary and clearing system. The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (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稅收政策的通知) (財稅[2014]81號) and 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[2016]127號), for dividends received by domestic investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, H-share enterprises shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. H-share enterprises will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. The Record Date and the date of distribution of dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders.

All investors are requested to read this interim report carefully. Shareholders should seek advice from their tax advisors regarding the PRC, Hong Kong and other tax implications for their holding and disposal of the H Shares.

FINANCIAL REPORTS

I. AUDITORS' REPORT

Is the interim report audited

☐Yes ☑No

The Company's interim report is unaudited.

II. FINANCIAL STATEMENTS

The unit in the notes to the financial statements is: RMB

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	June 30, 2026 RMB (Unaudited)	December 31, 2025 RMB (Audited)
CURRENT ASSETS		
Cash and bank balances	**11,443,051,056.63**	6,183,127,578.46
Financial assets held for trading	**2,133,167,241.51**	1,529,402,409.97
Bills receivables	**401,608,559.61**	253,945,303.23
Trade receivables	**12,080,188,639.49**	13,769,759,950.12
Receivables financing	**357,259,632.66**	403,378,297.24
Prepayments	**174,335,471.53**	126,352,737.35
Other receivables	**300,178,958.68**	426,267,877.26
Including: Dividends receivable	**896,107.02**	—
Inventories	**8,028,299,134.78**	7,189,891,213.02
Contract assets	**1,640,067.50**	80,151.50
Other current assets	**1,701,327,702.18**	1,400,040,306.39
Total current assets	**36,621,056,464.57**	31,282,245,824.54
NON-CURRENT ASSETS		
Long-term equity investments	**802,129,205.80**	796,950,944.27
Other equity instrument investments	**135,243,677.17**	85,325,212.45
Other non-current financial assets	**77,210,096.32**	18,126,616.36
Investment properties	**266,177,106.67**	275,232,142.89
Fixed assets	**15,058,523,894.11**	14,444,823,272.09
Construction in progress	**3,094,836,769.63**	2,859,779,949.07
Right-of-use assets	**1,574,967,390.41**	1,386,698,847.81
Intangible assets	**1,352,337,448.54**	1,261,886,025.89
Development costs	**2,912,412.33**	—
Goodwill	**3,487,654,996.10**	2,703,669,154.54
Long-term deferred expenses	**620,504,535.48**	529,039,112.62
Deferred tax assets	**782,144,926.59**	732,459,945.09
Other non-current assets	**1,532,043,728.17**	1,524,213,953.70
Total non-current assets	**28,786,686,187.32**	26,618,205,176.78
TOTAL ASSETS	**65,407,742,651.89**	57,900,451,001.32

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2026

	June 30, 2026 RMB (Unaudited)	December 31, 2025 RMB (Audited)
CURRENT LIABILITIES		
Short-term borrowings	**6,278,568,438.67**	4,531,560,030.93
Bills payables	**1,199,458,151.35**	1,611,216,404.47
Trade payables	**11,115,328,976.75**	12,492,067,797.92
Receipts in advance	**188,082.71**	573,527.77
Contract liabilities	**49,918,044.81**	92,664,384.28
Employee benefits payable	**510,356,968.70**	586,495,596.73
Taxes payable	**610,347,685.59**	690,039,937.01
Other payables	**1,005,325,955.31**	1,175,817,216.22
Including: Dividends payable	**6,351,916.78**	6,351,916.78
Non-current liabilities due within one year	**4,537,227,300.86**	5,120,134,579.16
Other current liabilities	**404,334,130.70**	183,943,656.24
Total current liabilities	**25,711,053,735.45**	26,484,513,130.73
NON-CURRENT LIABILITIES		
Long-term borrowings	**5,077,922,049.67**	4,299,483,172.84
Lease liabilities	**1,267,407,801.05**	1,116,941,539.44
Long-term payables	**6,567,033.63**	—
Long-term employee benefits payable	**38,846,865.54**	36,812,896.54
Deferred income	**584,115,105.36**	627,581,893.02
Deferred tax liabilities	**307,104,010.35**	340,876,256.99
Other non-current liabilities	**397,732,895.92**	636,293,850.39
Total non-current liabilities	**7,679,695,761.52**	7,057,989,609.22
TOTAL LIABILITIES	**33,390,749,496.97**	33,542,502,739.95
SHAREHOLDERS' EQUITY		
Share capital	**2,034,804,445.81**	1,830,828,680.30
Capital reserve	**18,528,613,161.10**	11,429,755,296.04
Less: Treasury shares	**715,421,965.17**	405,112,535.77
Other comprehensive income	**(375,724,092.20)**	(243,601,997.86)
Surplus reserve	**987,000,000.00**	987,000,000.00
Retained profits	**11,059,419,195.40**	10,441,272,317.12
Total equity attributable to shareholders of the parent	**31,518,690,744.94**	24,040,141,759.83
Non-controlling interests	**498,302,409.98**	317,806,501.54
Total shareholders' equity	**32,016,993,154.92**	24,357,948,261.37
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**65,407,742,651.89**	57,900,451,001.32

Legal representative:	Financial controller:	Head of the financial department:
Zeng Fangqin	Wang Tao	Huang Jinrong

INTERIM STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at June 30, 2026

	June 30, 2026 RMB (Unaudited)	December 31, 2025 RMB (Audited)
CURRENT ASSETS		
Cash and bank balances	**7,200,910,498.03**	346,780,570.87
Financial assets held for trading	**—**	100,720,000.00
Bills receivables	**100,952,039.55**	677,764.24
Trade receivables	**563,009,521.51**	460,816,412.48
Receivables financing	**1,653,926.42**	28,247,267.80
Other receivables	**8,197,920,063.38**	9,124,929,620.35
Including: Dividends receivable	**176,107.02**	—
Inventories	**50,451,416.02**	49,971,866.81
Other current assets	**6,425,725.91**	17,175,166.81
Total current assets	**16,121,323,190.82**	10,129,318,669.36
NON-CURRENT ASSETS		
Long-term receivables	**1,800,228,263.36**	881,006,263.36
Long-term equity investments	**29,396,635,528.68**	28,267,983,184.16
Other equity instrument investments	**59,404,183.45**	27,595,718.73
Other non-current financial assets	**77,210,096.32**	18,126,616.36
Investment properties	**92,053,468.03**	94,236,073.86
Fixed assets	**298,420.21**	787,304.64
Construction in progress	**165,625,139.48**	134,083,854.03
Intangible assets	**26,596,553.37**	27,830,264.60
Long-term deferred expenses	**97,489.61**	127,448.58
Deferred tax assets	**23,609,005.83**	31,561,122.01
Other non-current assets	**202,776,523.37**	199,920,467.72
Total non-current assets	**31,844,534,671.71**	29,683,258,318.05
TOTAL ASSETS	**47,965,857,862.53**	39,812,576,987.41

INTERIM STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY (CONTINUED)

As at June 30, 2026

	June 30, 2026 RMB (Unaudited)	December 31, 2025 RMB (Audited)
CURRENT LIABILITIES		
Bills payables	**22,815,681.48**	7,109,484.22
Trade payables	**454,625,241.39**	332,340,634.32
Receipts in advance	**48,399.31**	—
Employee benefits payable	**2,528,630.15**	3,714,563.37
Taxes payable	**2,873,145.04**	1,295,052.72
Other payables	**1,345,617,793.60**	1,019,586,447.12
Including: Dividends payable	**6,351,916.78**	6,351,916.78
Non-current liabilities due within one year	**148,781,383.26**	132,142,882.47
Total current liabilities	**1,977,290,274.23**	1,496,189,064.22
NON-CURRENT LIABILITIES		
Long-term borrowings	**1,155,106,250.00**	383,800,000.00
Total non-current liabilities	**1,155,106,250.00**	383,800,000.00
TOTAL LIABILITIES	**3,132,396,524.23**	1,879,989,064.22
SHAREHOLDERS' EQUITY		
Share capital	**8,120,010,560.00**	7,306,060,977.00
Capital reserve	**30,035,394,633.40**	23,544,534,990.95
Less: Treasury shares	**715,421,965.17**	405,112,535.77
Other comprehensive income	**29,056,634.73**	5,167,257.42
Surplus reserve	**1,179,958,487.66**	1,179,958,487.66
Retained profits	**6,184,462,987.68**	6,301,978,745.93
Total shareholders' equity	**44,833,461,338.30**	37,932,587,923.19
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**47,965,857,862.53**	39,812,576,987.41

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB	RMB
		(Unaudited)	(Unaudited)
I.	**Operating revenue**	**25,149,133,679.37**	23,625,285,379.19
	Including: Revenue	**25,149,133,679.37**	23,625,285,379.19
II.	**Total operating costs**	**24,436,696,613.73**	22,397,490,407.26
	Including: Cost of sales	**20,942,668,062.00**	20,062,727,354.37
	Taxes and surcharges	**102,279,832.45**	93,347,845.26
	Selling and distribution expenses	**257,253,670.72**	190,331,699.28
	Administrative expenses	**1,072,874,158.05**	810,078,047.64
	Research and development expenses	**1,441,670,102.04**	1,127,533,731.48
	Finance costs	**619,950,788.47**	113,471,729.23
	Including: Interest expenses	**198,184,602.79**	174,370,895.79
	Interest income	**51,045,077.75**	40,354,209.09
	Add: Other income	**174,770,539.10**	134,876,480.20
	Investment income	**241,191,638.80**	51,780,505.30
	Including: Share of profits and losses of associates	**27,449,045.27**	30,118,200.08
	Gains from changes in fair value	**72,084,302.83**	85,755,031.04
	Credit impairment losses	**68,940,094.22**	113,707,070.74
	Impairment losses on assets	**(359,661,330.40)**	(426,282,738.50)
	Gains on disposal of assets	**2,237,547.75**	34,852,257.31
III.	**Operating profit**	**911,999,857.94**	1,222,483,578.02
	Add: Non-operating income	**5,584,274.24**	4,602,298.17
	Less: Non-operating expenses	**18,374,343.29**	3,677,004.10
IV.	**Total profit**	**899,209,788.89**	1,223,408,872.09
	Less: Income tax	**122,171,751.72**	281,062,254.67
V.	**Net profit**	**777,038,037.17**	942,346,617.42
	Analysed by continuity of operations		
	Including: Net profit from continuing operations	**777,038,037.17**	942,346,617.42
	Analysed by ownership		
	Owners of the parent	**763,630,227.88**	929,860,823.22
	Non-controlling interests	**13,407,809.29**	12,485,794.20

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB	RMB
		(Unaudited)	(Unaudited)
VI.	**Other comprehensive (loss)/income, net of tax**	**(132,369,570.11)**	57,499,984.58
	Attributable to owners of the parent	**(132,122,094.34)**	57,499,984.58
	(1) Items that will not be reclassified to profit or loss in subsequent periods	**25,090,170.24**	(1,120,000.00)
	— Remeasurements of post-employment benefit obligations, net of tax	**1,233,821.70**	—
	— Fair value gains/(losses) on other equity investments, net of tax	**23,856,348.54**	(1,120,000.00)
	(2) Items that may be reclassified to profit or loss in subsequent periods	**(157,212,264.58)**	58,619,984.58
	— Share of other comprehensive loss of associates	**(11,434,719.21)**	(6,955,476.47)
	— Exchange differences on translation of foreign operations	**(145,777,545.37)**	65,575,461.05
	Attributable to non-controlling interests	**(247,475.77)**	—
VII.	**Total comprehensive income**	**644,668,467.06**	999,846,602.00
	Attributable to owners of the parent	**631,508,133.54**	987,360,807.80
	Attributable to non-controlling interests	**13,160,333.52**	12,485,794.20
VIII.	**Earnings per share**		
	Basic	**0.11**	0.13
	Diluted	**0.10**	0.13

In case of business combination involving enterprises under common control in the current period, the net profit realised by the acquiree before the combination is RMB0.00, and the net profit realised by the acquiree in the previous period is RMB0.00.

Legal representative:	Financial controller:	Head of the financial department:
Zeng Fangqin	Wang Tao	Huang Jinrong

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE PARENT COMPANY

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB	RMB
		(Unaudited)	(Unaudited)
I.	**Revenue**	**823,276,536.10**	819,718,372.96
	Less: Cost of sales	**771,772,065.14**	778,477,577.22
	Taxes and surcharges	**4,175,712.75**	2,921,118.93
	Selling and distribution expenses	**779,079.09**	133,199.61
	Administrative expenses	**8,103,727.11**	3,141,522.02
	Finance costs	**23,231,602.69**	29,252,629.60
	Including: Interest expenses	**18,197,752.75**	32,772,005.49
	Interest income	**2,781,819.64**	3,739,662.09
	Add: Other income	**3,015,613.68**	195,636.61
	Investment income	**34,027,865.02**	14,572,160.59
	Including: Share of profits and losses of associates	**31,151,067.30**	10,319,865.57
	Gains from changes in fair value	**(716,520.04)**	(49,367,612.52)
	Credit impairment losses	**(23,421,623.68)**	20,301,673.84
	Impairment losses on assets	**(1,041,231.77)**	(583,457.47)
II.	**Operating profit**	**27,078,452.53**	(9,089,273.37)
	Add: Non-operating income	**889,138.82**	206,607.67
III.	**Total profit**	**27,967,591.35**	(8,882,665.70)
	Less: Income tax	**—**	8,433,155.94
IV.	**Net profit**	**27,967,591.35**	(17,315,821.64)
	Including: Net profit from continuing operations	**27,967,591.35**	(17,315,821.64)
V.	**Other comprehensive income/(loss), net of tax**	**23,889,377.31**	(1,127,036.92)
	(I) Items that will not be reclassified to profit or loss in subsequent periods	**23,856,348.54**	(1,120,000.00)
	— Fair value gains/(losses) on other equity investments, net of tax	**23,856,348.54**	(1,120,000.00)
	(II) Items that may be reclassified to profit or loss in subsequent periods	**33,028.77**	(7,036.92)
	— Share of other comprehensive income/(loss) of associates	**33,028.77**	(7,036.92)
VI.	**Total comprehensive income**	**51,856,968.66**	(18,442,858.56)

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB	RMB
		(Unaudited)	(Unaudited)
I.	**Cash flows from operating activities:**		
	Cash received from sales of goods and rendering of services	**27,091,968,098.06**	24,124,088,041.55
	Refunds of taxes	**1,111,299,104.15**	853,620,537.73
	Other cash received from operating activities	**195,065,046.95**	193,633,373.84
	Subtotal of cash inflows from operating activities	**28,398,332,249.16**	25,171,341,953.12
	Cash paid for goods and services	**19,798,259,435.47**	17,783,715,308.94
	Cash paid to and on behalf of employees	**5,554,079,025.68**	4,583,921,046.81
	Cash paid for various types of taxes	**1,002,472,388.09**	885,082,526.02
	Other cash paid for operating activities	**333,602,305.61**	245,455,261.95
	Subtotal of cash outflows from operating activities	**26,688,413,154.85**	23,498,174,143.72
	Net cash flows from operating activities	**1,709,919,094.31**	1,673,167,809.40
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investments	**26,048,915.83**	—
	Cash received from returns on investments	**81,763,527.38**	21,363,716.70
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**5,727,418.55**	15,580,282.61
	Other cash received from investing activities	**2,395,670,976.14**	77,634,140.37
	Subtotal of cash inflows from investing activities	**2,509,210,837.90**	114,578,139.68
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**2,577,243,911.80**	2,292,375,547.43
	Cash paid for acquisition of investments	**108,110,000.00**	—
	Net cash paid for acquisition of subsidiaries and other operating units, net	**1,179,575,681.16**	—
	Other cash paid for investing activities	**2,822,717,337.79**	1,663,602,352.24
	Subtotal of cash outflows from investing activities	**6,687,646,930.75**	3,955,977,899.67
	Net cash flows from investing activities	**(4,178,436,092.85)**	(3,841,399,759.99)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB	RMB
		(Unaudited)	(Unaudited)
III.	**Cash flows from financing activities:**		
	Cash received from capital contributions	**7,146,557,155.31**	—
	Including: Capital contributions into subsidiaries by non-controlling shareholders	**16,000,000.00**	—
	Cash received from borrowings	**8,300,903,849.26**	3,930,272,667.98
	Other cash received from financing activities	**9,448,647.26**	170,000,000.00
	Subtotal of cash inflows from financing activities	**15,456,909,651.83**	4,100,272,667.98
	Cash paid for repayment of borrowings	**6,628,540,005.52**	2,307,551,166.61
	Cash paid for distribution of dividends, profits or interest expenses	**279,660,742.87**	253,558,030.23
	Including: Dividends and profits paid to non-controlling shareholders by subsidiaries	**4,841,600.00**	2,611,286.23
	Other cash paid for financing activities	**686,281,072.35**	621,214,642.66
	Subtotal of cash outflows from financing activities	**7,594,481,820.74**	3,182,323,839.50
	Net cash flows from financing activities	**7,862,427,831.09**	917,948,828.48
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**(151,158,613.68)**	14,013,217.24
V.	**Net increase in cash and cash equivalents**	**5,242,752,218.87**	(1,236,269,904.87)
	Add: Cash and cash equivalents at the beginning of the period	**5,447,510,912.86**	6,038,980,458.32
VI.	**Cash and cash equivalents at the end of the period**	**10,690,263,131.73**	4,802,710,553.45

INTERIM CASH FLOW STATEMENT OF THE PARENT COMPANY

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
		RMB	RMB
		(Unaudited)	(Unaudited)
I.	**Cash flows from operating activities:**		
	Cash received from sales of goods and rendering of services	**701,439,091.52**	936,928,255.79
	Other cash received from operating activities	**4,714,759.81**	16,518,173.78
	Subtotal of cash inflows from operating activities	**706,153,851.33**	953,446,429.57
	Cash paid for goods and services	**541,789,131.15**	711,124,884.62
	Cash paid to and on behalf of employees	**24,686,591.86**	26,446,940.28
	Cash paid for various types of taxes	**2,752,834.40**	10,180,413.63
	Other cash paid for operating activities	**7,722,712.83**	2,502,082.94
	Subtotal of cash outflows from operating activities	**576,951,270.24**	750,254,321.47
	Net cash flows from operating activities	**129,202,581.09**	203,192,108.10
II.	**Cash flows from investing activities:**		
	Cash received from disposal of investments	**7,288,232.54**	—
	Cash received from returns on investments	**82,305,620.17**	21,147,582.89
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**—**	43,814.95
	Other cash received from investing activities	**1,324,584,042.13**	2,683,646,611.28
	Subtotal of cash inflows from investing activities	**1,414,177,894.84**	2,704,838,009.12
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	**129,832,098.35**	1,640,410.99
	Cash paid for acquisition of investments	**995,000,000.00**	333,626,500.00
	Other cash paid for investing activities	**1,429,673,983.70**	2,039,707,677.83
	Subtotal of cash outflows from investing activities	**2,554,506,082.05**	2,374,974,588.82
	Net cash flows from investing activities	**(1,140,328,187.21)**	329,863,420.30
III.	**Cash flows from financing activities:**		
	Cash received from capital contributions	**7,130,557,155.31**	—
	Cash received from borrowings	**984,125,000.00**	280,000,000.00
	Other cash received from financing activities	**620,274,694.23**	11,909,493.74
	Subtotal of cash inflows from financing activities	**8,734,956,849.54**	291,909,493.74
	Cash paid for repayment of borrowings	**196,606,250.00**	23,490,000.00
	Cash paid for distribution of dividends, profits or interest expenses	**163,495,134.51**	146,134,620.24
	Other cash paid for financing activities	**505,461,363.04**	820,453,624.20
	Subtotal of cash outflows from financing activities	**865,562,747.55**	990,078,244.44
	Net cash flows from financing activities	**7,869,394,101.99**	(698,168,750.70)
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**(7,103,362.42)**	(1,125,102.42)
V.	**Net increase in cash and cash equivalents**	**6,851,165,133.45**	(166,238,324.72)
	Add: Cash and cash equivalents at the beginning of the period	**345,101,142.56**	793,520,070.88
VI.	**Cash and cash equivalents at the end of the period**	**7,196,266,276.01**	627,281,746.16

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Six months ended June 30, 2026

RMB

		Six months ended June 30, 2026								
		Equity attributable to shareholders of the parent								
		Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Subtotal	Non-controlling interests	Total shareholders' equity
I.	**Balance at the end of the prior year (audited)**	**1,830,828,680.30**	**11,429,755,296.04**	**405,112,535.77**	**(243,601,997.86)**	**987,000,000.00**	**10,441,272,317.12**	**24,040,141,759.83**	**317,806,501.54**	**24,357,948,261.37**
II.	**Balance at the beginning of the year (unaudited)**	**1,830,828,680.30**	**11,429,755,296.04**	**405,112,535.77**	**(243,601,997.86)**	**987,000,000.00**	**10,441,272,317.12**	**24,040,141,759.83**	**317,806,501.54**	**24,357,948,261.37**
III.	**Changes during the period (unaudited)**	**203,975,765.51**	**7,098,857,865.06**	**310,309,429.40**	**(132,122,094.34)**	**–**	**618,146,878.28**	**7,478,548,985.11**	**180,495,908.44**	**7,659,044,893.55**
	(I) Total comprehensive income (unaudited)	**–**	**–**	**–**	**(132,122,094.34)**	**–**	**763,630,227.88**	**631,508,133.54**	**13,160,333.52**	**644,668,467.06**
	(II) Shareholders' contributions and capital decrease (unaudited)	**203,975,765.51**	**7,098,857,865.06**	**310,309,429.40**	**–**	**–**	**–**	**6,992,524,201.17**	**173,387,574.92**	**7,165,911,776.09**
	1. Ordinary shares contributed by shareholders (unaudited)	**203,440,057.13**	**6,898,684,831.98**	**–**	**–**	**–**	**–**	**7,102,124,889.11**	**16,644,127.72**	**7,118,769,016.83**
	2. Amount of share-based payments recognised in shareholders' equity (unaudited)	**535,708.38**	**200,538,107.48**	**(888,418.48)**	**–**	**–**	**–**	**201,962,234.34**	**542,040.58**	**202,504,274.92**
	3. Others (unaudited)	**–**	**(365,074.40)**	**311,197,847.88**	**–**	**–**	**–**	**(311,562,922.28)**	**156,201,406.62**	**(155,361,515.66)**
	(III) Profit distribution (unaudited)	**–**	**–**	**–**	**–**	**–**	**(145,483,349.60)**	**(145,483,349.60)**	**(6,052,000.00)**	**(151,535,349.60)**
	1. Distributions to shareholders (unaudited)	**–**	**–**	**–**	**–**	**–**	**(145,483,349.60)**	**(145,483,349.60)**	**(6,052,000.00)**	**(151,535,349.60)**
IV.	**Balance at the end of the period (unaudited)**	**2,034,804,445.81**	**18,528,613,161.10**	**715,421,965.17**	**(375,724,092.20)**	**987,000,000.00**	**11,059,419,195.40**	**31,518,690,744.94**	**498,302,409.98**	**32,016,993,154.92**

		Six months ended June 30, 2025									
		Equity attributable to shareholders of the parent									
Item		Share capital	Equity component of convertible bonds	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Subtotal	Non-controlling interests	Total shareholders' equity
I.	**Balance at the end of the prior year (audited)**	1,756,179,160.91	45,700,714.31	8,843,189,779.52	226,749,531.24	(130,936,057.59)	987,000,000.00	8,533,285,964.93	19,807,670,030.84	67,329,695.83	19,874,999,726.67
	Others (unaudited)	–	–	72,893,381.17	–	–	–	(94,228,472.66)	(21,335,091.49)	(4,683,381.17)	(26,018,472.66)
II.	**Balance at the beginning of the year (unaudited)**	1,756,179,160.91	45,700,714.31	8,916,083,160.69	226,749,531.24	(130,936,057.59)	987,000,000.00	8,439,057,492.27	19,786,334,939.35	62,646,314.66	19,848,981,254.01
III.	**Changes during the period (unaudited)**	1,044.22	(11,425,997.48)	109,009,878.21	318,943,476.38	57,499,984.58	–	789,697,266.84	625,838,699.99	12,100,940.01	637,939,640.00
	(I) Total comprehensive income (unaudited)	–	–	–	–	57,499,984.58	–	929,860,823.22	987,360,807.80	12,485,794.20	999,846,602.00
	(II) Shareholders' contributions and capital decrease (unaudited)	1,044.22	(11,425,997.48)	109,009,878.21	318,943,476.38	–	–	–	(221,358,551.43)	2,226,432.04	(219,132,119.39)
	1. Capital contribution by holders of other equity instruments (unaudited)	1,044.22	(818.90)	37,063.45	–	–	–	–	37,288.77	(2,549,999.90)	(2,512,711.13)
	2. Amount of share-based payments recognised in shareholders' equity (unaudited)	–	–	143,023,655.37	(968,497.44)	–	–	–	143,992,152.81	138,630.12	144,130,782.93
	3. Others (unaudited)	–	(11,425,178.58)	(34,050,840.61)	319,911,973.82	–	–	–	(365,387,993.01)	4,637,801.82	(360,750,191.19)
	(III) Profit distribution (unaudited)	–	–	–	–	–	–	(140,163,556.38)	(140,163,556.38)	(2,611,286.23)	(142,774,842.61)
	1. Distributions to shareholders	–	–	–	–	–	–	(140,163,556.38)	(140,163,556.38)	(2,611,286.23)	(142,774,842.61)
IV.	**Balance at the end of the period (unaudited)**	1,756,180,205.13	34,274,716.83	9,025,093,038.90	545,693,007.62	(73,436,073.01)	987,000,000.00	9,228,754,759.11	20,412,173,639.34	74,747,254.67	20,486,920,894.01

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

Six months ended June 30, 2026
RMB

		Six months ended June 30, 2026						
		Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Total shareholders' equity
I.	Balance at the end of the prior year (audited)	7,306,060,977.00	23,544,534,990.95	405,112,535.77	5,167,257.42	1,179,958,487.66	6,301,978,745.93	37,932,587,923.19
II.	Balance at the beginning of the year (unaudited)	7,306,060,977.00	23,544,534,990.95	405,112,535.77	5,167,257.42	1,179,958,487.66	6,301,978,745.93	37,932,587,923.19
III.	Changes during the period (unaudited)	813,949,583.00	6,490,859,642.45	310,309,429.40	23,889,377.31	–	(117,515,758.25)	6,900,873,415.11
	(I) Total comprehensive income (unaudited)	–	–	–	23,889,377.31	–	27,967,591.35	51,856,968.66
	(II) Shareholders' contributions and capital decrease (unaudited)	813,949,583.00	6,490,859,642.45	310,309,429.40	–	–	–	6,994,499,796.05
	1. Ordinary shares contributed by Shareholders (unaudited)	811,811,880.00	6,290,957,136.83	–	–	–	–	7,102,769,016.83
	2. Amount of share-based payments recognised in shareholders' equity (unaudited)	2,137,703.00	199,505,149.83	(888,418.48)	–	–	–	202,531,271.31
	3. Others (unaudited)	–	397,355.79	311,197,847.88	–	–	–	(310,800,492.09)
	(III) Profit distribution (unaudited)	–	–	–	–	–	(145,483,349.60)	(145,483,349.60)
	1. Distributions to shareholders (unaudited)	–	–	–	–	–	(145,483,349.60)	(145,483,349.60)
IV.	Balance at the end of the period (unaudited)	8,120,010,560.00	30,035,394,633.40	715,421,965.17	29,056,634.73	1,179,958,487.66	6,184,462,987.68	44,833,461,338.30

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY (CONTINUED)

Six months ended June 30, 2026

RMB

	Six months ended June 30, 2025							
	Share capital	Equity component of convertible bonds	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Total shareholders' equity
I. Balance at the end of the prior year (audited)	7,008,177,819.00	45,700,714.31	21,144,744,832.44	226,749,531.24	(1,546,370.75)	1,178,399,721.45	6,573,458,609.46	35,722,185,794.67
II. Balance at the beginning of the year (unaudited)	7,008,177,819.00	45,700,714.31	21,144,744,832.44	226,749,531.24	(1,546,370.75)	1,178,399,721.45	6,573,458,609.46	35,722,185,794.67
III. Changes during the period (unaudited)	4,167.00	(11,425,997.48)	142,706,002.82	318,943,476.38	(1,127,036.92)		(157,479,378.02)	(346,265,718.98)
(I) Total comprehensive income (unaudited)					(1,127,036.92)		(17,315,821.64)	(18,442,858.56)
(II) Shareholders' contributions and capital decrease (unaudited)	4,167.00	(11,425,997.48)	142,706,002.82	318,943,476.38				(187,659,304.04)
1. Capital contribution by holders of other equity instruments (unaudited)	4,167.00	(818.90)	33,940.67					37,288.77
2. Amount of share-based payments recognised in shareholders' equity (unaudited)			143,239,521.59	(968,497.44)				144,208,019.03
3. Others (unaudited)		(11,425,178.58)	(567,459.44)	319,911,973.82				(331,904,611.84)
(III) Profit distribution (unaudited)							(140,163,556.38)	(140,163,556.38)
1. Distributions to shareholders (unaudited)							(140,163,556.38)	(140,163,556.38)
IV. Balance at the end of the period (unaudited)	7,008,181,986.00	34,274,716.83	21,287,450,835.26	545,693,007.62	(2,673,407.67)	1,178,399,721.45	6,415,979,231.44	35,375,920,075.69

III. CORPORATE INFORMATION

1. Place of incorporation, and form of organisation of the Company and headquarters address

Lingyi iTech (Guangdong) Company (formerly JPMF Guangdong Co., Ltd., hereinafter referred to as the "**Company**"), the predecessor of which was Jiangmen Powder Metallurgy Factory (江門市粉末冶金廠) (hereinafter referred to as the "**Jiang Powder Factory**"), was founded in 1975 as a wholly state-owned enterprise. In 1994, according to the Opinions of Jiangmen Municipal People's Government on Accelerating the Development of the Mixed Economy Innovative Enterprise System [Jiang Fa (1993) No. 55] and Jiangmen System Reform Office's Reply to the Pilot Measures of Jiang Powder Factory for "Operational Transformation for A Modern Business System" [Jiang Gai (1994) No. 12] and the essence of other documents, Jiang Powder Factory was restructured into Jiangmen Powder Metallurgy Factory Co., Ltd. by means of the collective investment of the workers according to the appraisal value of assets. The Company was listed on the Shenzhen Stock Exchange on July 15, 2011, and now holds a business license with a unified social credit code of 91440700193957385W. In January 2018, the Company purchased 100% of the shares of Lingyi Technology (Shenzhen) Co., Ltd. by issuing shares. Upon completion of the transaction, the ultimate beneficial controller of the Company changed to Ms. Zeng Fangqin. The Company was listed on the Hong Kong Stock Exchange on June 26, 2026, under stock code 01688.HK. Following various corporate actions over the years, including bonus issues, placings of new shares, capitalization issues, issuance of new shares and conversion of convertible corporate bonds into shares, the Company had an aggregate of 8,120,010,560 issued shares as of June 30, 2026.

The Company's registered address is No. 8 Longwan Road, Jiangmen City.

2. Business nature and principal business activities of the Company

The Company operates in the consumer electronics, automotive industry, and other industries.

The business scope of the Company includes the following: manufacturing and sales of elements of magnetic materials and their products, alloy powder products, micromotors, mechanical equipment and parts and components, and export of related technologies; export of commodities and related technologies such as raw and auxiliary materials, mechanical equipment, instruments and apparatuses, and spare and accessory parts for production and scientific research; establishing Chinese-foreign joint ventures, engaging in cooperative production, and conducting the business of "Three supplies and one compensation" (operating in accordance with the provisions of Document Yue Jing Mao Jin Zi [94] No. 196); leasing of movable and immovable properties; research and development of the technology of manufacturing plastic and electronic precision components; production, processing and sale of hardware, plastic products, plastic and electronic products, and moulds; and import and export of goods or technologies (except for import and export of goods and technologies prohibited or subject to administrative approval by the State). (For projects subject to approval according to law, business activities can only be carried out after approval from relevant authorities).

The major products of the Company: electronic devices, automotive and advanced air mobility, and others.

3. Scope of consolidated financial statements

The scope of consolidated financial statements is determined on the basis of control and the consolidated financial statements comprise the financial statements of the Company and its subsidiaries. A subsidiary refers to an enterprise or entity controlled by the Company.

For details of the scope of the consolidated financial statements and changes in the scope of the consolidated financial statements for the reporting period, please refer to "IX. Changes in scope of consolidation" and "X. Interests in other entities".

4. Approval of the financial statements

These financial statements were approved for issue by the Company's Board on August 28, 2026.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The interim financial statements of the Group has been prepared in accordance with the "China Accounting Standards for Business Enterprises" issued by the Ministry of Finance of the PRC ("**MOF**") and their application guidance, interpretations and other relevant provisions (collectively, the "**China Accounting Standards for Business Enterprises**" or "**CASBE**"), and with the relevant disclosure requirements of the Listing Rules and the Companies Ordinance of Hong Kong.

At the listing application stage, the Group prepared its financial statements in accordance with IFRS. As described in the section headed "Significant Events — Adoption of the China Accounting Standards for Business Enterprises", the Group has uniformly adopted CASBE for the preparation of its financial reports and the disclosure of relevant financial information commencing from the interim financial report for the six months ended June 30, 2026. The transition from IFRS to CASBE does not have any material impact on the Group's shareholders' equity or net profit.

The Group has assessed its ability to continue as a going concern for the 12 months from the end of the Reporting Period and has not identified any matters or circumstances casting significant doubt on that ability. Accordingly, these financial statements have been prepared on a going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Reminders on specific accounting policies and estimates:

The Company has formulated specific accounting policies and accounting estimates based on its actual production and operating characteristics, which are mainly reflected in the impairment of financial instruments, inventory valuation methods, provision for inventory impairment, revenue recognition and measurement, depreciation of fixed assets, amortisation of intangible assets, measurement of investment properties and impairment of goodwill.

1. Statement of compliance with the CASBE

These financial statements have been prepared in conformity with the CASBE by the Company, and present a true and fair view of the financial position, operating results, changes in shareholders' equity and cash flows of the Company and its subsidiaries during the Reporting Period.

2. Accounting period

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

3. Operating cycle

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

4. Functional currency

The Company adopts the RMB as its functional currency.

Subsidiaries located outside the PRC adopt the currency in the primary economic environment in which they operate as their functional currency, which is translated to RMB when these financial statements are prepared.

5. Methods for determining criteria of materiality and bases for election adopted in the disclosure of financial statements

☑Applicable ☐Not applicable

Item	Significance standards
Material joint ventures or associates	The carrying amount of the individual long-term equity investment accounts for more than 5% of net assets, and the individual investment amount exceeds RMB50 million
Material capitalised R&D projects	The capitalised balance of an individual capitalised R&D project exceeds RMB50 million
Material construction in progress	The total investment in an individual project accounts for more than 0.3% of total assets and its carrying amount exceeds RMB50 million
Material receivables for which loss allowance are individually recognised	The individually recognised provision amount accounts for more than 0.3% of total assets
Material recovery or reversal of loss allowance for receivables	Individual amount recovered or reversed accounts for more than 0.3% of total assets
Material write-offs of receivables	The individually written-off amount accounts for more than 0.3% of total assets
Material dividends receivable aged over one year	The amount of an individual item accounts for more than 0.3% of total assets
Material other payables aged over one year	The amount of an individual item accounts for more than 0.3% of total assets
Material trade payables aged over one year	The amount of an individual item accounts for more than 0.3% of total assets
Material contract liabilities aged over one year	The amount of an individual item accounts for more than 0.3% of total assets
Material subsidiaries	The total assets, total revenue or total profit of an individual subsidiary accounts for more than 15% of the Group's total assets, total revenue or total profit, respectively
Material contingencies existing as at the balance sheet date	The amount of an individual item accounts for more than 0.3% of total assets

6. Accounting treatment of business combinations under common control and not under common control

(I) Where the terms, conditions and economic effects of the transactions involved in a business combination achieved in stages meet one or more of the following circumstances, the multiple transactions shall be accounted for as a single transaction (i.e. a package deal):

(1) the transactions are entered into at the same time or with consideration of their mutual effects;

(2) the transactions, when considered together, achieve a complete commercial result;

(3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; or

(4) a transaction is not economically viable when considered on a standalone basis, but is economically viable when considered together with other transactions.

(II) Business combinations under common control

A business combination under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The Group's assets and liabilities acquired in a business combination are measured at the carrying amounts of the acquiree's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the date of combination (including goodwill arising from the acquisition of the acquiree by the ultimate controlling party). The difference between the carrying amount of the net assets acquired in the combination and the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted against the share premium in the capital reserve, with any excess adjusted against retained profits if the share premium of the capital reserve is not sufficient to absorb the difference.

When a contingent asset or liability is recognised if a contingent consideration exists, the difference between recognised asset or liability and the contingent consideration subsequent settled is adjusted against share premium of the capital reserve, with any excess adjusted against retained profits.

For a business combination ultimately achieved through multiple transactions, where the multiple transactions constitute a package of transactions, the multiple transactions are accounted for as a single transaction to obtain control. Where the multiple transactions do not constitute a package of transactions, on the date on which control is obtained, the difference between the initial investment cost of the long-term equity investment and the sum of the carrying amount of the long-term equity investment held prior to the business combination and the consideration newly paid for the additional shares acquired on the date of the business combination is adjusted against the capital reserve, with any shortfall in the capital reserve adjusted against retained profits. For equity investments held prior to the date of the business combination, other comprehensive income recognised under the equity method or the under recognition and measurement of financial instruments is not accounted for until the disposal of such investments, at which time it is accounted for on the same basis as that applicable to the direct disposal by the investee of the relevant assets or liabilities. Other changes in the shareholders' equity of the investee's net assets recognised under the equity method, other than net profit or loss, other comprehensive income and profit distributions, are not accounted for until the disposal of such investments, at which time they are transferred to current profit or loss.

(III) Business combinations not under common control

A business combination not under common control is a business combination where the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

The Company measures, at the acquisition date, the assets transferred and the liabilities incurred or assumed as consideration for the business combination at fair value, and the difference between their fair values and carrying amounts is recognised in profit or loss for the current period.

The Company recognises as goodwill the excess of the consideration of the business combination over the Company's share of the fair value of the identifiable net assets of the acquiree acquired in the business combination. Where the consideration of the business combination is less than the Company's share of the fair value of the identifiable net assets of the acquiree acquired in the business combination, the Company firstly reviews the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities acquired and the consideration transferred. If, after such review, the consideration of the business combination is less than the Company's share of the fair value of the identifiable net assets of the acquiree, the difference is recognised in profit or loss for the current period.

For a business combination not under common control and achieved in stages through multiple transactions, where the multiple transactions constitute a package of transactions, the multiple transactions are accounted for as a single transaction to obtain control. Where the multiple transactions do not constitute a package of transactions, if the equity investment in the acquiree held prior to the acquisition date uses the equity method, the sum of the carrying amount of the equity investment prior to the acquisition date and the consideration of the additional investment acquired is recognised as the initial investment cost on the acquisition date. Other comprehensive income recognised from the equity investment in the acquiree held prior to the acquisition date under the equity method is accounted for, upon disposal of such investment, on the same basis as that applicable to the direct disposal by the investee of the relevant assets or liabilities. If the equity investment in the acquiree held prior to the acquisition date is accounted for under the recognition and measurement of financial instruments, the sum of the fair value of such equity investment on the acquisition date and the consideration of the additional investment is recognised as the initial investment cost on the acquisition date. The difference between the fair value and carrying amount of the previously-held equity interest, together with the cumulative fair value changes previously recognised in other comprehensive income, is transferred in full to investment income for the current period on the acquisition date.

(IV) Expenses related to the combination

The expenses associated with the combination are agent fees for auditing, legal services, appraisal and consulting, and other directly related costs incurred in the business combination, which are recognised in current profit or loss as incurred; transaction costs for equity securities issued for the business combination are deducted from equity if they are directly attributable to the equity transaction.

7. Criteria for control and preparation of consolidated financial statements

(I) Criteria for control

The term "control" refers to the fact that the investor has power over the investee and is entitled to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns.

The Company determines whether it controls an investee based on an overall assessment of all relevant facts and circumstances. The Company reassesses whether it has control if changes in relevant facts and circumstances indicate that there are changes in one or more elements of the definition of control. The relevant facts and circumstances mainly include:

(1) the purpose and design of the investee.

(2) the relevant activities of the investee and how decisions about such activities are made.

(3) whether the rights held by the investor give it the current ability to direct the relevant activities of the investee.

(4) whether the investor has exposure, or rights, to variable returns from its involvement in the relevant activities of the investee.

(5) whether the investor has the ability to use its power over the investee to affect the amount of its returns.

(6) the relationship between the investor and other parties.

(II) Consolidation Scope

The scope of the Company's consolidated financial statements is determined based on control, and all subsidiaries (including separate entities controlled by the Company) are included in the consolidated financial statements.

(III) Procedures for consolidation

The Company prepares consolidated financial statements based on the financial statements of the Company and its subsidiaries, together with other relevant information. In preparing the consolidated financial statements, the Company treats the entire Group as a single accounting entity and, in accordance with the recognition, measurement and presentation requirements under the relevant CASBE, applies uniform accounting policies to reflect the financial position, operating results and cash flows of the Group as a whole.

The accounting policies and accounting periods adopted by all subsidiaries included in the scope of consolidation of the consolidated financial statements are consistent with those of the Company. Where the accounting policies and accounting periods adopted by any subsidiary are inconsistent with those of the Company, necessary adjustments are made in preparing the consolidated financial statements to conform to the Company's accounting policies and accounting periods.

When preparing the consolidated financial statements, the effects of intra-group transactions between the Company and its subsidiaries and among the subsidiaries on the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated cash flow statement and consolidated statement of changes in shareholders' equity are eliminated. Where the accounting treatment of a transaction from the perspective of the consolidated financial statements of the Group differs from that when the Company or a subsidiary is regarded as a separate accounting entity, the transaction is adjusted from the perspective of the Group as a whole.

The portion of the shareholders' equity, current net profit or loss and total comprehensive income of subsidiaries attributable to non-controlling shareholders is separately presented under consolidated statement of changes in shareholders' equity, and consolidated statement of profit or loss and other comprehensive income, respectively. Where the share of current losses of a subsidiary attributable to non-controlling shareholders exceeds their share of the opening shareholders' equity of the subsidiary, the excess is charged against non-controlling interests.

For subsidiaries acquired through a business combination under common control, their financial statements are adjusted based on the carrying amounts of their assets and liabilities (including goodwill arising from the acquisition of such subsidiary by the ultimate controlling party) as reflected in the financial statements of the ultimate controlling party.

For subsidiaries acquired through a business combination not under common control, their financial statements are adjusted based on the fair value of the identifiable net assets as at the acquisition date.

(1) Addition of Subsidiaries or Businesses

During the Reporting Period, where a subsidiary or business is acquired through a business combination under common control, the opening balances of the consolidated statement of financial position are adjusted; the revenue, expenses and profit of the subsidiary or business from the beginning of the Reporting Period to the end of the Reporting Period are included in the consolidated statement of profit or loss; and the cash flows of the subsidiary or business from the beginning of the Reporting Period to the end of the Reporting Period are included in the consolidated cash flow statement. The relevant items in the comparative financial statements are also adjusted, as if the reporting entity after the business combination had always existed from the date on which it came under the control of the ultimate controlling party.

Where control over an investee under common control is obtained due to additional investment or other reasons, the parties to the business combination are treated as having existed in their current state from the date on which the ultimate controlling party obtained control, and the relevant financial statements are adjusted accordingly. For an equity investment held prior to obtaining control over the acquiree, the profit or loss, other comprehensive income and other changes in net assets recognised during the period from the later of the date of acquisition of the original equity interest and the date on which the combining entity and the acquiree came under common control to the date of the business combination are respectively adjusted against the opening retained profits or current profit or loss of the comparative reporting periods.

During the Reporting Period, where a subsidiary or business is acquired through a business combination not under common control, the opening balances of the consolidated statement of financial position are not adjusted. The revenue, expenses and profit of such subsidiary or business from the acquisition date to the end of the Reporting Period are included in the consolidated statement of profit or loss, and its cash flows from the acquisition date to the end of the Reporting Period are included in the consolidated cash flow statement.

Where control over an investee not under common control is obtained due to additional investment or other reasons, for the equity interest in the acquiree held prior to the acquisition date, the Company remeasures such equity interest at its fair value on the acquisition date, with the difference between its fair value and carrying amount recognised in investment income for the current period. Where the equity interest in the acquiree held prior to the acquisition date involves other comprehensive income recognised under the equity method and other changes in shareholders' equity other than net profit or loss, other comprehensive income and profit distributions, the relevant other comprehensive income and other changes in shareholders' equity are transferred to investment income for the current period in which the acquisition occurs, except for other comprehensive income arising from changes in the net liabilities or net assets of a defined benefit plan upon remeasurement by the investee.

(2) Disposal of Subsidiaries or Businesses

1) General Treatment

During the Reporting Period, where the Company disposes of a subsidiary or business, the revenue, expenses and profit of such subsidiary or business from the beginning of the Reporting Period to the date of disposal are included in the consolidated statement of profit or loss, and its cash flows from the beginning of the Reporting Period to the date of disposal are included in the consolidated cash flow statement.

Where the Company loses control over an investee due to the disposal of part of its equity investment or for other reasons, for the remaining equity investment after the disposal, the Company remeasures such equity investment at its fair value on the date of loss of control. The difference between the sum of the consideration received from the disposal of the equity interest and the fair value of the remaining equity interest, and the sum of the Company's share of the net assets of the original subsidiary, calculated based on its original proportionate interest and continuously determined from the acquisition date or the date of the business combination, and goodwill, is recognised in investment income for the current period in which control is lost. Other comprehensive income related to the equity investment in the original subsidiary, and other changes in shareholders' equity other than net profit or loss, other comprehensive income and profit distributions, are transferred to investment income for the current period upon the loss of control, except for other comprehensive income arising from changes in the net liabilities or net assets of a defined benefit plan upon remeasurement by the investee.

2) Step-by-step Disposal of Subsidiaries

Where the Company disposes of its equity investment in a subsidiary through multiple transactions in stages until control is lost, where the terms, conditions and economic effects of the transactions involving the disposal of the equity investment in the subsidiary meet one or more of the following circumstances, this generally indicates that the multiple transactions should be accounted for as a single transaction (i.e. a package of transactions):

A. The transactions are entered into simultaneously or with consideration of their mutual effects;

B. The transactions, when considered as a whole, achieve a complete commercial result;

C. The occurrence of one transaction depends on the occurrence of at least one other transaction;

D. A transaction is not economical when considered on a standalone basis, but is economical when considered together with other transactions.

Where the transactions involving the disposal of the equity investment in a subsidiary until loss of control constitute a package of transactions, the Company accounts for the transactions as a single transaction involving the disposal of the subsidiary and loss of control. However, prior to the loss of control, the difference between the consideration received for each disposal and the corresponding share of the subsidiary's net assets attributable to the Company is recognised as other comprehensive income in the consolidated financial statements and is transferred to profit or loss for the current period in which control is lost.

Where the transactions involving the disposal of the equity investment in a subsidiary until loss of control do not constitute a package of transactions, prior to the loss of control, the Company accounts for the partial disposal of the equity investment in the subsidiary in accordance with the relevant accounting policies applicable where control is not lost. Upon loss of control, the Company accounts for the transaction in accordance with the general treatment for the disposal of a subsidiary.

3) Acquisition of Non-Controlling Interests in Subsidiaries

The difference between the newly acquired long-term equity investment arising from the Company's acquisition of non-controlling interests and the Company's share of the subsidiary's net assets, continuously calculated from the acquisition date (or the date of the business combination) based on the additional proportion of equity interest acquired, is adjusted against the share premium in the capital reserve in the consolidated statement of financial position. Where the share premium in the capital reserve is insufficient to absorb the difference, the shortfall is adjusted against retained profits.

4) Partial Disposal of Equity Interests in Subsidiaries without Loss of Control

Where control is not lost, the difference between the consideration received from the partial disposal of the Company's long-term equity investment in a subsidiary and the corresponding share of the subsidiary's net assets, continuously calculated from the acquisition date or the date of the business combination based on the proportion of equity interest disposed of, is adjusted against the share premium in the capital reserve in the consolidated statement of financial position. Where the share premium in the capital reserve is insufficient to absorb the difference, the shortfall is adjusted against retained profits.

8. Classification of joint arrangements and accounting treatment for joint operations

(I) Classification of Joint Arrangements

The Company classifies joint arrangements into joint operations and joint ventures based on factors such as the structure and legal form of the joint arrangement, the terms agreed upon in the joint arrangement, and other relevant facts and circumstances. A joint operation refers to a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

(II) Accounting Treatment for Joint Operations

The Company recognises the following items related to its share of interests in a joint operation and accounts for them in accordance with the relevant CASBE:

(1) recognising assets held separately and recognising its share of jointly held assets;

(2) recognising liabilities incurred separately and recognising its share of jointly incurred liabilities;

(3) recognising revenue generated from the sale of its share of the output of the joint operation;

(4) recognising its share of revenue generated from the sale of the output by the joint operation;

(5) recognising expenses incurred separately and recognising its share of expenses incurred by the joint operation;

Where the Company contributes or sells assets or other items to a joint operation (except where such assets or other items constitute a business), before such assets or other items are sold by the joint operation to a third party, the Company recognises only the portion of the profit or loss arising from such transaction attributable to the other participants in the joint operation. Where the contributed or sold assets are subject to impairment losses, the Company recognises the full amount of such impairment losses.

Where the Company purchases assets or other items from a joint operation (except where such assets or other items constitute a business), before such assets or other items are sold to a third party, the Company recognises only the portion of the profit or loss arising from such transaction attributable to the other participants in the joint operation. Where the purchased assets are subject to impairment losses, the Company recognises its share of such impairment losses.

9. Criteria for cash and cash equivalents

In preparing the cash flow statement, the Company recognises cash on hand and deposits that can be readily used for payment as cash. Investments that simultaneously meet all four of the following conditions are classified as cash equivalents: short maturity (generally maturing within three months from the date of purchase), high liquidity, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

10. Foreign currency operations and translation of statements denominated in foreign currency

(1) Foreign currency operations

For foreign currency transactions, upon initial recognition, the Company translates the transactions into RMB using the spot exchange rate prevailing on the date of the transaction as the translation rate.

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing at the balance sheet date. The resulting exchange differences are recognised in profit or loss for the current period, except for exchange differences arising from foreign currency-specific borrowings related to the acquisition or construction of assets qualifying for capitalisation, which are accounted for in accordance with the principles for capitalisation of borrowing costs. Foreign currency non-monetary items measured at historical cost are translated using the spot exchange rate prevailing on the date of the transaction, with their functional currency amounts remaining unchanged.

Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate prevailing on the date on which the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as a change in fair value (including changes in exchange rates) and is recognised in profit or loss for the current period or recognised in other comprehensive income.

(2) Translation of financial statements denominated in foreign currency

The asset and liability items in the statement of financial position are translated using the spot exchange rate prevailing at the balance sheet date. The shareholders' equity items, except for retained profits, are translated using the spot exchange rates prevailing on the dates on which the relevant transactions occurred. The income and expense items in the statement of profit or loss are translated using the spot exchange rates prevailing on the dates of the transactions. The resulting foreign currency translation differences arising from the above translation are recognised in other comprehensive income.

Upon disposal of a foreign operation, the foreign currency translation differences relating to such foreign operation presented under other comprehensive income in the statement of financial position are reclassified from other comprehensive income to profit or loss for the current period in which the disposal occurs. Where the proportion of interests held in a foreign operation is reduced due to the disposal of part of an equity investment or for other reasons, but control over the foreign operation is not lost, the foreign currency translation differences relating to the portion of the foreign operation disposed of are attributable to non-controlling interests and are not reclassified to profit or loss for the current period. Upon the disposal of part of an equity interest in a foreign operation that is an associate or a joint venture, the foreign currency translation differences relating to such foreign operation are reclassified to profit or loss for the current period in proportion to the portion of the foreign operation disposed of.

11. Financial instruments

The Company recognises a financial asset or financial liability when it becomes a party to the contractual provisions of a financial instrument.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and allocating interest income or interest expense to each accounting period.

The effective interest rate is the rate that exactly discounts the estimated future cash flows of a financial asset or financial liability over its expected life to the gross carrying amount of the financial asset or the amortised cost of the financial liability. In determining the effective interest rate, the Company estimates the expected cash flows by considering all contractual terms of the financial asset or financial liability (such as prepayment, extension, call options or other similar options), but does not consider expected credit losses.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is initially recognised, less any principal repayments, plus or minus the cumulative amortisation using the effective interest method of the difference between the initial amount recognised and the amount at maturity, and, for financial assets only, less any accumulated loss allowance.

(I) Classification, Recognition and Measurement of Financial Assets

The Company classifies financial assets into the following three categories based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

(1) Financial assets measured at amortised cost.

(2) Financial assets measured at fair value through other comprehensive income.

(3) Financial assets measured at fair value through profit or loss.

Financial assets are initially measured at fair value. However, for trade receivables or bills receivable arising from the sale of goods or provision of services that do not contain a significant financing component, or for which the financing component is not considered if it does not exceed one year, such receivables are initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss for the current period. For financial assets in other categories, the related transaction costs are included in their initial carrying amounts.

The subsequent measurement of financial assets depends on their classification. The Company reclassifies all affected financial assets if, and only if, it changes its business model for managing financial assets.

(1) Financial Assets Classified as Measured at Amortised Cost

Where the contractual terms of a financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the business model for managing the financial asset is to hold the financial asset to collect contractual cash flows, the Company classifies such financial asset as a financial asset measured at amortised cost. The financial assets classified by the Company as measured at amortised cost include cash and bank balances, bills receivable, trade receivables and other receivables.

The Company recognises interest income on such financial assets using the effective interest method and subsequently measures them at amortised cost. Gains or losses arising from impairment, derecognition or modification of such financial assets are recognised in profit or loss for the current period. Except in the following circumstances, the Company calculates and determines interest income by multiplying the gross carrying amount of the financial asset by the effective interest rate:

1) For purchased or originated credit-impaired financial assets, the Company calculates and determines interest income from initial recognition based on the amortised cost of such financial assets and the credit-adjusted effective interest rate.

2) For purchased or originated financial assets that are not credit-impaired but subsequently become credit-impaired, the Company calculates and determines interest income in subsequent periods based on the amortised cost of such financial assets and the effective interest rate. If such financial instrument subsequently ceases to be credit-impaired due to an improvement in its credit risk, the Company calculates and determines interest income based on the carrying amount of such financial asset multiplied by the effective interest rate.

(2) Financial Assets Classified as Measured at Fair Value through Other Comprehensive Income

Where the contractual terms of a financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the business model for managing the financial asset is achieved through both collecting contractual cash flows and selling the financial asset, the Company classifies such financial asset as a financial asset measured at fair value through other comprehensive income.

The Company recognises interest income on such financial assets using the effective interest method. Except for interest income, impairment losses and exchange differences, which are recognised in profit or loss for the current period, all other changes in fair value are recognised in other comprehensive income. Upon derecognition of such financial asset, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss for the current period.

Bills receivable and trade receivables measured at fair value through other comprehensive income are presented as financing receivables. Other financial assets of this category are presented as other debt investments. Among them, other debt investments due within one year from the balance sheet date are presented as current assets due within one year, while other debt investments that were originally due within one year are presented as other current assets.

(3) Financial Assets Designated as Measured at Fair Value through Other Comprehensive Income

Upon initial recognition, the Company may, on an individual financial asset basis, irrevocably designate non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income.

Changes in the fair value of such financial assets are recognised in other comprehensive income, and no loss allowance is recognised. Upon derecognition of such financial assets, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to retained profits. During the period in which the Company holds such equity instrument investments, dividend income is recognised and included in profit or loss for the current period when the Company's right to receive dividends has been established, it is probable that the economic benefits associated with the dividends will flow to the Company, and the amount of the dividends can be reliably measured. The Company presents such financial assets under investments in other equity instruments.

An equity instrument investment is classified as a financial asset measured at fair value through profit or loss if it meets any of the following conditions: the financial asset is acquired principally for the purpose of selling it in the near term; at initial recognition, it forms part of a portfolio of identified financial instruments that is managed on a consolidated basis and there is objective evidence of a recent actual pattern of short-term profit-taking; or it is a derivative, except for a derivative that meets the definition of a financial guarantee contract or has been designated as an effective hedging instrument.

(4) Financial Assets Classified as Measured at Fair Value through Profit or Loss

Financial assets that do not meet the criteria for classification as financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income, and are not designated as financial assets measured at fair value through other comprehensive income, are classified as financial assets measured at fair value through profit or loss.

The Company subsequently measures such financial assets at fair value. Gains or losses arising from changes in fair value, as well as dividend and interest income related to such financial assets, are recognised in profit or loss for the current period.

The Company presents such financial assets as financial assets held for trading or other non-current financial assets based on their liquidity.

(5) Financial Assets Designated as Measured at Fair Value through Profit or Loss

Upon initial recognition, in order to eliminate or significantly reduce an accounting mismatch, the Company may, on an individual financial asset basis, irrevocably designate a financial asset as a financial asset measured at fair value through profit or loss.

Where a hybrid contract contains one or more embedded derivatives and its host contract is not one of the financial assets described above, the Company may designate the entire hybrid contract as a financial instrument measured at fair value through profit or loss, except in the following circumstances:

1) the embedded derivative does not significantly modify the cash flows that would otherwise be required by the hybrid contract; or

2) when first determining whether a similar hybrid contract needs to be separated, it is clear with little or no analysis that the embedded derivative should not be separated. For example, where an embedded prepayment option in a loan permits the holder to repay the loan early at an amount approximately equal to its amortised cost, such prepayment option does not need to be separated.

The Company subsequently measures such financial assets at fair value. Gains or losses arising from changes in fair value, as well as dividend and interest income related to such financial assets, are recognised in profit or loss for the current period.

The Company presents such financial assets as financial assets held for trading or other non-current financial assets based on their liquidity.

(II) Classification, Recognition and Measurement of Financial Liabilities

Based on the contractual terms of the financial instruments issued and their economic substance, rather than merely their legal form, and taking into account the definitions of financial liabilities and equity instruments, the Company classifies financial instruments or their components as financial liabilities or equity instruments upon initial recognition. Financial liabilities are classified upon initial recognition as: financial liabilities measured at fair value through profit or loss, other financial liabilities, and derivatives designated as effective hedging instruments.

Financial liabilities are initially measured at fair value. For financial liabilities measured at fair value through profit or loss, related transaction costs are recognised directly in profit or loss for the current period. For other categories of financial liabilities, related transaction costs are included in their initial carrying amounts.

The subsequent measurement of financial liabilities depends on their classification:

(1) Financial Liabilities Measured at Fair Value through Profit or Loss

Such financial liabilities include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as measured at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it meets any of the following conditions: the financial liability is incurred principally for the purpose of repurchasing it in the near term; it forms part of a portfolio of identified financial instruments that is managed on a consolidated basis and there is objective evidence of a recent actual pattern of short-term profit-taking; or it is a derivative, except for a derivative that has been designated as an effective hedging instrument or a derivative that meets the definition of a financial guarantee contract. Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value. Except for those relating to hedge accounting, all changes in fair value are recognised in profit or loss for the current period.

Upon initial recognition, in order to provide more relevant accounting information, the Company may irrevocably designate a financial liability as a financial liability measured at fair value through profit or loss if any of the following conditions is met:

1) such designation eliminates or significantly reduces an accounting mismatch.

2) the financial liability, or a group of financial liabilities or a group of financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis in accordance with the Company's documented risk management or investment strategy, and information about such management and performance evaluation is reported internally to key management personnel on that basis.

The Company subsequently measures such financial liabilities at fair value. Except for changes in fair value attributable to changes in the Company's own credit risk, which are recognised in other comprehensive income, other changes in fair value are recognised in profit or loss for the current period. Unless the recognition of changes in fair value attributable to changes in the Company's own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, the Company recognises all changes in fair value (including the impact arising from changes in its own credit risk) in profit or loss for the current period.

(2) Other Financial Liabilities

Except for the following items, the Company classifies financial liabilities as financial liabilities measured at amortised cost. Such financial liabilities are subsequently measured using the effective interest method at amortised cost, and gains or losses arising from derecognition or amortisation are recognised in profit or loss for the current period:

1) financial liabilities measured at fair value through profit or loss.

2) financial liabilities arising from a transfer of financial assets that does not qualify for derecognition, or from continuing involvement in transferred financial assets.

3) financial guarantee contracts that do not fall within the first two categories above, and loan commitments issued at below-market interest rates that do not fall within category (1) above.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss incurred when a specified debtor fails to make payment in accordance with the original or modified terms of a debt instrument upon maturity. For financial guarantee contracts that are not designated as financial liabilities measured at fair value through profit or loss, after initial recognition, the Company subsequently measures such contracts at the higher of the amount of the loss allowance and the amount initially recognised less the cumulative amortisation recognised over the guarantee period.

(III) Derecognition of Financial Assets and Financial Liabilities

(1) A financial asset is derecognised (i.e., removed from its account and the balance sheet) when one of the following conditions is met:

1) the contractual rights to receive the cash flows from the financial asset expire.

2) the financial asset has been transferred and such transfer qualifies for derecognition of the financial asset.

(2) Conditions for Derecognition of Financial Liabilities

A financial liability (or part of a financial liability) is derecognised when the present obligation of such financial liability (or part thereof) has been discharged.

Where the Company enters into an agreement with a lender to replace an existing financial liability with a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the original financial liability, or where the contractual terms of an existing financial liability (or part thereof) are substantially modified, the Company derecognises the original financial liability and recognises a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss for the current period.

Where the Company repurchases part of a financial liability, the Company allocates the carrying amount of the financial liability as a whole between the portion that continues to be recognised and the portion that is derecognised based on the respective fair values of such portions at the repurchase date. The difference between the carrying amount allocated to the derecognised portion and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss for the current period.

(IV) Recognition basis and measurement method for transfers of financial assets

When a transfer of financial assets occurs, the Company assesses the extent to which it retains the risks and rewards of ownership of the financial assets, and accounts for the transfer in accordance with the following circumstances:

(1) Where substantially all the risks and rewards of ownership of the financial asset have been transferred, the financial asset is derecognised, and the rights and obligations arising or retained in the transfer are recognised separately as assets or liabilities.

(2) Where substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset continues to be recognised.

(3) Where the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset (that is, circumstances other than (1) and (2) of this Article), it accounts for the transfer in accordance with the following circumstances based on whether it has retained control over the financial asset:

1) Where it does not retain control over the financial asset, the financial asset is derecognised, and the rights and obligations arising or retained in the transfer are recognised separately as assets or liabilities.

2) Where it retains control over the financial asset, the relevant financial asset continues to be recognised to the extent of its continuing involvement in the transferred financial asset, and the related liability is recognised accordingly. The extent of continuing involvement in the transferred financial asset refers to the extent to which the Company bears the risks or rewards of changes in the value of the transferred financial asset.

In determining whether a transfer of financial assets satisfies the above criteria for derecognition of financial assets, the principle of substance over form is applied. The Company distinguishes transfers of financial assets into transfers of financial assets in their entirety and partial transfers.

(1) Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the following two amounts is recognised in profit or loss:

1) The carrying amount of the transferred financial asset at the date of derecognition.

2) The sum of the consideration received from the transfer of the financial asset and the amount corresponding to the part derecognised in the cumulative changes in fair value originally recognised directly in other comprehensive income (where the financial asset transferred is a financial asset measured at fair value through other comprehensive income).

(2) Where part of a financial asset is transferred and the transferred part as a whole meets the criteria for derecognition, the carrying amount of the financial asset as a whole before the transfer is allocated between the part derecognised and the part that continues to be recognised (in which case, the servicing asset retained shall be treated as part of the financial asset that continues to be recognised) based on their respective relative fair values at the date of transfer, and the difference between the following two amounts is recognised in profit or loss:

1) The carrying amount of the part derecognised at the date of derecognition.

2) The sum of the consideration received for the part derecognised and the amount corresponding to the part derecognised in the cumulative changes in fair value originally recognised in other comprehensive income (where the financial asset transferred is a financial asset measured at fair value through other comprehensive income).

A financial asset that does not qualify for derecognition continues to be recognised, and the consideration received is recognised as a financial liability.

(V) Method of determination of the fair value of financial assets and financial liabilities

If there is an active market for a financial asset or financial liability, its fair value is determined based on the quoted price in the active market, unless the financial asset is subject to a lock-up period specific to the asset itself. For a financial asset subject to a lock-up specific to the asset itself, its fair value is determined after deducting from the quoted price in the active market the compensation that market participants would require for bearing the risk of being unable to sell the financial asset in the open market within a specified period. Quoted prices in an active market include those for the relevant asset or liability that are readily and regularly available from exchanges, dealers, brokers, industry groups, pricing agencies or regulatory authorities, etc., and can represent actual and regularly occurring market transactions on an arm's length basis.

For a financial asset initially acquired or originated or a financial liability initially assumed, the market transaction price is used as the basis for determining its fair value.

For a financial asset or financial liability for which there is no active market, a valuation technique is used to determine its fair value. In the valuation, the Company adopts a valuation technique that is applicable in the current circumstances and is supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the assets or liabilities considered by market participants in transactions of the relevant assets or liabilities, and gives preference to the use of relevant observable inputs as much as possible. Unobservable inputs are used if the relevant observable inputs are unavailable or impracticable to obtain.

(VI) Impairment of financial instruments

The Company performs impairment accounting and recognises loss allowances on the basis of expected credit losses for financial assets classified as measured at amortised cost, financial assets classified as measured at fair value through other comprehensive income, and financial guarantee contracts.

Expected credit losses refer to the weighted average of credit losses of a financial instrument weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable by the Company under the contract, discounted at the original effective interest rate, and all cash flows expected to be received, that is, the present value of all cash shortfalls. For a credit-impaired financial asset purchased or originated by the Company, the discount shall be made at the credit-adjusted effective interest rate of the financial asset.

For purchased or originated credit-impaired financial assets, only the cumulative changes in lifetime expected credit losses since initial recognition are recognised as a loss allowance at the balance sheet date. At each balance sheet date, the amount of the change in lifetime expected credit losses is recognised as an impairment loss or gain in profit or loss for the current period. Even if the lifetime expected credit losses determined at that balance sheet date are less than the amount of expected credit losses reflected in the estimated cash flows at initial recognition, favourable changes in expected credit losses are recognised as an impairment gain.

For financial assets other than those measured using the simplified measurement method as described above and purchased or originated credit-impaired financial assets, the Company assesses at each balance sheet date whether the credit risk of the relevant financial instrument has increased significantly since initial recognition, and measures its loss allowance and recognises the expected credit losses and changes therein according to the following circumstances:

(1) If the credit risk of the financial instrument has not increased significantly since initial recognition and the financial instrument is in Stage 1, its loss allowance is measured at an amount equal to the expected credit losses within the next 12 months, and interest income is calculated on the basis of the gross carrying amount and the effective interest rate.

(2) If the credit risk of the financial instrument has increased significantly since initial recognition but the financial instrument is not yet credit-impaired and it is in Stage 2, its loss allowance is measured at an amount equal to the expected credit losses over the entire life of the financial instrument, and interest income is calculated on the basis of the gross carrying amount and the effective interest rate.

(3) If the financial instrument has become credit-impaired since initial recognition and it is in Stage 3, the Company measures its loss allowance at an amount equal to the expected credit losses over the entire life of the financial instrument, and calculates interest income on the basis of the amortised cost and the effective interest rate.

The increase in or reversal of the credit loss allowance for a financial instrument is recognised as an impairment loss or gain in profit or loss for the current period. Except for financial assets classified as at fair value through other comprehensive income, the credit loss allowance is deducted from the gross carrying amount of the financial asset. For financial assets classified as at fair value through other comprehensive income, the Company recognises the credit loss allowance in other comprehensive income, without reducing the carrying amount of the financial asset presented in the balance sheet.

If the Company has measured the loss allowance in a previous accounting period at an amount equal to the expected credit losses over the entire life of the financial instrument, but at the current balance sheet date the financial instrument no longer falls within the circumstances of a significant increase in credit risk since initial recognition, the Company measures the loss allowance of the financial instrument at the current balance sheet date at an amount equal to the expected credit losses within the next 12 months, and the resulting reversal of the loss allowance is recognised as an impairment gain in profit or loss for the current period.

(1) Significant increase in credit risk

The Company uses the reasonable and supportable forward-looking information available to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default occurring on the financial instrument at the balance sheet date with the risk of default occurring at the date of initial recognition. For financial guarantee contracts, when applying the provisions on the impairment of financial instruments, the Company takes the date on which the Company becomes a party to the irrevocable commitment as the date of initial recognition.

The Company considers the following factors when assessing whether credit risk has increased significantly:

1) whether there has been a significant change in the actual or expected operating results of the debtor;

2) whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor operates;

3) whether there have been significant changes in the value of the collateral securing the debt or in the quality of guarantees or credit enhancement provided by third parties, which are expected to reduce the debtor's economic incentive to repay according to the contractual terms or affect the probability of default;

4) whether there has been a significant change in the debtor's expected performance and repayment behaviour;

5) whether there have been changes in the Company's credit management methods for financial instruments, etc.

At the balance sheet date, if the Company determines that a financial instrument has only low credit risk, the Company assumes that the credit risk of the financial instrument has not increased significantly since initial recognition. If the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the short term, and adverse changes in the economic situation and operating environment in the longer term may, but will not necessarily, reduce the borrower's ability to fulfil its contractual cash flow obligations, the financial instrument is considered to have low credit risk.

(2) Credit-impaired financial assets

A financial asset becomes a credit-impaired financial asset when one or more events that have an adverse impact on the estimated future cash flows of the financial asset occur. Evidence that a financial asset is credit-impaired includes the following observable information:

1) significant financial difficulty of the issuer or the debtor;

2) a breach of contract by the debtor, such as a default or delay in payment of interest or principal;

3) the creditor, for economic or contractual reasons relating to the debtor's financial difficulty, grants to the debtor a concession that it would not otherwise consider;

4) it is probable that the debtor will enter bankruptcy or undergo other financial reorganisation;

5) the financial difficulty of the issuer or the debtor results in the disappearance of an active market for the financial asset;

6) the purchase or origination of a financial asset at a deep discount that reflects the fact that credit losses have occurred.

Credit impairment of a financial asset may be caused by the combined effect of multiple events, and may not necessarily be caused by an individually identifiable event.

(3) Determination of expected credit losses

The Company assesses the expected credit losses of financial instruments on an individual and collective basis. In assessing the expected credit losses, the Company considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

The Company groups financial instruments into different portfolios on the basis of shared credit risk characteristics. The shared credit risk characteristics adopted by the Company include: the type of financial instrument, credit risk rating, ageing portfolio, the industry in which the debtor operates, etc. The individual assessment criteria and the collective credit risk characteristics of the relevant financial instruments are set out in the accounting policies for the relevant financial instruments.

The Company determines the expected credit losses of the relevant financial instruments using the following methods:

1) for financial assets, the credit loss is the present value of the difference between the contractual cash flows due to the Company and the cash flows that the Company expects to receive;

2) for lease receivables, the credit loss is the present value of the difference between the contractual cash flows due to the Company and the cash flows that the Company expects to receive;

3) for financial guarantee contracts, the credit loss is the present value of the difference between the expected payments made by the Company to reimburse the holder of the contract for a credit loss incurred by it and the amounts that the Company expects to receive from the holder of the contract, the debtor or any other party;

4) for financial assets that are credit-impaired at the balance sheet date but are not purchased or originated credit-impaired financial assets, the credit loss is the difference between the gross carrying amount of the financial asset and the present value of the estimated future cash flows discounted at the original effective interest rate.

The Company's method of measuring the expected credit losses of financial instruments reflects the following factors: an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available at the balance sheet date without unnecessary additional cost or effort.

(4) Write-off of financial assets

When the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, it writes off the gross carrying amount of the financial asset directly. Such a write-off constitutes the derecognition of the relevant financial asset.

(VII) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, where the following conditions are met simultaneously, they are presented in the balance sheet at the net amount after offsetting:

(1) the Company has a legally enforceable right to set off the recognised amounts, and such legal right is currently enforceable;

(2) the Company intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

12. Bills receivables

For details of the determination method and accounting treatment of the expected credit losses on bills receivables, please refer to Note 11(VI) "Impairment of financial instruments" in these notes.

For bills receivable for which there is sufficient evidence to assess the expected credit losses at the individual instrument level at a reasonable cost, the Company measures credit losses on an individual basis.

When there is insufficient evidence to assess the expected credit losses at the individual instrument level at a reasonable cost, the Company, with reference to historical credit loss experience, in combination with current conditions and judgements about future economic conditions, divides bills receivable into various portfolios based on credit risk characteristics and measures the expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

Portfolio	Basis for determining the portfolio	Provision method
Risk-free bank acceptance bill portfolio	The drawer has a relatively high credit rating, has no history of default on notes, the credit loss risk is extremely low, and its ability to meet its contractual cash flow obligations in the short term is very strong	The loss allowance is measured with reference to historical credit loss experience, current conditions and expectations of future economic conditions
Commercial acceptance bills	The acceptor is an enterprise with relatively high credit risk	The loss allowance is recognised by reference to the receivables, based on the comparison table of ageing and lifetime expected credit loss rates

13. Trade receivables

For details of the determination method and accounting treatment of the expected credit losses of trade receivables, please refer to Note 11(VI) "Impairment of financial instruments" in these notes.

For trade receivables for which there is sufficient evidence to assess the expected credit losses at the individual instrument level at a reasonable cost, the Company measures credit losses on an individual basis.

When there is insufficient evidence to assess the expected credit losses at the individual instrument level at a reasonable cost, the Company, with reference to historical credit loss experience, in combination with current conditions and judgements about future economic conditions, divides receivables into various portfolios based on credit risk characteristics and measures the expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

Portfolio	Basis for determining the portfolio	Provision method
Group of related parties included in the scope of consolidation	Group of related parties included in the scope of consolidation	The loss allowance is measured with reference to historical credit loss experience, current conditions and expectations of future economic conditions
Ageing analysis portfolio	The Company makes the best estimate of the provision ratio for receivables based on its historical experience, and categorises the receivables into credit risk portfolios with reference to their ageing	The loss allowance is recognised based on the comparison table of ageing and lifetime expected credit loss rates

14. Receivables financing

For details of the Company's determination method and accounting treatment of the expected credit losses of receivables financing, please refer to Note 11(VI) 'Impairment of financial instruments'.

15. Other receivables

Determination method and accounting treatment of the expected credit losses on other receivables

For details of the Company's determination method and accounting treatment of the expected credit losses on other receivables, please refer to Note 11(VI) 'Impairment of financial instruments'.

For receivables for which there is sufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost, the Company measures credit losses on an individual basis.

When sufficient evidence is not available to assess expected credit losses at the individual instrument level at a reasonable cost, the Company, with reference to historical credit loss experience, current conditions and judgements about future economic conditions, classifies the receivables into various portfolios based on credit risk characteristics and measures expected credit losses on a portfolio basis. The basis for determining the portfolios is as follows:

Portfolio	Basis for determining the portfolio	Provision method
Group of related parties included in the scope of consolidation	Group of related parties included in the scope of consolidation	The loss allowance is measured with reference to historical credit loss experience, current conditions and expectations of future economic conditions
Ageing analysis portfolio	The Company makes the best estimate of the provision ratio for receivables based on its historical experience, and categorises the receivables into credit risk portfolios with reference to their ageing	The loss allowance is recognised based on the comparison table of ageing and lifetime expected credit loss rates

16. Contract assets

Consideration to which the Company is entitled for goods transferred or services provided to customers (and such right depends on factors other than the passage of time) is presented as contract assets.

For details of the Company's determination method and accounting treatment of the expected credit losses on contract assets, please refer to Note 11(VI) 'Impairment of financial instruments'.

Contract assets and contract liabilities are presented separately in the balance sheet. For details of the Company's recognition method and criteria for contract liabilities, please refer to Note 26 'Contract liabilities'.

Contract assets and contract liabilities under the same contract are presented on a net basis, and where the net amount is a debit balance, it is presented in the 'Contract assets' or 'Other non-current assets' line item depending on its liquidity; where the net amount is a credit balance, it is presented in the 'Contract liabilities' or 'Other non-current liabilities' line item depending on its liquidity. Contract assets and contract liabilities under different contracts cannot be offset against each other.

17. Inventories

(1) Classification of inventories

Inventories refer to the finished goods or merchandise held by the Company in the ordinary course of business for sale, work in progress in the production process, and materials and supplies consumed in the production process or in the provision of services, etc. They mainly include raw materials, work in progress, self-made semi-finished products, low-value consumables, materials outsourced for processing, goods in transit and finished goods, etc.

(2) Measurement method of cost of inventories

Inventories are initially measured at cost when acquired, including purchase costs, conversion costs and other costs. The cost of inventories issued is calculated using the weighted average method.

(3) Basis for determining the net realisable value of inventories and method for making provision for decline in value of inventories

At the end of the period, following a comprehensive inventory count, provision for inventory write-downs is recognised or adjusted at the lower of cost and net realisable value of the inventories. For finished products, goods on hand, materials available for sale and other merchandise inventories directly available for sale, in the ordinary course of production and operation, their net realisable value is determined at the estimated selling price of these inventories less the estimated selling expenses and relevant taxes; for materials inventories that need to be processed, in the ordinary course of production and operation, their net realisable value is determined at the estimated selling price of the finished products to be produced less the estimated costs to be incurred to completion, the estimated selling expenses and relevant taxes; for inventories held to satisfy sales contracts or service contracts, their net realisable value is calculated based on the contract price; if the quantity of inventories held exceeds the quantity ordered under the sales contracts, the net realisable value of the excess portion of inventories is calculated based on the general selling price.

At the end of the period, provision for decline in value of inventories is made on an individual inventory item basis; however, for inventories that are numerous and of relatively low unit price, provision for decline in value of inventories is made on an inventory category basis; for inventories that are related to a product series produced and sold in the same region, have the same or similar end use or purpose and are difficult to measure separately from other items, provision for decline in value of inventories is made on a combined basis.

Where the factors that previously caused the value of inventories to be written down have disappeared, the amount written down is reversed, and the reversal is made within the amount of the provision for decline in value of inventories originally made, and the amount reversed is recognised in profit or loss for the current period.

(4) Inventory count system

The inventory count system is the perpetual inventory system.

(5) Amortisation method for low-value consumables and packaging materials

1) Low-value consumables are amortised using the one-off write-off method;

2) Packaging materials are amortised using the one-off write-off method;

3) Other turnover materials are amortised using the one-off write-off method.

18. Long-term equity investments

(1) Determination of initial investment cost

1) For long-term equity investments formed by business combinations, for specific accounting policies, please refer to Note 6 ‘Accounting treatment of business combinations under common control and not under common control’.

2) Long-term equity investments acquired by other means

For a long-term equity investment acquired by paying cash, the purchase price actually paid is taken as the initial investment cost. The initial investment cost includes expenses, taxes and other necessary expenditures directly related to the acquisition of the long-term equity investment.

For a long-term equity investment acquired by issuing equity securities, the fair value of the equity securities issued is taken as the initial investment cost; transaction costs incurred in issuing or acquiring own equity instruments that are directly attributable to an equity transaction are deducted from equity.

Where a non-monetary asset exchange has commercial substance and the fair value of the asset received or the asset given up can be measured reliably, the initial investment cost of the long-term equity investment acquired through the non-monetary asset exchange is determined based on the fair value of the asset given up, unless there is conclusive evidence that the fair value of the asset received is more reliable; for a non-monetary asset exchange that does not satisfy the above conditions, the carrying amount of the asset given up and the relevant taxes payable are taken as the initial investment cost of the long-term equity investment acquired.

For a long-term equity investment acquired through debt restructuring, its carrying amount is determined based on the fair value of the debt claim given up and other costs such as taxes directly attributable to the asset, and the difference between the fair value of the debt claim given up and its carrying amount is recognised in profit or loss for the current period.

(2) Subsequent measurement and recognition of profit or loss

1) Cost method

The Company accounts for long-term equity investments over which it has control over the investee using the cost method, and measures them at the initial investment cost; additional investments or recovery of investments adjust the cost of the long-term equity investment.

Except for cash dividends or profits declared but not yet distributed that are included in the purchase price or consideration actually paid upon acquisition of the investment, the Company recognises its share of cash dividends or profits declared for distribution by the investee as investment income for the current period.

2) Equity method

The Company accounts for long-term equity investments in associates and joint ventures using the equity method; for a portion of the equity investments in associates indirectly held through venture capital institutions, mutual funds, trust companies or similar entities including investment-linked insurance funds, they are measured at fair value with changes recognised in profit or loss.

Where the initial investment cost of a long-term equity investment is greater than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference does not adjust the initial investment cost of the long-term equity investment; where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognised in profit or loss for the current period.

After acquiring a long-term equity investment, the Company recognises investment income and other comprehensive income respectively based on its share of the net profit or loss and other comprehensive income realised by the investee, and adjusts the carrying amount of the long-term equity investment accordingly; it also calculates its share of the profits or cash dividends declared for distribution by the investee and reduces the carrying amount of the long-term equity investment accordingly; for other changes in the investee's shareholders' equity other than net profit or loss, other comprehensive income and profit distribution, it adjusts the carrying amount of the long-term equity investment and recognises the same in shareholders' equity.

When recognising its share of the net profit or loss of an investee, the Company adjusts the net profit of the investee on the basis of the fair values of the identifiable assets, etc. of the investee at the time of acquisition, and then recognises its share. Unrealised profit or loss from internal transactions between the Company and its associates or joint ventures is eliminated to the extent of the portion attributable to the Company calculated according to the proportion of equity interest to be enjoyed, and investment income or loss is recognised on this basis.

When the Company recognises its share of losses incurred by an investee, it shall deal with them in the following order: first, reduce the carrying amount of the long-term equity investment; second, if the carrying amount of the long-term equity investment is insufficient for reduction, continue to recognise investment losses to the extent of the carrying amounts of other long-term interests that in substance form part of the net investment in the investee, and reduce the carrying amounts of long-term receivables, etc.; and finally, after the above treatment, if, under the investment contract or agreement, the Company still assumes additional obligations, it shall recognise a provision based on the estimated obligations assumed and include it in investment loss for the current period.

If the investee makes profits in subsequent periods, the Company, after deducting the unrecognised share of losses, shall deal with them in the reverse order to the above, and after writing down the carrying balance of the provision recognised and restoring the carrying amounts of other long-term interests that in substance form part of the net investment in the investee and of the long-term equity investment, resume recognition of investment income.

(3) Conversion of accounting methods for long-term equity investments

1) Conversion from fair value measurement to equity method accounting

Where the equity investment originally held by the Company in an investee, over which it does not have control, joint control or significant influence and which is accounted for in accordance with the recognition and measurement standard for financial instruments, becomes, due to additional investment or other reasons, capable of exercising significant influence over, or joint control of, but not control over, the investee, the sum of the fair value of the originally held equity investment determined in accordance with "Accounting Standard for Business Enterprises No. 22 — Financial Instruments: Recognition and Measurement" and the cost of the new investment shall be taken as the initial investment cost for changing to equity method accounting.

Where the initial investment cost accounted for under the equity method is less than the Company's share of the fair value of the investee's identifiable net assets at the additional investment date, as calculated based on the new shareholding percentage after the additional investment, the difference shall be used to adjust the carrying amount of the long-term equity investment and be recognised in non-operating income for the current period.

2) Change of measurement at fair value or equity method to cost method

Where the equity investment originally held by the Company in an investee over which it does not have control, joint control or significant influence and which is accounted for in accordance with the recognition and measurement standard for financial instruments, or the long-term equity investment originally held in an associate or a joint venture, becomes capable of exercising control over an investee not under common control due to additional investment or other reasons, when preparing the individual financial statements, the sum of the carrying amount of the originally held equity investment and the cost of the new investment shall be taken as the initial investment cost upon the change to the cost method.

Other comprehensive income recognised in respect of the equity investment held prior to the acquisition date under the equity method shall, upon disposal of that investment, be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

Where the equity investment held prior to the acquisition date is accounted for in accordance with the relevant provisions of the "Accounting Standard for Business Enterprises No. 22 — Financial Instruments: Recognition and Measurement", the cumulative fair value changes originally included in other comprehensive income shall be transferred to profit or loss for the current period upon the change to the cost method.

3) Change of equity method to measurement at fair value

Where the Company loses joint control over or significant influence on an investee due to the disposal of part of the equity investment or other reasons, the remaining equity interest after the disposal shall be accounted for in accordance with the "Accounting Standard for Business Enterprises No. 22 — Financial Instruments: Recognition and Measurement", and the difference between its fair value and carrying amount at the date of the loss of joint control or significant influence shall be recognised in profit or loss for the current period.

Other comprehensive income recognised in respect of the original equity investment under the equity method shall, upon discontinuation of the equity method, be accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

4) Change of cost method to equity method

Where the Company loses control over an investee due to the disposal of part of the equity investment or other reasons, when preparing the individual financial statements, if the remaining equity interest after the disposal is capable of exercising joint control over or exerting significant influence on the investee, it shall be accounted for using the equity method, and such remaining equity interest shall be adjusted as if the equity method had been applied since acquisition.

5) Change of cost method to measurement at fair value

Where the Company loses control over an investee due to the disposal of part of the equity investment or other reasons, when preparing the individual financial statements, if the remaining equity interest after the disposal is not capable of exercising joint control over or exerting significant influence on the investee, it shall be accounted for in accordance with the relevant provisions of the "Accounting Standard for Business Enterprises No. 22 — Financial Instruments: Recognition and Measurement", and the difference between its fair value and carrying amount at the date of the loss of control shall be recognised in profit or loss for the current period.

(4) Disposal of long-term equity investments

When a long-term equity investment is disposed of, the difference between its carrying amount and the consideration actually received shall be recognised in profit or loss for the current period. For a long-term equity investment accounted for using the equity method, upon disposal of that investment, the portion originally included in other comprehensive income shall be accounted for on a pro-rata basis using the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

Where the terms, conditions and economic impact of the transactions for the disposal of the equity investment in a subsidiary meet one or more of the following circumstances, the multiple transactions shall be accounted for as a bundled transaction:

1) These transactions are made simultaneously or with consideration of influence on each other;

2) These transactions as a whole are required to achieve a complete business result;

3) The occurrence of one transaction is dependent on the occurrence of at least one other transaction;

4) A transaction considered on its own is uneconomical, but is economically justified when considered together with other transactions.

If control over a former subsidiary is lost due to the disposal of part of the equity investment or for other reasons and the transactions do not constitute a bundled transaction, the relevant accounting treatment shall be carried out separately for the individual financial statements and the consolidated financial statements:

1) In the individual financial statements, for the equity interest disposed of, the difference between its carrying amount and the consideration actually received shall be recognised in profit or loss for the current period. If the remaining equity interest after the disposal is capable of exercising joint control over or exerting significant influence on the investee, it shall be accounted for using the equity method, and such remaining equity interest shall be adjusted as if the equity method had been applied since acquisition; if the remaining equity interest after the disposal is not capable of exercising joint control over or exerting significant influence on the investee, it shall be accounted for in accordance with the relevant provisions of the "Accounting Standard for Business Enterprises No. 22 — Financial Instruments: Recognition and Measurement", and the difference between its fair value and carrying amount at the date of the loss of control shall be recognised in profit or loss for the current period.

2) In the consolidated financial statements, for each transaction prior to the loss of control over the subsidiary, the difference between the disposal consideration and the corresponding share, attributable to the long-term equity investment disposed of, of the net assets of the subsidiary continuously calculated from the acquisition date or the combination date shall be adjusted against the capital reserve (share premium); if the capital reserve is insufficient for offset, the retained profits shall be adjusted. Upon the loss of control over the subsidiary, the remaining equity interest shall be re-measured at its fair value at the date of the loss of control. The difference between the sum of the consideration obtained from the disposal of the equity interest and the fair value of the remaining equity interest, less the share, calculated according to the original shareholding percentage, of the net assets of the former subsidiary continuously calculated from the acquisition date, shall be recognised as investment income for the period in which control is lost, and goodwill shall be written off at the same time. Other comprehensive income and the like relating to the equity investment in the former subsidiary shall be transferred to investment income for the current period upon the loss of control.

Where the transactions for the disposal of the equity investment in a subsidiary up to the loss of control constitute a bundled transaction, each transaction shall be accounted for as a single transaction of disposing of the equity investment in the subsidiary and losing control, and the relevant accounting treatment shall be carried out separately for the individual financial statements and the consolidated financial statements:

1) In the individual financial statements, the difference between each disposal consideration and the carrying amount of the long-term equity investment corresponding to the equity interest disposed of prior to the loss of control shall be recognised as other comprehensive income, and shall be transferred in full to profit or loss for the period in which control is lost upon the loss of control;

2) In the consolidated financial statements, the difference between each disposal consideration and the share of the net assets of the subsidiary corresponding to the investment disposed of prior to the loss of control shall be recognised as other comprehensive income, and shall be transferred in full to profit or loss for the period in which control is lost upon the loss of control.

(5) Criteria for joint control or significant influence

If the Company collectively controls an arrangement with other parties in accordance with the relevant agreement, and decisions on the activities that significantly affect the returns of the arrangement exist only when the unanimous consent of the parties sharing control is obtained, the Company is deemed to jointly control the arrangement with the other parties, and the arrangement is a joint arrangement.

Where a joint arrangement is established through a separate entity, if it is determined in accordance with the relevant agreement that the Company has rights to the net assets of the separate entity, the separate entity shall be treated as a joint venture and accounted for using the equity method. If it is determined in accordance with the relevant agreement that the Company does not have rights to the net assets of the separate entity, the separate entity shall be treated as a joint operation, and the Company shall recognise the items relating to its share of interests in the joint operation and carry out the accounting treatment in accordance with the provisions of the relevant CASBE.

Significant influence refers to the power of an investor to participate in the decisions on the financial and operating policies of an investee, but does not represent the ability to control, or jointly control with other parties, the formulation of such policies. The Company determines that it has significant influence over an investee through one or more of the following circumstances, after taking all facts and circumstances into comprehensive consideration:

(1) representation on the board of directors or similar governing body of the investee;

(2) participation in the process of formulating the financial and operating policies of the investee;

(3) material transactions with the investee;

(4) dispatch of management personnel to the investee;

(5) provision of key technical information to the investee.

19. Investment properties

Measurement model of investment properties

Measured at cost

Depreciation or amortisation methods

Investment properties refer to properties held to earn rentals or for capital appreciation, or both, including land use rights that have been leased out, land use rights held and ready to be transferred after appreciation, and buildings that have been leased out. In addition, for vacant buildings held by the Company for the purpose of operating leases, if the Board has passed a written resolution expressly stating that they will be used for operating leases and the intention to hold them will not change in the short term, they shall also be presented as investment properties.

The Company's investment properties are initially recorded at cost. The cost of an externally purchased investment property includes the purchase price, related taxes and other expenditures directly attributable to the asset; the cost of a self-constructed investment property consists of the necessary expenditures incurred before the asset is ready for its intended use.

The Company subsequently measures its investment properties using the cost model, and depreciates or amortises buildings and land use rights according to their estimated useful lives and net residual value rates. The estimated useful lives, net residual value rates and annual depreciation (amortisation) rates of the investment properties are set out as follows:

Category	Estimated useful life (years)	Estimated residual value rate (%)	Annual depreciation (amortisation) rate (%)
Buildings and structures	20–50	5–10	1.80–4.75
Land use rights	30–50	0	2.00–3.33

When the use of an investment property changes to owner-occupation, from the date of the change, the Company transfers the investment property to a fixed asset or an intangible asset. When the use of an owner-occupied property changes to earning rentals or capital appreciation, from the date of the change, the Company transfers the fixed asset or the intangible asset to an investment property. When a transfer occurs, the carrying amount before the transfer shall be taken as the value at which the property is recorded after the transfer.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes and fees in profit or loss.

20. Fixed assets

(1) Recognition criteria

Fixed assets represent the tangible assets held for the production of goods, the provision of services, rental, or operation and administration purposes, with a useful life of over one accounting year. Fixed assets are recognised when both of the following conditions are met:

1) It is probable that the economic benefits associated with the fixed asset will flow to the entity;

2) The cost of the fixed asset can be measured reliably.

(2) Depreciation methods

Category	Depreciation method	Useful life (years)	Residual value rate	Annual depreciation rate
Buildings and structures	Straight-line method	20–50	5–10	1.80–4.75
Machinery and equipment	Straight-line method	2–15	0–10	6.00–50.00
Electronic and other equipment	Straight-line method	3–10	0–10	9.00–33.33
Transport equipment	Straight-line method	3–10	5–10	9.00–31.67

(3) Impairment of fixed assets

The impairment testing method and the method for providing impairment provisions for fixed assets are set out in Note 24, Impairment of long-term assets.

21. Construction in progress

(1) The Company's self-constructed construction in progress is measured at actual cost. The actual cost consists of the necessary expenditures incurred to construct the asset before it reaches its intended usable state, including the cost of materials for construction, labour costs, related taxes and levies paid, capitalised borrowing costs and overhead costs to be apportioned, etc.

(2) All expenditures incurred for a construction in progress project before the asset reaches its intended usable state are taken as the recorded value of fixed assets. Where the self-constructed construction in progress has reached its intended usable state but the completion settlement has not yet been processed, from the date it reaches its intended usable state, an estimated value is transferred to fixed assets based on the project budget, construction cost or actual project cost, etc., and depreciation of fixed assets is provided in accordance with the Company's fixed assets depreciation policy; after the completion settlement is processed, the original estimated value is adjusted according to the actual cost, but the depreciation already provided is not adjusted.

The specific criteria and timing for the Company's transfer of construction in progress to fixed assets are as follows:

Category	Criteria and timing for the transfer of construction in progress to fixed assets
Buildings and structures	Meeting the construction completion acceptance standards
Machinery and equipment	Meeting the acceptance standards required by the design or stipulated in the contract after installation and commissioning

The impairment testing method and the method for providing impairment provisions for construction in progress are set out in Note 24 Impairment of long-term assets.

22. Borrowing costs

(1) Recognition criteria of capitalisation of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction or production of assets eligible for capitalisation are capitalised and included in the cost of the related assets; other borrowing costs are recognised as expenses in profit or loss as incurred and included in profit or loss for the current period.

Assets eligible for capitalisation refer to assets such as fixed assets, investment properties and inventories that require a substantially long period of acquisition, construction or production activities to reach their intended usable or saleable state.

Capitalisation of borrowing costs commences when all of the following conditions are satisfied simultaneously:

(1) Asset expenditures have been incurred, including expenditures arising from paying cash, transferring non-cash assets or assuming interest-bearing debts for the acquisition, construction or production of assets eligible for capitalisation;

(2) Borrowing costs have been incurred;

(3) The acquisition, construction or production activities necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalisation period of borrowing costs

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding the period during which the capitalisation of borrowing costs is suspended.

When the assets acquired, constructed or produced that are eligible for capitalisation reach their intended usable or saleable state, the capitalisation of borrowing costs ceases.

Where part of the assets acquired, constructed or produced that are eligible for capitalisation is completed separately and can be used separately, the capitalisation of borrowing costs on that part of the assets ceases.

If each part of an asset acquired, constructed or produced is completed separately but must be completed in its entirety before it can be used or sold externally, the capitalisation of borrowing costs ceases when the asset is completed in its entirety.

(3) Suspension of capitalisation period

If the assets eligible for capitalisation experience abnormal interruptions during their acquisition, construction or production and the interruption lasts for more than three consecutive months, the capitalisation of borrowing costs is suspended; if such interruption is a necessary procedure for the assets acquired, constructed or produced that are eligible for capitalisation to reach their intended usable or saleable state, the capitalisation of borrowing costs continues. The borrowing costs incurred during the interruption period are recognised in profit or loss for the current period, and the capitalisation of borrowing costs continues after the acquisition, construction or production activities of the asset restart.

(4) Calculation method for the capitalised amount of borrowing costs

Interest expenses on specific borrowings (after deducting the interest income earned on unused borrowed funds deposited in banks or the investment income earned on temporary investments) and their ancillary expenses are capitalised before the assets acquired, constructed or produced that are eligible for capitalisation reach their intended usable or saleable state.

The amount of interest to be capitalised on general borrowings is calculated and determined by multiplying the weighted average of the asset expenditures in excess of the specific borrowings in the cumulative asset expenditures by the capitalisation rate of the general borrowings occupied. The capitalisation rate is determined based on the weighted average interest rate of general borrowings.

If there is a discount or premium on a borrowing, the amount of the discount or premium to be amortised in each accounting period is determined using the effective interest rate method, and the interest amount for each period is adjusted.

23. Intangible assets

(1) Useful lives and the basis for determining them, estimates, amortisation methods or review procedures

1) Initial measurement of intangible assets

Intangible assets refer to identifiable non-monetary assets without physical substance owned or controlled by the Company, including land use rights, patent rights, software, customer relationships, proprietary technology and others.

The cost of a purchased intangible asset includes the purchase price, related taxes and levies and other expenditures directly attributable to bringing the asset to its intended use. Where the payment of the purchase price of an intangible asset is deferred beyond normal credit terms and is of a financing nature in substance, the cost of the intangible asset is determined on the basis of the present value of the purchase price.

Where an intangible asset is acquired through debt restructuring as a settlement of a debt by the debtor, its recorded value is determined based on the fair value of the claim surrendered and other costs such as taxes directly attributable to the asset, and the difference between the fair value and the carrying amount of the claim surrendered is recognised in profit or loss for the current period.

Provided that a non-monetary asset exchange contains commercial substance and the fair value of the asset received or the asset surrendered can be measured reliably, the recorded value of the intangible asset received in the non-monetary asset exchange is determined based on the fair value of the asset surrendered, unless there is conclusive evidence that the fair value of the asset received is more reliable; for a non-monetary asset exchange that does not satisfy the above conditions, the carrying amount of the asset surrendered and the related taxes and fees payable are used as the cost of the intangible asset received, and no gain or loss is recognised.

An intangible asset acquired by way of merger by absorption of enterprises under common control is recorded at the carrying amount of the merged party; an intangible asset acquired by way of merger by absorption of enterprises not under common control is recorded at fair value.

The cost of an internally developed intangible asset includes: the materials consumed in developing the intangible asset, labour costs, registration fees, the amortisation of other patent rights and licences used in the development process, interest expenses that satisfy the conditions for capitalisation, and other direct costs incurred before the intangible asset reaches its intended use.

2) Subsequent measurement of intangible assets

The Company analyses and determines the useful life of an intangible asset at the time of acquisition, and classifies it as an intangible asset with a finite useful life or an intangible asset with an indefinite useful life.

A. Intangible assets with finite useful life

Intangible assets with finite useful life are amortised on a straight-line basis over the period during which they bring economic benefits to the enterprise. The estimated useful lives of intangible assets with finite useful life and the bases are as follows:

Category	Amortisation method	Useful life (years)	Residual value rate (%)	Annual amortisation rate (%)
Land use rights	Straight-line method	30–50	0	2.00–3.33
Patent	Straight-line method	3–10	0	10.00–33.33
Software	Straight-line method	5–10	0	10.00–20.00
Customer relationships and proprietary technology	Intangible assets recognised by the Company in a business combination not under common control are recorded at fair value as determined by valuation and amortised on a straight-line basis over their estimated benefit periods.			
Other	Straight-line method	5–10	0	10.00–20.00

At the end of each period, the useful life and amortisation methods of intangible assets with finite useful life are reviewed and adjusted accordingly for the differences from the original estimates.

Upon review, the useful lives and amortisation methods of intangible assets at the end of the current period are not different from the previous estimates.

B. Intangible assets with indefinite useful life

An intangible asset for which the period during which it will bring economic benefits to the enterprise cannot be foreseen is regarded as an intangible asset with an indefinite useful life.

Intangible assets with indefinite useful life are not amortised during the holding period, and the useful lives of the intangible assets are reviewed at the end of each period. If the useful life is still indefinite after re-review at the end of the period, impairment testing continues to be performed in each accounting period.

Upon review, the useful lives of such intangible assets remain indefinite.

(2) The scope of aggregation of research and development expenditure and the related accounting treatment methods

1) Scope of aggregation of research and development expenditure

The Company aggregates expenses directly related to carrying out research and development activities as research and development expenditure, including employee benefits of research and development personnel, material input expenses, depreciation and amortisation expenses, water and electricity charges, office expenses, other expenses, etc.

2) Specific criteria for classifying the research phase and the development phase of the Company's internal research and development projects

Research phase: It refers to the phase of original planned investigations and research activities conducted to acquire and understand new scientific or technical knowledge.

Development phase: It refers to the stage of an activity, which applies research achievements or other knowledge to a certain plan or design to produce new or materially improved materials, equipment and products, before commercial production or use.

Expenditure on the research phase of an internal research and development project is recognised in profit or loss in the period in which it is incurred.

3) Specific criteria for the capitalisation of expenditures in the development phase

Expenditure on the development phase of an internal research and development project is recognised as an intangible asset when all of the following conditions are satisfied simultaneously:

(1) The completion of the intangible asset is technically feasible so that it can be used or sold;

(2) There is an intention to complete the intangible asset and use or sell it;

(3) There is a way for generating economic benefits from the intangible asset, including the ability to prove there exists a market for products produced using the intangible asset or there exists a market for the intangible asset itself; where the intangible asset will be used internally, its usefulness can be proved;

(4) Sufficient technical, financial, and other resources are available to support the completion of the development of the intangible asset, and the Company has the ability to use or sell the intangible asset;

(5) Expenditures attributable to the development phase of the intangible asset can be measured reliably.

Expenditures in the development phase that do not satisfy the above conditions are recognised in profit or loss in the period in which they are incurred. Development expenditures that have been recognised in profit or loss in prior periods are not re-recognised as assets in subsequent periods. Capitalised expenditures in the development phase are presented as development costs in the balance sheet and are transferred to intangible assets from the date when the project reaches its intended use.

24. Impairment of long-term assets

The Company determines at the balance sheet date whether there is any indication that long-term assets may be impaired. If there is any indication of impairment of long-term assets, the recoverable amount is estimated on an individual asset basis; where it is impracticable to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined on the basis of the asset group.

The recoverable amount of an asset is estimated as the higher of its fair value less costs of disposal and the present value of the asset's estimated future cash flows.

If the measurement result of the recoverable amount indicates that the recoverable amount of a long-term asset is lower than its carrying amount, the carrying amount of the long-term asset is written down to the recoverable amount, and the amount written down is recognised as an asset impairment loss and charged to profit or loss, with a corresponding asset impairment provision made. Once an asset impairment loss is recognised, it shall not be reversed in subsequent accounting periods.

After an asset impairment loss is recognised, the depreciation or amortisation expense of the impaired asset is adjusted accordingly in future periods, so that the adjusted carrying amount of the asset (net of estimated net residual value) is systematically allocated over its remaining useful life.

Goodwill arising from a business combination and intangible assets with indefinite useful lives are tested for impairment annually, regardless of whether there is any indication of impairment.

When conducting an impairment test on goodwill, the carrying amount of goodwill is allocated to the asset group or combination of asset groups that are expected to benefit from the synergies of the business combination. When conducting an impairment test on the relevant asset group or combination of asset groups that includes goodwill, if there is any indication of impairment in the asset group or combination of asset groups related to goodwill, the impairment test is first conducted on the asset group or combination of asset groups that does not include goodwill, the recoverable amount is calculated and compared with the relevant carrying amount, and the corresponding impairment loss is recognised. Then, an impairment test is conducted on the asset group or combination of asset groups that includes goodwill, comparing the carrying amount of these relevant asset groups or combination of asset groups (including the portion of the carrying amount of goodwill allocated) with their recoverable amount. If the recoverable amount of the relevant asset group or combination of asset groups is lower than its carrying amount, the impairment loss on goodwill is recognised.

25. Long-term deferred expenses

Long-term deferred expenses represent various expenses that have been incurred by the Company but are to be borne by the current period and subsequent periods, with an amortisation period of more than 1 year. Long-term deferred expenses are amortised on a straight-line basis within the benefit period.

26. Contract liabilities

The Company recognises as a contract liability the portion of the obligation to transfer goods to customers for which consideration has been received or is receivable from the customer.

27. Employee benefits

(1) Accounting treatment method of short-term benefits

Employee benefits represent various forms of remuneration or compensation given by the Company in order to obtain services provided by employees or to terminate employment relationships. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

Short-term benefits are employee benefits that the Company is required to pay in full within twelve months after the end of the annual reporting period in which the employees render the related services, other than post-employment benefits and termination benefits. In the accounting period in which the employees render services, the Company recognises the short-term benefits payable as a liability and includes them in the cost of the relevant assets and expenses according to the beneficiaries of the services provided by the employees.

(2) Accounting treatment method of post-employment benefits

Post-employment benefits are various forms of remuneration and benefits provided by the Company in order to obtain services provided by employees after the employees retire or the employment relationship with the Company is terminated, other than short-term benefits and termination benefits.

The Company's post-employment benefit plans are classified as defined contribution plans and defined benefit plans.

The defined contribution plans for post-employment benefits mainly comprise participation in basic social pension insurance, unemployment insurance, etc. organised and administered by local labour and social security institutions; in the accounting period in which employees provide services to the Company, the amount to be contributed calculated under the defined contribution plans is recognised as a liability and included in profit or loss for the current period or the cost of the relevant assets.

After the Company pays the above amounts periodically in accordance with the standards stipulated by the State and the annuity plan, it has no other payment obligations.

The defined benefit plans for post-employment benefits mainly comprise non-pooled benefits with specified standards paid to retired employees, living allowances paid to the dependants of deceased employees, etc. For the obligations assumed under the defined benefit plans, at the balance sheet date an independent actuary uses the projected unit credit method to carry out actuarial calculations, attributing the benefit obligations arising from the defined benefit plans to the periods in which the employees render services, and charging them to profit or loss for the current period or the cost of the relevant assets, including: unless other accounting standards require or permit employee benefit costs to be included in asset costs, the service cost of the defined benefit plans and the net interest on the net defined benefit liability or net asset are recognised in profit or loss for the current period in the period in which they arise; changes arising from the remeasurement of the net defined benefit liability or net asset are recognised in other comprehensive income in the period in which they arise and are not permitted to be reclassified to profit or loss in subsequent accounting periods.

(3) Accounting treatment method of termination benefits

Termination benefits represent compensation given by the Company for terminating the employment relationship with employees before the expiry of their labour contracts, or for encouraging employees to voluntarily accept redundancy. The Company recognises a liability arising from the compensation given for terminating the employment relationship with employees, and charges it to profit or loss for the current period, on the earlier of the date when the Company can no longer unilaterally withdraw the plan to terminate the employment relationship or the redundancy proposal, and the date when the Company recognises the costs and expenses related to a restructuring that involves the payment of termination benefits.

(4) Accounting treatment method of other long-term employee benefits

Other long-term employee benefits represent all employee benefits other than short-term benefits, post-employment benefits and termination benefits.

For other long-term employee benefits that qualify as defined contribution plans, during the accounting period in which employees provide services to the Company, the amount to be contributed is recognised as a liability and included in profit or loss for the current period or the cost of the relevant assets; other long-term employee benefits other than the above are actuarially calculated at the balance sheet date by an independent actuary using the projected unit credit method, and the benefit obligations arising from the defined benefit plans are attributed to the periods in which the employees render services and charged to profit or loss for the current period or the cost of the relevant assets.

28. Provisions

(1) Recognition criteria for provisions

The Company recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

The obligation is a present obligation of the Company;

It is probable that an outflow of economic benefits from the Company will be required to settle the obligation;

The amount of the obligation can be measured reliably.

(2) Measurement method for provisions

Provisions are 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 when the Company reaches the best estimate. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows.

The best estimate is determined according to the following circumstances:

Where the expenditure required has a continuous range (or interval) and each outcome in that range is equally likely to occur, the best estimate is determined based on the mid-point of that range, i.e. the average of the upper and lower limit amounts.

Where there is no continuous range (or interval) for the expenditure required, or there is a continuous range but the outcomes within that range are not equally likely to occur, if the contingency involves a single item, the best estimate is determined based on the most likely amount; if the contingency involves multiple items, the best estimate is determined by calculation based on the various possible outcomes and their related probabilities.

Where all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset when it is virtually certain that reimbursement will be received. The amount recognised for the reimbursement does not exceed the carrying amount of the provision.

29. Share-based payment

(1) Types of share-based payments

The Company's share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments.

(2) Determination method for the fair value of equity instruments

For equity instruments such as options granted for which an active market exists, the fair value is determined on the basis of quoted prices in an active market. For equity instruments such as options granted for which no active market exists, the fair value is determined using an option pricing model or other methods. The option pricing model selected takes into account the following factors: 1) the exercise price of the option; 2) the term of the option; 3) the current price of the underlying shares; 4) the expected volatility of the share price; 5) the expected dividend on the shares; 6) the risk-free interest rate within the term of the option.

In determining the fair value of the equity instruments at the grant date, the effects of the market conditions among the vesting conditions and of the non-vesting conditions specified in the share-based payment agreement are taken into account. Where a share-based payment has non-vesting conditions, the cost or expense corresponding to the services received is recognised as long as the employees or other parties satisfy the non-market conditions among all the vesting conditions (such as the service period, etc.).

(3) Basis for determining the best estimate of equity instruments expected to vest

At each balance sheet date during the vesting period, the best estimate is made on the basis of the latest follow-up information obtained, such as changes in the number of employees expected to vest, and the number of equity instruments expected to vest is revised. On the vesting date, the final estimated number of equity instruments expected to vest is consistent with the actual number vested.

(4) Accounting treatment

1) Accounting treatment of equity-settled and cash-settled share-based payments

An equity-settled share-based payment is measured at the fair value of the equity instruments granted to the employees. Where the equity instruments vest immediately upon grant, the fair value of the equity instruments on the grant date is recognised in the relevant costs or expenses, with a corresponding increase in capital reserves. Where the equity instruments vest only after the completion of the services during the vesting period or upon the achievement of the specified performance conditions, at each balance sheet date during the vesting period, on the basis of the best estimate of the number of equity instruments expected to vest and at the grant-date fair value of the equity instruments, the services received in the current period are recognised in the relevant costs or expenses and capital reserves. After the vesting date, no adjustment is made to the relevant costs or expenses and the total shareholders' equity already recognised.

A cash-settled share-based payment is measured at the fair value of the liability assumed by the Company that is determined on the basis of shares or other equity instruments. Where it vests immediately upon grant, the fair value of the liability assumed by the Company on the grant date is recognised in the relevant costs or expenses, with a corresponding increase in liabilities. For a cash-settled share-based payment that vests only after the completion of the services during the vesting period or upon the achievement of the specified performance conditions, at each balance sheet date during the vesting period, on the basis of the best estimate of the vesting situation, the services received in the current period are recognised in costs or expenses and the corresponding liability at the amount of the fair value of the liability assumed by the Company. At each balance sheet date before the settlement of the relevant liability and at the settlement date, the fair value of the liability is re-measured, and the changes therein are recognised in profit or loss for the current period.

2) Accounting treatment of modifications to the terms and conditions of share-based payments

For unfavourable modifications, the Company treats the modification as if it had never occurred and continues to account for the services received.

For favourable modifications, the Company applies the following provisions: if the modification increases the fair value of the equity instruments granted, the Company shall recognise a corresponding increase in the services received in accordance with the increase in the fair value of the equity instruments. If the modification occurs during the vesting period, the fair value of the services received between the modification date and the modified vesting date shall include both the amount of services determined on the basis of the grant-date fair value of the original equity instruments over the remaining original vesting period and the increase in the fair value of the equity instruments. If the modification occurs after the vesting date, the increase in the fair value of the equity instruments shall be recognised immediately. If the share-based payment agreement requires the employees to complete a longer period of service before they can obtain the modified equity instruments, the Company shall recognise the increase in the fair value of the equity instruments over the entire vesting period.

If the modification increases the number of equity instruments granted, the Company shall recognise the fair value of the additional equity instruments as a corresponding increase in the services received. If the modification occurs during the vesting period, the fair value of the services received between the modification date and the vesting date of the additional equity instruments shall include both the amount of services determined on the basis of the grant-date fair value of the original equity instruments over the remaining original vesting period and the increase in the fair value of the equity instruments.

If the Company modifies the vesting conditions in a manner that is beneficial to the employees, such as shortening the vesting period or changing or cancelling performance conditions (rather than market conditions), the Company shall take the modified vesting conditions into account when accounting for the vesting conditions.

3) Accounting treatment of the cancellation of share-based payments

If the equity instruments granted are cancelled during the vesting period, the Company treats the cancellation of the equity instruments granted as an acceleration of vesting, and the amount that should be recognised over the remaining vesting period is immediately recognised in profit or loss for the current period, with capital reserves recognised at the same time. Where the employees or other parties are able to choose to satisfy the non-vesting conditions but such conditions are not satisfied during the vesting period, the Company treats this as a cancellation of the equity instruments granted.

30. Revenue

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

The Company's revenue is mainly derived from the following business types: Electronic devices, Automotive and advanced air mobility, etc.

(1) General principles for revenue recognition

The Company recognises revenue when it satisfies the performance obligation in the contract, that is, when the customer obtains control of the relevant goods or services, at the amount of the transaction price allocated to that performance obligation.

A performance obligation refers to a commitment in a contract by the Company to transfer clearly distinguishable goods or services to a customer.

Obtainment of control of the relevant goods means the ability to direct the use of such goods and obtain substantially all of the economic benefits from them.

The Company assesses the contract at its inception date, identifies each individual performance obligation contained in the contract, and determines whether each individual performance obligation is performed over time or at a point in time. Where one of the following conditions is met, the performance obligation is performed over time, and the Company recognises revenue over time based on the progress of performance: 1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; 2) the customer is able to control the goods in progress during the Company's performance; 3) the goods produced in the course of the Company's performance have no alternative use, and the Company has the right to receive payment for the portion of the performance completed to date throughout the contract period. Otherwise, the Company recognises revenue at the point in time when the customer obtains control of the relevant goods or services.

For a performance obligation performed over time, the Company determines the appropriate progress of performance using the input method according to the nature of the goods and services. The input method determines the progress of performance based on the Company's inputs for performing the performance obligation. Where the progress of performance cannot be reasonably determined, and the costs already incurred by the Company are expected to be recoverable, the Company recognises revenue based on the amount of the costs already incurred, until the progress of performance can be reasonably determined.

For a performance obligation performed at a point in time, the Company recognises revenue at the point in time when the customer obtains control of the relevant goods or services. In determining whether the customer has obtained control of the goods or services, the Company considers the following indicators:

1) the Company has a present right to receive payment for such goods or services;

2) the Company has transferred the physical possession of the goods to the customer;

3) the Company has transferred the legal title to, or the significant risks and rewards of ownership of, the goods to the customer;

4) the customer has accepted such goods or services, etc.

The sale of goods by the Company is a performance obligation performed at a point in time; when the goods are delivered to the customer's premises and the customer has accepted the goods, the customer obtains control of the goods, and the Company recognises revenue at the same time.

The Company determines whether it acts as a principal or an agent when engaging in a transaction based on whether it has control over the goods or services before transferring them to customers. If the Company is able to control the goods or services before transferring them to customers, the Company is the principal and recognises revenue based on the total amount of consideration received or receivable; otherwise, the Company is the agent and recognises revenue based on the amount of the commission or fee to which it is expected to be entitled, which is determined as the net amount of the total consideration received or receivable after deducting the amounts payable to other relevant parties, or based on a predetermined commission amount or percentage, etc.

For sales with a right of return, the Company recognises revenue when the customer obtains control of the relevant goods, at the amount of consideration to which it expects to be entitled in exchange for transferring the goods to the customer (i.e., excluding the amount expected to be refunded due to sales returns), and recognises a liability for the amount expected to be refunded due to sales returns; at the same time, the Company recognises the balance of the carrying amount of the goods expected to be returned at the time of transfer after deducting the estimated costs to be incurred in recovering the goods (including impairment in the value of the returned goods) as an asset, and carries forward the cost at the net amount of the carrying amount of the goods transferred at the time of transfer after deducting the cost of the above asset.

(2) Specific methods for revenue recognition

In addition to meeting the above conditions for the recognition of revenue from sales, in respect of the different ways in which goods are delivered to and accepted by different customers, the Company's revenue from the sale of goods is recognised when the following conditions are met:

1) Domestic sales are performance obligations performed at a point in time; in accordance with the contract signed with the customer, revenue is recognised when the products are delivered to the customer for acceptance or upon confirmation with the counterparty.

2) Export sales are performance obligations performed at a point in time; revenue is recognised when the special export invoice is issued, the goods have completed the departure procedures and the export customs declaration form is obtained, or upon confirmation with the counterparty.

Situations where different revenue recognition methods and measurement methods are involved due to different operating models for similar businesses.

31. Contract costs

(1) Contract performance costs

For costs incurred by the Company to perform a contract that do not fall within the scope of other CASBE besides the Revenue Standard and that simultaneously meet the following conditions, the Company recognises them as an asset as contract performance costs:

1) the cost is directly related to an existing or anticipated contract, including direct labour, direct materials, manufacturing overhead (or similar expenses), costs explicitly borne by the customer, and other costs incurred solely because of the contract;

2) the cost increases the Company's future resources for fulfilling its performance obligations;

3) the cost is expected to be recovered.

The asset is presented in inventories or other non-current assets depending on whether its amortisation period at initial recognition exceeds one normal operating cycle.

(2) Contract acquisition costs

If the incremental cost incurred by the Company to obtain a contract is expected to be recovered, it is recognised as an asset in the form of contract acquisition costs. Incremental costs refer to costs that would not be incurred if the Company did not obtain the contract, such as sales commissions. For those with an amortisation period of not more than one year, they are recognised in profit or loss for the current period when incurred.

(3) Amortisation of contract costs

The above assets related to contract costs are amortised on the same basis as the recognition of revenue from the goods or services to which the assets relate, at the point in time when the performance obligation is satisfied or according to the progress of performance of the performance obligation, and are recognised in profit or loss for the current period.

(4) Impairment of contract costs

If the carrying amount of the above assets related to contract costs is higher than the difference between the remaining consideration the Company expects to obtain from transferring the goods related to such assets and the estimated costs to be incurred for transferring such related goods, an impairment provision shall be made for the excess and recognised as an asset impairment loss.

After an impairment provision has been made, if the factors of impairment in the previous periods change such that the difference between the above two items is higher than the carrying amount of the asset, the previously recognised asset impairment provision is reversed and recognised in profit or loss for the current period, provided that the carrying amount of the asset after the reversal shall not exceed the carrying amount that the asset would have had on the date of reversal had no impairment provision been made.

32. Government grants

(1) Type

Government grants are monetary assets and non-monetary assets obtained by the Company from the government without consideration. According to the subsidised objects specified in the relevant government documents, government grants are classified into government grants related to assets and government grants related to income.

For government grants for which the government documents do not specify the subsidised objects, the Company classifies them as government grants related to assets or government grants related to income according to the actual subsidised objects. For details of the relevant bases for judgement, please refer to the notes on the deferred income/other income items in Note VII to these financial statements.

Government grants related to assets are government grants obtained by the Company for purchasing, constructing or otherwise forming long-term assets. Government grants related to income are government grants other than those related to assets.

(2) Recognition of government grants

If, at the end of the period, there is evidence that the Company can meet the relevant conditions stipulated in the financial support policies and is expected to receive the financial support funds, government grants are recognised at the amount receivable. Other than the above, government grants are recognised when actually received.

If a government grant is a monetary asset, it is measured at the amount received or receivable. If a government grant is a non-monetary asset, it is measured at fair value; if the fair value cannot be reliably obtained, it is measured at the nominal amount (RMB1). Government grants measured at the nominal amount are directly recognised in profit or loss for the current period.

(3) Accounting treatment

Based on the substance of the economic transactions, the Company determines whether a particular type of government grant should be accounted for using the gross method or the net method. Normally, the Company selects only one method for the same or similar government grant transactions and applies that method consistently to such transactions.

Government grants related to assets shall be offset against the carrying amount of the related assets or recognised as deferred income. If government grants related to assets are recognised as deferred income, they shall be recognised in profit or loss in instalments on a reasonable and systematic basis over the useful life of the assets constructed or purchased.

Government grants related to income that are used to compensate the Company for related expenses or losses in future periods are recognised as deferred income and, during the period in which the related expenses or losses are recognised, are recognised in profit or loss for the current period or offset against related costs; government grants related to income that are used to compensate the Company for related expenses or losses already incurred are directly recognised in profit or loss for the current period or offset against related costs when obtained.

Government grants related to the Company's daily activities are recognised in other income or offset against related costs and expenses; government grants not related to the Company's daily activities are recognised in non-operating income and expenses.

Government grants received in relation to interest subsidies for policy-based preferential loans are offset against the related borrowing costs; for a loan obtained from a lending bank at a policy-based preferential interest rate, the actual amount of the loan received is recognised as the carrying amount of the loan, and the related borrowing costs are calculated based on the loan principal and such policy-based preferential interest rate.

When a recognised government grant is required to be returned, if it was offset against the carrying amount of the related asset at initial recognition, the carrying amount of the asset is adjusted; if there is a balance of related deferred income, it is offset against the carrying amount of the related deferred income and the excess is recognised in profit or loss for the current period; if there is no related deferred income, it is directly recognised in profit or loss for the current period.

33. Deferred tax assets/deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the difference (temporary difference) between the tax bases of assets and liabilities and their carrying amounts. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rate for the period in which the asset is expected to be recovered or the liability is settled.

(1) Basis for recognition of deferred tax assets

The Company recognises deferred tax assets arising from deductible temporary differences to the extent that it is probable that taxable income will be obtained against which the deductible temporary differences, and the deductible losses and tax credits that can be carried forward to subsequent years, can be utilised. However, deferred tax assets arising from the initial recognition of an asset or liability in a transaction that simultaneously has the following characteristics shall not be recognised: 1) the transaction is not a business combination; 2) at the time of the transaction, the transaction affects neither accounting profit nor taxable income or deductible losses.

For deductible temporary differences related to investments in associates, the corresponding deferred tax assets are recognised when both of the following conditions are met: it is probable that the temporary differences will reverse in the foreseeable future, and it is probable that taxable income will be obtained in the future against which the deductible temporary differences can be utilised.

(2) Basis for recognising deferred tax liabilities

The Company recognises the taxable temporary differences that are payable but not paid in the current and prior periods as deferred tax liabilities, except for:

1) A temporary difference arising from the initial recognition of goodwill;

2) Temporary differences arising from a transaction or event that is not a business combination and that, at the time it occurs, affects neither accounting profit nor taxable income (or deductible losses);

3) For taxable temporary differences related to investments in subsidiaries and associates, the timing of the reversal of such temporary differences can be controlled, and it is probable that such temporary differences will not reverse in the foreseeable future.

(3) When both of the following conditions are satisfied, deferred tax assets and deferred tax liabilities are presented on a net basis after offsetting:

1) The Company has the statutory right to settle current tax assets and current tax liabilities on a net basis;

2) Deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority on the same taxpayer or on different taxpayers, provided that, in each future period in which significant deferred tax assets and deferred tax liabilities are reversed, the taxpayers involved intend to settle current tax assets and current tax liabilities on a net basis or to realise assets and settle liabilities simultaneously.

34. Leases

(1) Accounting treatment method for leases as the lessee

At the commencement date of the contract, the Company assesses whether the contract is, or contains, a lease. If a party to the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration, the contract is, or contains, a lease.

At the commencement date of the lease term, except for short-term leases and leases of low-value assets to which the simplified treatment is applied, the Company recognises a right-of-use asset and a lease liability for the lease.

1) Short-term leases and leases of low-value assets

A short-term lease is a lease that does not contain a purchase option and has a lease term of not more than 12 months. A lease of low-value assets is a lease for which the value of a single leased asset is low when the asset is new.

The Company does not recognise right-of-use assets and lease liabilities for the following short-term leases and leases of low-value assets, and the related lease payments are included in the cost of the relevant assets or profit or loss for the current period on a straight-line basis or another systematic and reasonable basis in each period during the lease term.

Item	Classes of leased assets to which the simplified treatment is applied
Short-term leases	Leases with a lease term of one year or less (including one year)
Low-value asset leases	Leases of office and machinery equipment with a lower unit value

The Company recognises right-of-use assets and lease liabilities for short-term leases and leases of low-value assets other than those described above.

2) Right-of-use assets

The Company initially measures right-of-use assets at cost, which includes:

a) the initial measurement amount of lease liabilities;

b) the lease payments made on or before the commencement date of the lease term, less, where lease incentives exist, the relevant amount of the lease incentives already received;

c) initial direct costs incurred by the Company;

d) the costs expected to be incurred by the Company for dismantling and removing the leased asset, restoring the site on which the leased asset is located, or restoring the leased asset to the condition stipulated in the lease terms (excluding costs incurred for the production of inventories).

After the commencement date of the lease term, the Company subsequently measures right-of-use assets using the cost model.

If it is reasonably certain that the ownership of the leased asset will be acquired at the expiry of the lease term, the Company depreciates the right-of-use asset over the remaining useful life of the leased asset. If it is not reasonably certain that the ownership of the leased asset will be acquired at the expiry of the lease term, the Company depreciates the right-of-use asset over the shorter of the lease term and the remaining useful life of the leased asset. For right-of-use assets for which an impairment provision has been made, depreciation in future periods is calculated by reference to the above principles based on the carrying amount after deducting the impairment provision.

The Company determines whether a right-of-use asset has been impaired in accordance with the provisions of "Accounting Standard for Business Enterprises No. 8 — Impairment of Assets", and accounts for identified impairment losses. For details, please refer to Note 24, Impairment of long-term assets.

3) Lease liabilities

The Company initially measures lease liabilities at the present value of the lease payments that are not paid at the commencement date of the lease term. In calculating the present value of the lease payments, the Company uses the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the Company uses its incremental borrowing rate as the discount rate. Lease payments include:

a) Fixed payments and in-substance fixed payments after deducting amounts relating to lease incentives;

b) Variable lease payments that depend on an index or a rate;

c) Where the Company is reasonably certain that it will exercise the option, the lease payments include the exercise price of the purchase option;

d) Where the lease term reflects that the Company will exercise the option to terminate the lease, the lease payments include the amount payable for exercising the option to terminate the lease;

e) The amounts expected to be payable under the residual value guarantee provided by the Company.

The Company calculates the interest expense on the lease liability for each period during the lease term at a constant discount rate, and recognises it in profit or loss for the current period or in the cost of the related assets.

Variable lease payments not included in the measurement of lease liabilities shall be recognised in profit or loss for the current period or in the cost of the related assets when actually incurred.

(2) Accounting treatment method of leases as the lessor

1) Classification of leases

At the commencement date of the lease term, the Company classifies leases as finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to the ownership of the leased asset, and its ownership may or may not ultimately be transferred. An operating lease is a lease other than a finance lease.

Where a lease has one or more of the following circumstances, the Company generally classifies it as a finance lease:

a) The ownership of the leased asset is transferred to the lessee at the end of the lease term.

b) The lessee has an option to purchase the leased asset, and the purchase price is sufficiently lower than the fair value of the leased asset at the date the option is expected to be exercised that, at the commencement date of the lease term, it is reasonably certain that the lessee will exercise the option.

c) Although the ownership of the asset is not transferred, the lease term covers the major part of the useful life of the leased asset.

d) At the commencement date of the lease term, the present value of the lease receipts amounts to substantially all of the fair value of the leased asset.

e) The leased asset is of a specialised nature such that only the lessee can use it without major modifications.

Where a lease has one or more of the following indications, the Company may also classify it as a finance lease:

a) If the lessee cancels the lease, the losses caused to the lessor by the cancellation are borne by the lessee.

b) Gains or losses arising from fluctuations in the fair value of the residual value of the asset accrue to the lessee.

c) The lessee has the ability to continue to lease the asset for a further period at rentals substantially lower than market levels.

2) Accounting treatment of finance leases

At the commencement date of the lease term, the Company recognises a finance lease receivable and derecognises the finance lease asset.

For the initial measurement of the finance lease receivable, the aggregate of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term, discounted at the interest rate implicit in the lease, is taken as the carrying amount of the finance lease receivable. Lease receipts include:

a) Fixed payments and in-substance fixed payments after deducting amounts relating to lease incentives;

b) Variable lease payments that depend on an index or a rate;

c) Where it is reasonably certain that the lessee will exercise the purchase option, the lease receipts include the exercise price of the purchase option;

d) Where the lease term reflects that the lessee will exercise the option to terminate the lease, the lease receipts include the amount payable by the lessee for exercising the option to terminate the lease;

e) The residual value guarantee provided to the lessor by the lessee, a party related to the lessee, or an independent third party with the financial capacity to fulfil the guarantee obligation.

The Company calculates and recognises interest income for each period during the lease term at the constant interest rate implicit in the lease; variable lease payments received that are not included in the measurement of the net investment in the lease are recognised in profit or loss for the current period when actually incurred.

3) Accounting treatment for operating leases

The Company recognises the lease receipts from operating leases as rental income on a straight-line basis or another systematic and reasonable basis over each period of the lease term; initial direct costs incurred in connection with operating leases are capitalised and apportioned over the lease term on the same basis as the recognition of rental income, and are charged to profit or loss for the period in instalments; variable lease payments obtained in connection with operating leases that are not included in the lease receipts are recognised in profit or loss for the current period when actually incurred.

(3) Sale and leaseback transactions

The Company assesses and determines whether the transfer of assets in a sale and leaseback transaction qualifies as a sale in accordance with the principles set out in the accounting policy "30. Revenue".

(1) As a lessee

Where the transfer of assets in a sale and leaseback transaction does not qualify as a sale, the Company continues to recognise the transferred asset and simultaneously recognises a financial liability in an amount equal to the transfer proceeds, and accounts for the financial liability in accordance with the accounting policy "11. Financial instruments". Where the transfer of assets qualifies as a sale, the Company measures the right-of-use asset arising from the sale and leaseback at the portion of the previous carrying amount of the asset that relates to the right of use obtained through the leaseback, and recognises the relevant gain or loss only to the extent of the rights transferred to the lessor.

(2) As a lessor

Where the transfer of assets in a sale and leaseback transaction does not qualify as a sale, the Company does not recognise the transferred asset but recognises a financial asset in an amount equal to the transfer proceeds, and accounts for the financial asset in accordance with the accounting policy "11. Financial instruments". Where the transfer of assets qualifies as a sale, the Company accounts for the purchase of the asset and for the leasing of the asset in accordance with other applicable CASBE.

35. Other significant accounting policies and accounting estimates

(1) Discontinued operations

The Company recognises a separately identifiable component that meets any one of the following conditions and that has been disposed of or classified as held for sale as a component of discontinued operations:

1) The component represents a separate major business or a separate major operating area;

2) The component is part of a related plan to dispose of a separate major business or a separate major operating area;

3) The component is a subsidiary acquired solely for resale.

Operating gains or losses, such as impairment losses and reversal amounts of discontinued operations, and gains or losses on disposal, are presented as profit or loss from discontinued operations in the income statement.

In the balance sheet, the Company presents non-current assets held for sale or the assets in a disposal group held for sale separately from other assets, and presents the liabilities in a disposal group held for sale separately from other liabilities. Non-current assets held for sale or the assets in a disposal group held for sale and the liabilities in a disposal group held for sale are not offset against each other and are presented as current assets and current liabilities, respectively. In the income statement, the Company presents profit or loss from continuing operations and profit or loss from discontinued operations separately. For a discontinued operation presented in the current period, the Company re-presents, in the financial statements for the current period, the information originally presented as profit or loss from continuing operations as profit or loss from discontinued operations for the comparable accounting period. Where a discontinued operation no longer meets the conditions for classification as held for sale, the Company re-presents, in the financial statements for the current period, the information originally presented as profit or loss from discontinued operations as profit or loss from continuing operations for the comparable accounting period.

(2) Repurchase of shares of the Company

Where the Company repurchases its own shares for reasons such as reducing registered capital or awarding employees, the amount actually paid is accounted for as treasury shares, and a memorandum record is made simultaneously. If the repurchased shares are cancelled, the difference between the total par value calculated on the basis of the par value of the cancelled shares and the number of shares cancelled and the amount actually paid for the repurchase is deducted against capital reserve; where the capital reserve is insufficient for such deduction, the difference is deducted against retained profits; if the repurchased shares are awarded to employees of the Company and constitute an equity-settled share-based payment, when the employees exercise the right to purchase shares of the Company and the consideration is received, the cost of the treasury shares delivered to the employees and the cumulative amount of capital reserve (other capital reserve) during the vesting period are written off, and, at the same time, the difference is adjusted against capital reserve (share premium).

(3) Dividend distribution

Dividends or profits proposed to be distributed under the profit distribution plan approved after the balance sheet date are not recognised as a liability at the balance sheet date, and are disclosed separately in the notes.

(4) Related parties

Where one party controls, jointly controls or exercises significant influence over another party, or where two or more parties are subject to the control or joint control of the same party, they constitute related parties. A related party may be an individual or an enterprise. Enterprises that are under the common control of the State only and have no other related party relationship are not related parties.

In addition, the Group also determines the related parties of the Group or the Company in accordance with the "Administrative Procedures on the Information Disclosures of Listed Companies" issued by the CSRC.

(5) Segment reporting

Based on the functional characteristics of the products and the sub-industries to which they belong, the Company defines its reportable segments into three major categories, namely the "electronic devices" segment, the "automotive and advanced air mobility" segment and the "others" segment, and the Company classifies and aggregates all operating revenue into these three major categories.

36. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

☑ Applicable ☐ Not applicable

Content of and reasons for the change in accounting policy	Name of the significantly affected item in the financial statements	Amount of impact
On December 5, 2025, the MOF issued the Notice on the Issuance of Interpretation No. 19 of the CASBE (財會 [2025] No. 32), which further regulates and clarifies, among other matters, the accounting treatment of indemnification assets in a business combination not involving enterprises under common control, the accounting treatment of the relevant capital reserve upon disposal of a subsidiary previously acquired through a business combination involving enterprises under common control, the derecognition of financial liabilities settled through electronic payment systems, the assessment of, and related disclosures regarding, the contractual cash flow characteristics of financial assets, and disclosures in respect of equity instruments designated as at fair value through other comprehensive income. This interpretation took effect from January 1, 2026.	This change in accounting policy has no impact on the Company's financial statements	—
On June 4, 2026, the MOF issued the Notice on the Issuance of Interpretation No. 20 of the CASBE (財會 [2026] No. 7), which further regulates and clarifies, among other matters, the assessment of the contractual cash flow characteristics of financial assets and the accounting treatment of, and related disclosures regarding, a lack of exchangeability of a currency. This interpretation took effect from the date of its promulgation, and transactions within its scope arising between January 1, 2026 and its effective date have been adjusted in accordance with it.		

(2) Changes in significant accounting estimates

☐ Applicable ☑ Not applicable

(3) Adjustments to relevant items in the financial statements at the beginning of the year due to initial adoption of the new accounting standards since 2026

☐ Applicable ☑ Not applicable

37. Others

None

VI. TAXATION

1. Major taxes and tax rates

Type of tax	Tax basis	Tax rate
Value-added tax	Output tax calculated based on sales revenue from the sales of goods or provision of taxable services	24%、20%、13%、10%、9%、7%、6%、5%、3%
Urban maintenance and construction tax	Actual amount of turnover tax paid	5%、7%
Corporate income tax	Taxable income	0%、14%、15%、16.5%、17%、17.16%、20%、21%、23.2%、24%、25%、25.17%
Education surcharge	Actual amount of turnover tax paid	3%
Local education surcharge	Actual amount of turnover tax paid	2%
Property tax	1. Assessed on ad valorem basis; 2. Assessed on rental income basis	1.2%、12%

Disclosure notes on the tax situation of taxpayers subject to different corporate income tax rates

Name of the tax entity	Income tax rate
Lingyi Technology (Shenzhen) Co., Ltd.	25%
Triumph Lead Electronic Technology (Shenzhen) Co., Ltd.	25%
Shenzhen Linglue Machine Co., Ltd. (Note 1)	15%
Shengxiang Precision Metal (Dongguan) Co., Ltd. (Note 2)	15%
Dongguan Lingyi Precision Manufacturing Technology Co., Ltd.	25%
DONGGUAN LINGJIE PRECISION MACHINING TECHNOLOGY CO., LTD. (Note 3)	15%
Chengdu Lingyi Technology Co., Ltd. (Note 4)	15%
LY INVESTMENT (HK) LIMITED	16.5%
Dongguan Xinyan Precision Cutter Co., Ltd. (Note 5)	20%
TLG INVESTMENT (HK) LIMITED	16.5%
TRIUMPH LEAD GROUP USA, INC.	21%
TRIUMPH LEAD GROUP LIMITED (registered in the BVI)	0%
HONG KONG CRYSTALYTE LIMITED	16.5%
CRYSTALYTE CO., LTD.	25%
LS City Technology (Jiangsu) Co., Ltd. (Note 6)	15%
Zhengzhou Led Technology Co., Ltd. (Note 7)	15%
LY TECHNOLOGY (SUZHOU) CO., LTD. (Note 8)	15%
Zhengzhou Lingye Technology Co., Ltd.	25%
Chengdu Lingtai Technology Co., Ltd.	25%
Shenzhen Lingyi Technology Supply Chain Management Co., Ltd.	25%
Lingyi iTech (Guangdong) Company	25%
A-CORE Jiangmen Electronics Co., Ltd. (Note 9)	15%

Name of the tax entity	Income tax rate
JPMF Jiangyi Co., Ltd.	25%
JPMF NFC Co., Ltd. (Note 5)	20%
Jiangfen Magnetic Material (Wuhan) Technology Research and Development Co., Ltd. (Note 5)	20%
JPMF Jiangmen Jinci Co., Ltd. (Note 5)	20%
JPMF Heshan New Material Co., Ltd. (Note 5)	20%
Jiangmen Zhengxi Machinery Equipment Co., Ltd. (Note 5)	20%
Shenzhen Qianhai Fangyuan Commercial Factoring Co., Ltd.	25%
Jiangmen Chuangfu Investment Management Co., Ltd. (Note 5)	20%
JPMF INTERNATIONAL HOLDING LIMITED	16.5%
Lingchao (Guangzhou) Private Equity Investment Fund Management Co., Ltd. (Note 5)	20%
Shenzhen Dongfang Liangcai Precision Technology Co., Ltd.	25%
LINGYI iTECH (DONGGUAN) CO., LTD.	25%
Dongguan Obi-di Precision Hardware Co., Ltd.	25%
Leading Technology (Dongtai) Co., Ltd.	25%
Lingyi Trading (Suzhou) Co., Ltd.	25%
Salcomp Plc (Note 11)	20%
Salcomp Manufacturing Oy (Note 11)	20%
Salcomp Industrial Eletronica da Amazonia Ltda (hereinafter referred to as “Salcomp Brazil”) (Note 12)	14%
Salcomp (Shenzhen) Co., Ltd. (Note 13)	15%
Salcomp (Guigang) Co., Ltd. (Note 14)	15%
Salcomp Manufacturing India Private Ltd (hereinafter referred to as “Salcomp India”) (Note 15)	25.17%
Salcomp Taiwan Co., Ltd	20%
Isallom India Private Limited	25.17%
Mianyang Weiqi Electronic Technology Co., Ltd. (Note 16)	15%
Shenzhen Lingtao Technology Co., Ltd. (Note 17)	15%
Shenzhen Lingpeng Intelligent Technology Co., Ltd. (Note 18)	15%
Triumph Lead (Singapore) Pte. Ltd (Note 19)	15%
Salcomp Holdings PTE. LTD.	17%
SALCOMP TURKEY TEKNOLOJİ SANAYİ VE TİCARET ANONİM ŞİRKETİ (Note 20)	24%
LingYi iTech Investment (HK) Limited	16.5%
Dongguan Lingbo Industrial Co., Ltd.	25%
Suzhou Lingding New Energy Technology Co., Ltd.	25%
Guilin Lingyi Manufacturing Co., Ltd. (Note 21)	15%
Huangshan Lingyi Communication Technology Co., Ltd. (Note 5)	20%
Lingyi Industry (Zhuhai) Co., Ltd.	25%
SUZHOU LL INTELLIGENT TECHNOLOGY CO., LTD.	25%
Zhejiang Jintai Electronic Co., Ltd.	25%
Dongguan Shengtao Technology Co., Ltd.	25%
Suzhou Linghui New Energy Technology Co., Ltd.	25%
Fujian Lingfu New Energy Technology Co., Ltd.	25%
Yitao Technology (Dongguan) Co., Ltd. (Note 5)	20%
Dongtai Lingyu Intelligent Technology Co., Ltd.	25%

Name of the tax entity	Income tax rate
Yangzhou Linghuang Technology Co., Ltd.	25%
Salcomp Technologies India Private Limited	17.16%
Yangzhou Lingsheng New Energy Co., Ltd.	25%
Changzhou Lingsheng New Energy Technology Co., Ltd.	25%
Chengdu Lingtao New Energy Technology Co., Ltd.	25%
Guilin Salcomp Electronic Technology Co., Ltd. (Note 22)	15%
Dongguan Lingrui Technology Co., Ltd.	25%
Salcomp Energy USA Inc.	21%
Salcomp Manufacturing USA Corp.	21%
Valor Log Armazem Geral Ltda (Note 23)	24%
LINGYI VIET NAM COMPANY LIMITED (Note 24)	0%
Zhuhai Lingyi Communication Technology Co., Ltd.	25%
Yangzhou Lingtao Technology Co., Ltd. (Note 5)	20%
Yangzhou Linghui New Energy Co., Ltd.	25%
Triumph Lead (Finland) Pte. Ltd Oy (Note 11)	20%
Wenzhou Xinke Technology Co., Ltd. (Note 5)	20%
Dongtai Lingtao Electronics Co., Ltd. (Note 5)	20%
Shenzhen Huazhiyi Automation Technology Co., Ltd.	25%
Ryoukou seimitsu seizou Co., Ltd. (Note 25)	23.2%
LINGHUI SG NEW ENERGY PTE. LTD.	17%
LINGYI THAI NGUYEN VIET NAM COMPANY LIMITED (Note 26)	0%
Jiangsu Lingyicheng Electronic Technology Development Co., Ltd. (Note 5)	20%
Shenzhen Lingyi Liangcai Trading Co., Ltd.	25%
Suzhou Lingye Intelligent Technology Co., Ltd. (Note 5)	20%
Salcomp Electronics (Suzhou) Co., Ltd.	25%
Shenzhen Lingyi Robot Technology Co., Ltd.	25%
Dongguan Lingzhi Innovative Robotics Technology Co., Ltd. (Note 5)	20%
Shenzhen Lingfu Robot Technology Co., Ltd. (Note 5)	20%
Dongguan Jieying Precision Silicone Technology Co., Ltd.	25%
ANSHUN (ASIA) INVESTMENT LIMITED	16.5%
THE CARE LABS COMPANY LIMITED	16.5%
Jiangsu Kooda Stone Automotive Technology Co., Ltd. (Note 27)	15%
Changzhou Keda automobile parts Co., Ltd.	25%
Anhui Koen Automotive Parts Co., Ltd	25%
Anqing Keda Auto Parts Co., Ltd.	25%
Hefei Stone Auto Parts Co., Ltd. (Note 5)	20%
KOODA • STN（Zhengzhou）Auto parts Co., Ltd.	25%
Xiangtan Keda automotive trim Systems Co., Ltd. (Note 5)	20%
Ningde Keda Stone Automotive Interior Trim Systems Co., Ltd.	20%
Jinan Koen Automotive Components Co., Ltd. (Note 5)	20%
Shenyang Kooda Stone Automotive Components Co., Ltd. (Note 5)	20%
Ningbo Stone Automotive Trim Co., Ltd. (Note 5)	20%
Zhejiang Xianglong Machinery Co., Ltd. (Note 28)	15%
Ningbo Xianglong Automotive Parts Co., Ltd.	25%

Name of the tax entity	Income tax rate
Ningbo Longjun Import & Export Co., Ltd.	25%
Xianglong Manufacturing (Thailand) Co., Ltd. (Note 29)	0%、20%
Beijing Lingyi Robot Co., Ltd. (Note 5)	20%
Suzhou Lingchao Robot Intelligent Manufacturing Co., Ltd.	25%
Chengdu Lingzhi Innovation Robotics Technology Co., Ltd.	25%
Dongguan Readore Technology Co., Ltd. (Note 10)	15%
Shanghai Readore Technology Co., Ltd. (Note 5)	20%
READORE TECHNOLOGY (HK) LIMITED	16.5%
Zhengzhou Lingzhi Innovation Robotics Technology Co., Ltd.	25%
Triumph Lead Group (Thailand) Co., Ltd.	20%
KOODA STONE (SINGAPORE) PTE. LTD.	17%
READORE ITECH (SINGAPORE) PTE. LTD.	17%
Kooda Stone Co., Ltd.	20%
Ningbo Longsheng Meichuang Technology Co., Ltd. (Note 5)	20%
SALCOMP TECHNOLOGY VIETNAM COMPANY LIMITED	20%
Readore Logistics Philippines Inc. (Note 30)	0%

2. Tax incentives

Note 1: On November 7, 2023, the Science, Technology and Innovation Commission of Shenzhen Municipality, the Shenzhen Municipal Finance Bureau and the Shenzhen Tax Service, State Taxation Administration recognised Shenzhen Linglue Machine Co., Ltd. as a high-tech enterprise, with the certificate number GR202344202307 valid for three years. For January to June 2026, corporate income tax is tentatively paid at a rate of 15%.

Note 2: On December 19, 2025, the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance and the Guangdong Provincial Tax Service, State Taxation Administration recognised Shengxiang Precision Metal (Dongguan) Co., Ltd. as a high-tech enterprise, with the certificate number GR202544000356 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 3: On December 11, 2024, the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance and the Guangdong Provincial Tax Service, State Taxation Administration recognised DONGGUAN LINGJIE PRECISION MACHINING TECHNOLOGY CO., LTD. as a high-tech enterprise, with the certificate number GR202444001533 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 4: In accordance with the spirit of the documents of the Announcement of the State Taxation Administration on Issues Concerning Corporate Income Tax in Relation to the In-depth Implementation of the Western Development Strategy (State Taxation Administration Announcement No. 12 of 2012) and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on the Continuation of the Corporate Income Tax Policy for the Western Development (Ministry of Finance Announcement No. 23 of 2020), Chengdu Lingyi Technology Co., Ltd. is subject to income tax at 15% and applied a tax rate of 15% to pay corporate income tax for January to June 2026.

Note 5: Pursuant to the Corporate Income Tax Law of the People's Republic of China and its implementation regulations and the Announcement of the Ministry of Finance and the State Taxation Administration on Policies Concerning Taxes and Fees for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (Ministry of Finance and State Taxation Administration Announcement No. 12 of 2023): the taxable income of small low-profit enterprises is calculated at a reduced rate of 25%, and corporate income tax is paid at a rate of 20%; the policy is effective until December 31, 2027. The Company met the conditions for small low-profit enterprises for January to June 2026 and applies the preferential corporate income tax rate of 20%.

Note 6: On November 11, 2024, the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the Jiangsu Provincial Tax Service, State Taxation Administration recognised LS City Technology (Jiangsu) Co., Ltd. as a high-tech enterprise, with the certificate number GR202432000307 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 7: On December 13, 2023, the Henan Provincial Department of Science and Technology, the Henan Provincial Department of Finance and the Henan Provincial Tax Service, State Taxation Administration recognised Zhengzhou Led Technology Co., Ltd. as a high-tech enterprise, with the certificate number GR202341000867 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 8: On December 19, 2025, the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the Jiangsu Provincial Tax Service, State Taxation Administration recognised LY TECHNOLOGY (SUZHOU) CO., LTD. as a high-tech enterprise, with the certificate number GR202532006519 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 9: On December 27, 2023, the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance and the Guangdong Provincial Tax Service, State Taxation Administration recognised A-CORE Jiangmen Electronics Co., Ltd. as a high-tech enterprise, with the certificate number GR202344000820 valid for three years. For January to June 2026, corporate income tax is tentatively paid at a rate of 15%.

Note 10: On December 28, 2023, the Guangdong Provincial Department of Science and Technology, the Guangdong Provincial Department of Finance and the Guangdong Provincial Tax Service, State Taxation Administration recognised Dongguan Readore Technology Co., Ltd. as a high-tech enterprise, with the certificate number GR202344003176 valid for three years. For January to June 2026, corporate income tax is tentatively paid at a rate of 15%.

Note 11: This subsidiary is located in Finland and its effective tax rate for the current period is 20%.

Note 12: The effective tax rate of Salcomp Brazil for the current period is 14%.

Note 13: On November 7, 2023, the Science, Technology and Innovation Commission of Shenzhen Municipality, the Shenzhen Municipal Finance Bureau and the Shenzhen Tax Service, State Taxation Administration recognised Salcomp (Shenzhen) Co., Ltd. as a high-tech enterprise, with the certificate number GR202344202644 valid for three years. For January to June 2026, corporate income tax is tentatively paid at a rate of 15%.

Note 14: In accordance with the spirit of the documents of the Announcement of the State Taxation Administration on Issues Concerning Corporate Income Tax in Relation to the In-depth Implementation of the Western Development Strategy (State Taxation Administration Announcement No. 12 of 2012) and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on the Continuation of the Corporate Income Tax Policy for the Western Development (Ministry of Finance Announcement No. 23 of 2020), Salcomp (Guigang) Co., Ltd. is subject to income tax at 15% and applied a tax rate of 15% to pay corporate income tax for January to June 2026.

Note 15: The effective tax rate of Salcomp India for the current period is 25.17%.

Note 16: On October 16, 2023, the Sichuan Provincial Department of Science and Technology, the Sichuan Provincial Department of Finance and the Sichuan Provincial Tax Service, State Taxation Administration recognised Mianyang Weiqi Electronic Technology Co., Ltd. as a high-tech enterprise, with the certificate number GR202351001623 valid for three years. For January to June 2026, corporate income tax is tentatively paid at a rate of 15%.

Note 17: On December 25, 2025, the Shenzhen Municipal Bureau of Industry and Information Technology, the Shenzhen Municipal Finance Bureau and the Shenzhen Tax Service, State Taxation Administration recognised Shenzhen Lingtao Technology Co., Ltd. as a high-tech enterprise, with the certificate number GR202544203409 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 18: On December 25, 2025, the Shenzhen Municipal Bureau of Industry and Information Technology, the Shenzhen Municipal Finance Bureau and the Shenzhen Tax Service, State Taxation Administration recognised Shenzhen Lingpeng Intelligent Technology Co., Ltd. as a high-tech enterprise, with the certificate number GR202544207080 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 19: The effective tax rate under Pillar Two is 15%.

Note 20: The effective tax rate for the current period is 24%.

Note 21: In accordance with the spirit of the documents of the Announcement of the State Taxation Administration on Issues Concerning Corporate Income Tax in Relation to the In-depth Implementation of the Western Development Strategy (State Taxation Administration Announcement No. 12 of 2012) and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on the Continuation of the Corporate Income Tax Policy for the Western Development (Ministry of Finance Announcement No. 23 of 2020), Guilin Lingyi Manufacturing Co., Ltd. is subject to income tax at 15% and applied a tax rate of 15% to pay corporate income tax for January to June 2026.

Note 22: In accordance with the spirit of the documents of the Announcement of the State Taxation Administration on Issues Concerning Corporate Income Tax in Relation to the In-depth Implementation of the Western Development Strategy (State Taxation Administration Announcement No. 12 of 2012) and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on the Continuation of the Corporate Income Tax Policy for the Western Development (Ministry of Finance Announcement No. 23 of 2020), Guilin Salcomp Electronic Technology Co., Ltd. is subject to income tax at 15% and applied a tax rate of 15% to pay corporate income tax for January to June 2026.

Note 23: The effective tax rate of the Company for the current period is 24%.

Note 24: Entitled to the local preferential policy of two-year exemption and four-year half reduction, and applied a tax rate of 0% to pay corporate income tax for the current period.

Note 25: The effective tax rate of Ryoukou seimitsu seizou Co., Ltd. for the current period is 23.2%.

Note 26: Entitled to the local preferential policy of two-year exemption and four-year half reduction, and applied a tax rate of 0% to pay corporate income tax for the current period.

Note 27: On November 6, 2024, the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance and the Jiangsu Provincial Tax Service, State Taxation Administration recognised Jiangsu Kooda Stone Automotive Technology Co., Ltd. as a high-tech enterprise, with the certificate number GR202432001204 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 28: On December 6, 2024, the Ningbo Municipal Science and Technology Bureau, the Ningbo Municipal Finance Bureau and the Ningbo Municipal Tax Service, State Taxation Administration recognised Zhejiang Xianglong Machinery Co., Ltd. as a high-tech enterprise, with the certificate number GR202433100212 valid for three years. For January to June 2026, corporate income tax is paid at a rate of 15%.

Note 29: In accordance with the Investment Promotion Act promulgated by the Board of Investment of Thailand and its subsequent amendments, qualifying foreign-invested BOI enterprises in Thailand may enjoy an exemption from corporate income tax for a maximum of six years on the portion of their operating profit corresponding to BOI product categories; Xianglong Machinery (Thailand) Co., Ltd., a subsidiary of the Company, obtained the BOI certificate issued by the Board of Investment of Thailand on May 22, 2020 and qualifies for the above preferential policy, and paid corporate income tax at the rates of 0% and 20% for January to June 2026.

Note 30: As a PEZA-registered export enterprise, the Company enjoys local preferential policies and applied a tax rate of 0% to pay corporate income tax for the current period.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND BANK BALANCES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Cash on hand	**296,831.03**	41.26
Bank deposit	**10,689,966,300.70**	5,446,689,037.44
Other cash	**752,787,924.90**	736,438,499.76
Total	**11,443,051,056.63**	6,183,127,578.46
Including: Total amount of funds deposited abroad	**8,052,798,316.83**	2,274,500,022.54

Other explanations

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Security deposits for bank acceptance bills	**596,952,425.66**	558,939,006.98
Frozen bank funds	**94,854,155.56**	107,019,306.57
Time deposits pledged/used as security deposits for bills	**39,000,000.00**	20,010,246.58
Security deposits for letters of guarantee	**12,774,387.26**	20,881,452.13
Transfer cheques	**—**	20,000,000.00
Other	**9,206,956.42**	8,766,653.34
Total	**752,787,924.90**	735,616,665.60

2. FINANCIAL ASSETS HELD FOR TRADING

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Financial assets at fair value through profit or loss	**2,133,167,241.51**	1,529,402,409.97
Including:		
Bank wealth management	**2,095,313,560.29**	1,495,521,489.82
Derivative financial assets	**22,172,347.88**	835,532.56
Equity instrument investments	**15,681,333.34**	19,929,422.22
Performance compensation receivable	**—**	13,115,965.37
Total	**2,133,167,241.51**	1,529,402,409.97

Other explanations:

The performance compensation receivable represents the performance compensation from the prior shareholders under the "Equity Acquisition Agreement in respect of the Acquisition of 80% Equity Interest in Each of Dongguan Jieying Precision Silicone Technology Co., Ltd. and Anshun (Asia) Investment Limited" for the failure to meet the performance commitments, which was received during the current period.

3. BILLS RECEIVABLES

(1) Categorised presentation of bills receivables

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Bank acceptance bills	**265,662,011.44**	204,687,009.26
Commercial acceptance bills	**143,101,629.65**	51,850,835.77
Less: Loss allowance	**(7,155,081.48)**	(2,592,541.80)
Total	**401,608,559.61**	253,945,303.23

(2) Classification and disclosure by method of recognising loss allowance

Category	As at June 30, 2026					As at December 31, 2025				
	Gross amount		Provision			Gross amount		Provision		
	Amount RMB (Unaudited)	Ratio % (Unaudited)	Amount RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)	Amount RMB (Audited)	Ratio % (Audited)	Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
Including:										
Provision is made by group	143,101,629.65	100.00%	7,155,081.48	5.00%	135,946,548.17	51,850,835.77	100.00%	2,592,541.80	5.00%	49,258,293.97
Including:										
Commercial acceptance bill	143,101,629.65	100.00%	7,155,081.48	5.00%	135,946,548.17	51,850,835.77	100.00%	2,592,541.80	5.00%	49,258,293.97
Total	143,101,629.65	100.00%	7,155,081.48	5.00%	135,946,548.17	51,850,835.77	100.00%	2,592,541.80	5.00%	49,258,293.97

Name of category for which provision is made by group:

Name	As at June 30, 2026		
	Gross amount RMB (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)
Provision is made by group			
Including: Commercial acceptance bill	143,101,629.65	7,155,081.48	5.00%
Total	143,101,629.65	7,155,081.48	

Explanation of the basis for determining this group:

None

If the loss allowance for bills receivables is recognised under the general expected credit loss model:

☐ Applicable ☑ Not applicable

(3) Loss allowance recognised, recovered or reversed during the current period

Loss allowance recognised during the current period:

Category	As at December 31, 2025 RMB (Audited)	Amount of change for the period				As at June 30, 2026 RMB (Unaudited)
		Provision RMB (Unaudited)	Recovery or reversal RMB (Unaudited)	Write-off RMB (Unaudited)	Other RMB (Unaudited)	
Commercial acceptance bills portfolio	2,592,541.80	7,155,081.48	2,592,541.80	–	–	7,155,081.48
Total	2,592,541.80	7,155,081.48	2,592,541.80	–	–	7,155,081.48

Including significant amounts recovered or reversed from the current loss allowance:

☐ Applicable ☑ Not applicable

(4) Bills receivables that have been pledged by the Company at the end of the period

Item	Amount pledged at the end of the period RMB (Unaudited)
Bank acceptance bill	89,881,254.76
Total	89,881,254.76

(5) Bills receivables that have been endorsed or discounted by the Company at the end of the period and have not yet matured on the balance sheet date

Item	Derecognised amount at the end of the period RMB (Unaudited)	Amount not derecognised at the end of the period RMB (Unaudited)
Bank acceptance bill	—	74,346,891.09
Total	—	74,346,891.09

4. TRADE RECEIVABLES

(1) Disclosure by ageing

The ageing analysis of trade receivables is based on the invoice date.

Ageing	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Within 1 year (inclusive)	**12,667,004,235.50**	14,475,705,502.89
1 to 2 years	**52,789,429.43**	19,532,859.58
2 to 3 years	**13,153,072.16**	14,590,540.27
3 to 4 years	**15,683,308.84**	12,610,430.39
4 to 5 years	**1,116,862.66**	1,155,101.06
Over 5 years	**68,405,148.09**	68,485,053.62
	12,818,152,056.68	14,592,079,487.81
Less: Loss allowance	**737,963,417.19**	822,319,537.69
Total	**12,080,188,639.49**	13,769,759,950.12

(2) Classification and disclosure by loss allowance method

June 30, 2026

Category	Gross amount RMB (Unaudited)	Gross amount ratio % (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)
On an individual basis	**96,441,379.69**	**0.75%**	**94,664,205.85**	**98.16%**	**1,777,173.84**
On a collective basis	**12,721,710,676.99**	**99.25%**	**643,299,211.34**	**5.06%**	**12,078,411,465.65**
Total	**12,818,152,056.68**	**100.00%**	**737,963,417.19**	**5.76%**	**12,080,188,639.49**

December 31, 2025

Category	Gross amount RMB (Audited)	Gross amount ratio % (Audited)	Provision RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
On an individual basis	91,657,803.69	0.63%	91,657,803.69	100.00%	–
On a collective basis	14,500,421,684.12	99.37%	730,661,734.00	5.04%	13,769,759,950.12
Total	14,592,079,487.81	100.00%	822,319,537.69	5.64%	13,769,759,950.12

Name of category for which a loss allowance is recognised individually: Trade receivables for which a loss allowance is recognised on an individual basis

Name	As at December 31, 2025 Gross amount RMB (Audited)	Provision RMB (Audited)	As at June 30, 2026 Gross amount RMB (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)	Reason for provision
On an individual basis	91,657,803.69	91,657,803.69	**96,441,379.69**	**94,664,205.85**	**98.16%**	Not expected to be recovered in full
Total	91,657,803.69	91,657,803.69	**96,441,379.69**	**94,664,205.85**		

Name of category for which a loss allowance is recognised on a collective basis: Ageing analysis group

Name	As at June 30, 2026		
	Gross amount RMB (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)
Within 1 year (inclusive)	**12,665,398,532.94**	**633,269,919.01**	**5.00%**
1–2 years (inclusive)	**43,173,528.12**	**4,317,352.81**	**10.00%**
2–3 years (inclusive)	**8,355,673.79**	**1,671,134.76**	**20.00%**
3–4 years (inclusive)	**1,160,325.56**	**580,162.78**	**50.00%**
4–5 years (inclusive)	**323,949.20**	**161,974.60**	**50.00%**
Over 5 years	**3,298,667.38**	**3,298,667.38**	**100.00%**
Total	**12,721,710,676.99**	**643,299,211.34**	

Explanation of the basis for determining this group: None

If the loss allowance for trade receivables is recognised under the general expected credit loss model: Not Applicable

(3) Loss allowance recognised, recovered or reversed in the current period

Loss allowance recognised in the current period:

Category	As at December 31, 2025 RMB (Audited)	Amount of change for the period				As at June 30, 2026 RMB (Unaudited)
		Provision RMB (Unaudited)	Recovery or reversal RMB (Unaudited)	Transfer out or write-off RMB (Unaudited)	Other RMB (Unaudited)	
On an individual basis	91,657,803.69	3,466,861.56	4,704.45	24,291.06	(431,463.89)	**94,664,205.85**
On a collective basis						
Including: Ageing analysis group	730,661,734.00	119,224,356.12	216,432,930.50	–	9,846,051.72	**643,299,211.34**
Total	822,319,537.69	122,691,217.68	216,437,634.95	24,291.06	9,414,587.83	**737,963,417.19**

Including significant amounts recovered or reversed from the loss allowance recognised in the current period: None

(4) Trade receivables actually written off during the period

Item	Amount written off RMB (Unaudited)
Trade receivables actually written off	24,291.06

Including: write-offs of significant trade receivables: None

(5) Trade receivables and contract assets of top five debtors by closing balance

Entity name	Closing balance of trade receivables RMB (Unaudited)	Closing balance of contract assets RMB (Unaudited)	Closing balance of trade receivables and contract assets RMB (Unaudited)	Proportion of the total closing balance of trade receivables and contract assets % (Unaudited)	Closing balance of loss allowance of trade receivables and contract assets RMB (Unaudited)
No. 1	1,586,814,164.14	–	1,586,814,164.14	12.38%	79,340,708.35
No. 2	1,396,588,278.94	–	1,396,588,278.94	10.89%	69,829,413.99
No. 3	848,204,641.40	–	848,204,641.40	6.62%	42,422,594.84
No. 4	710,007,385.34	–	710,007,385.34	5.54%	35,500,369.27
No. 5	539,118,809.17	–	539,118,809.17	4.21%	26,955,940.45
Total	5,080,733,278.99	–	5,080,733,278.99	39.64%	254,049,026.90

5. CONTRACT ASSETS

(1) Contract assets

Item	As at June 30, 2026 Gross amount	Provision RMB (Unaudited)	Carrying amount	As at December 31, 2025 Gross amount	Provision RMB (Audited)	Carrying amount
Retention money not overdue	**1,726,386.84**	**86,319.34**	**1,640,067.50**	84,370.00	4,218.50	80,151.50
Total	**1,726,386.84**	**86,319.34**	**1,640,067.50**	84,370.00	4,218.50	80,151.50

(2) Classification and disclosure by method of recognising loss allowance

Category	As at June 30, 2026 Gross amount Amount RMB (Unaudited)	Gross amount Ratio % (Unaudited)	Provision Amount RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)	As at December 31, 2025 Gross amount Amount RMB (Audited)	Gross amount Ratio % (Audited)	Provision Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
Including:										
Provision by group	**1,726,386.84**	**100.00%**	**86,319.34**	**5.00%**	**1,640,067.50**	84,370.00	100.00%	4,218.50	5.00%	80,151.50
Including:										
Ageing analysis group	**1,726,386.84**	**100.00%**	**86,319.34**	**5.00%**	**1,640,067.50**	84,370.00	100.00%	4,218.50	5.00%	80,151.50
Total	**1,726,386.84**	**100.00%**	**86,319.34**	**5.00%**	**1,640,067.50**	84,370.00	100.00%	4,218.50	5.00%	80,151.50

Name of category for which loss allowance is recognised by group:

Name	As at June 30, 2026		
	Gross amount RMB (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)
Ageing analysis group	1,726,386.84	86,319.34	5.00%
Total	1,726,386.84	86,319.34	

Explanation of the basis for determining this group: None

Loss allowance recognised under the general expected credit loss model

☐ Applicable ☑ Not applicable

6. RECEIVABLES FINANCING

(1) Receivables financing by category

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Bank acceptance bills	**357,259,632.66**	403,378,297.24
Total	**357,259,632.66**	403,378,297.24

(2) Receivables financing pledged by the Company at the end of the Reporting Period

Item	Amount pledged at the end of the period RMB (Unaudited)
Bank acceptance bills	11,815,003.04
Total	11,815,003.04

(3) Endorsed or discounted receivable financing not yet due on the balance sheet date at the end of the period

Item	Derecognised amount at the end of the period RMB (Unaudited)	Amount not derecognised at the end of the period RMB (Unaudited)
Bank acceptance bills	1,177,847,376.64	—
Total	1,177,847,376.64	—

7. OTHER RECEIVABLES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Dividends receivable	**896,107.02**	—
Other receivables	**299,282,851.66**	426,267,877.26
Total	**300,178,958.68**	426,267,877.26

(1) Dividends receivable

1) Classification of dividends receivable

Item (or investee)	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Martin Motor Co., Ltd.	**720,000.00**	—
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	**176,107.02**	—
Jiangmen Jianghai Huitong Microfinance Co., Ltd. (Note)	**—**	—
Total	**896,107.02**	—

Note: A full loss allowance has been recognised in prior periods.

2) Significant dividends receivable aged over 1 year

None

3) Classification and disclosure by loss allowance method

☑ Applicable ☐ Not Applicable

Category	As at June 30, 2026					As at December 31, 2025				
	Gross amount		Provision			Gross amount		Provision		
	Amount RMB (Unaudited)	Ratio % (Unaudited)	Amount RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)	Amount RMB (Audited)	Ratio % (Audited)	Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
On an individual basis	**5,000,000.00**	**100.00%**	**5,000,000.00**	**100.00%**	**–**	5,000,000.00	100.00%	5,000,000.00	100.00%	–
Including:										
Total	**5,000,000.00**	**100.00%**	**5,000,000.00**	**100.00%**	**–**	5,000,000.00	100.00%	5,000,000.00	100.00%	–

Loss allowance made on an individual basis:

Name	As at December 31, 2025		As at June 30, 2026			
	Gross amount RMB (Audited)	Provision RMB (Audited)	**Gross amount RMB (Unaudited)**	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**	**Reason for provision**
Jiangmen Jianghai Huitong Microfinance Co., Ltd.	5,000,000.00	5,000,000.00	**5,000,000.00**	**5,000,000.00**	**100.00%**	**Expected to be irrecoverable**
Total	5,000,000.00	5,000,000.00	**5,000,000.00**	**5,000,000.00**		

Changes in the gross carrying amount for which the loss allowance changed significantly during the current period: Not applicable

4) Loss allowance recognised, recovered or reversed during the current period

Name	As at December 31, 2025 RMB (Audited)	Amount of change for the period				**As at June 30, 2026 RMB (Unaudited)**
		Provision RMB (Unaudited)	Recovery or reversal RMB (Unaudited)	Transfer out or write-off RMB (Unaudited)	Other RMB (Unaudited)	
Jiangmen Jianghai Huitong Microfinance Co., Ltd.	5,000,000.00	–	–	–	–	**5,000,000.00**
Total	5,000,000.00	–	–	–	–	**5,000,000.00**

Including significant amounts of loss allowance recovered or reversed in the current period: None

(2) Other receivables

1) Classification of other receivables by nature

Nature of the amount	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Prepayments for bulk trade	**477,297,922.02**	477,297,922.02
Export tax refund	**123,937,066.81**	268,562,543.29
Deposits and guarantees	**175,887,160.69**	152,110,230.00
Refund on termination of the land use rights grant contract	**65,280,000.00**	65,280,000.00
Current account balances	**48,517,050.35**	17,875,574.19
Government grants receivable	**14,519,237.12**	14,519,237.12
Disposal of long-term equity investments	**—**	13,574,033.21
Amounts due from related parties	**—**	4,431,781.40
Government tax refunds and deposits receivable	**76,191.69**	82,495.33
Petty cash	**2,766,440.60**	1,721,269.15
Other	**638,144.05**	451,309.13
Total	**908,919,213.33**	1,015,906,394.84

2) Disclosure by ageing

Ageing	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Within 1 year (inclusive)	**226,869,017.65**	328,320,656.50
1 to 2 years	**32,857,181.50**	36,443,259.78
2 to 3 years	**86,246,941.49**	82,230,597.70
Over 3 years	**562,946,072.69**	568,911,880.86
3 to 4 years	**20,952,361.33**	20,672,416.44
4 to 5 years	**21,857,933.10**	38,269,146.47
Over 5 years	**520,135,778.26**	509,970,317.95
Total	**908,919,213.33**	1,015,906,394.84

3) *Classification and disclosure by method of recognising loss allowance*

☑ Applicable ☐ Not Applicable

Category	As at June 30, 2026					As at December 31, 2025				
	Gross amount		Provision		Carrying amount	Gross amount		Provision		
	Amount RMB (Unaudited)	Ratio % (Unaudited)	Amount RMB (Unaudited)	Provision ratio % (Unaudited)	RMB (Unaudited)	Amount RMB (Audited)	Ratio % (Audited)	Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
On an individual basis	**539,983,249.59**	**59.41%**	**539,983,249.59**	**100.00%**	**–**	511,446,949.92	50.34%	511,446,949.92	100.00%	–
Including:										
On a collective basis	**368,935,963.74**	**40.59%**	**69,653,112.08**	**18.88%**	**299,282,851.66**	504,459,444.92	49.66%	78,191,567.66	15.50%	426,267,877.26
Including:										
Group 1: Ageing analysis group	**368,935,963.74**	**40.59%**	**69,653,112.08**	**18.88%**	**299,282,851.66**	504,459,444.92	49.66%	78,191,567.66	15.50%	426,267,877.26
Total	**908,919,213.33**	**100.00%**	**609,636,361.67**	**67.07%**	**299,282,851.66**	1,015,906,394.84	100.00%	589,638,517.58	58.04%	426,267,877.26

Name of the category for which a loss allowance is recognised on an individual basis: Other receivables for which a loss allowance is recognised on an individual basis

Name	As at December 31, 2025		As at June 30, 2026			
	Gross amount RMB (Audited)	Provision RMB (Audited)	**Gross amount RMB (Unaudited)**	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**	**Reason for the provision**
Other receivables for which a loss allowance is recognised on an individual basis	511,446,949.92	511,446,949.92	**539,983,249.59**	**539,983,249.59**	**100.00%**	Not expected to be recovered in full
Total	511,446,949.92	511,446,949.92	**539,983,249.59**	**539,983,249.59**		

Name of the category for which a loss allowance is recognised by group:

Name	As at June 30, 2026		
	Gross amount RMB (Unaudited)	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**
Within 1 year (inclusive)	197,933,946.39	9,895,381.89	5.00%
1–2 years (inclusive)	31,353,632.91	3,135,363.29	10.00%
2–3 years (inclusive)	86,246,941.49	17,249,388.30	20.00%
3–4 years (inclusive)	20,718,232.73	10,359,116.37	50.00%
4–5 years (inclusive)	7,338,695.98	3,669,347.99	50.00%
More than 5 years	25,344,514.24	25,344,514.24	100.00%
Total	368,935,963.74	69,653,112.08	

Explanation of the basis for determining this group: None

Loss allowance recognised under the general expected credit loss model:

Loss Allowance	Stage 1 12-month expected credit losses RMB (Unaudited)	Stage 2 Lifetime expected credit losses (not credit-impaired) RMB (Unaudited)	Stage 3 Lifetime expected credit losses (credit-impaired) RMB (Unaudited)	Total RMB (Unaudited)
Balance as at January 1, 2026	78,191,567.66	—	511,446,949.92	589,638,517.58
Balance as at January 1, 2026 during the period				
Provision	4,988,752.41	—	29,150,442.63	34,139,195.04
Recovery or reversal	13,854,200.76	—	41,210.91	13,895,411.67
Transfer out or write-off	—	—	351,227.26	351,227.26
Other	326,992.77	—	(221,704.79)	105,287.98
Balance as at June 30, 2026	69,653,112.08	—	539,983,249.59	609,636,361.67

Basis for the classification of each stage and the loss allowance percentage: None

Changes in the gross carrying amount with significant changes in the loss allowance for the current period

☐ Applicable ☑ Not applicable

4) Loss allowance recognised, recovered or reversed during the current period

Loss allowance recognised during the current period:

Category	As at December 31, 2025 RMB (Audited)	Amount of change for the period				As at June 30, 2026 RMB (Unaudited)
		Provision RMB (Unaudited)	Recovery or reversal RMB (Unaudited)	Transfer out or write-off RMB (Unaudited)	Other RMB (Unaudited)	
On an individual basis	511,446,949.92	29,150,442.63	41,210.91	351,227.26	(221,704.79)	**539,983,249.59**
On a collective basis	78,191,567.66	4,988,752.41	13,854,200.76	—	326,992.77	**69,653,112.08**
Total	589,638,517.58	34,139,195.04	13,895,411.67	351,227.26	105,287.98	**609,636,361.67**

Note: Others mainly represent additions from consolidation and exchange rate changes

Including significant amounts of loss allowance reversed or recovered in the current period: None

5) Other receivables actually written off during the current period

Item	Amount written off RMB (Unaudited)
Other receivables actually written off	351,227.26

Including significant other receivables written off: None

6) Other receivables of top five debtors by closing balance

Entity name	Nature of the amount	Closing balance RMB (Unaudited)	Ageing	Proportion of the total closing balance of other receivables % (Unaudited)	Closing balance of loss allowance RMB (Unaudited)
No. 1	Prepayments for bulk trade	**380,590,393.79**	Over 5 years	41.87%	380,590,393.79
No. 2	Prepayments for bulk trade	**96,707,528.23**	Over 5 years	10.64%	96,707,528.23
No. 3	Refund on termination of the land use rights grant contract	**65,280,000.00**	2 to 3 years	7.18%	13,056,000.00
No. 4	Export tax refund	**46,973,503.91**	Within 1 year	5.17%	2,348,675.20
No. 5	Export tax refund	**38,834,124.39**	Within 1 year	4.27%	1,941,706.22
Total		**628,385,550.32**		69.13%	494,644,303.44

8. PREPAYMENTS

(1) Presentation of prepayments by ageing

Ageing	As at June 30, 2026 Amount RMB (Unaudited)	Ratio % (Unaudited)	As at December 31, 2025 Amount RMB (Audited)	Ratio % (Audited)
Within 1 year	**162,288,281.27**	**93.09%**	**117,022,067.48**	**92.62%**
1 to 2 years	**6,514,268.31**	**3.74%**	**4,630,957.31**	**3.67%**
2 to 3 years	**2,654,935.50**	**1.52%**	**2,840,605.14**	**2.25%**
Over 3 years	**2,877,986.45**	**1.65%**	**1,859,107.42**	**1.47%**
Total	**174,335,471.53**		**126,352,737.35**	

Explanation of the reasons for prepayments with ageing over 1 year and significant amounts not being settled in a timely manner: None

(2) Prepayments of top five payees by closing balance

Item	Amount as at June 30, 2026 RMB (Unaudited)	Proportion of total prepayments % (Unaudited)	Time of prepayment	Reason for non-settlement
No. 1	12,120,404.18	6.95%	Within 1 year	Goods not yet received
No. 2	11,403,670.58	6.54%	Within 1 year	Goods not yet received
No. 3	10,009,251.63	5.74%	Within 1 year	Goods not yet received
No. 4	6,404,760.41	3.67%	Within 1 year	Goods not yet received
No. 5	5,685,831.58	3.26%	Within 1 year	Goods not yet received
Total	45,623,918.38	26.16%		

9. INVENTORIES

Whether the Company needs to comply with the disclosure requirements for the real estate industry: No

(1) Classification of inventories

Item	As at June 30, 2026 Gross amount	Provision for impairment of inventories or provision for impairment of contract performance costs	Carrying amount	As at December 31, 2025 Gross amount	Provision for impairment of inventories or provision for impairment of contract performance costs	Carrying amount
	RMB (Unaudited)			RMB (Audited)		
Raw materials	1,862,550,704.86	123,840,921.26	1,738,709,783.60	1,480,086,340.09	109,925,587.89	1,370,160,752.20
Work in progress	824,355,565.72	1,200,572.09	823,154,993.63	691,787,332.67	2,585,407.72	689,201,924.95
Finished goods	4,947,343,431.77	461,079,488.54	4,486,263,943.23	4,705,831,383.28	392,347,544.73	4,313,483,838.55
Entrusted processing materials	119,066,602.96	4,222,708.85	114,843,894.11	96,062,544.50	3,335,749.88	92,726,794.62
Low-value consumables	41,425,770.37	4,517,733.31	36,908,037.06	18,116,496.22	1,512,152.69	16,604,343.53
Self-manufactured semi-finished goods	689,909,469.97	56,479,282.55	633,430,187.42	572,503,123.88	40,309,788.68	532,193,335.20
Materials in transit	194,988,295.73	–	194,988,295.73	175,520,223.97	–	175,520,223.97
Total	8,679,639,841.38	651,340,706.60	8,028,299,134.78	7,739,907,444.61	550,016,231.59	7,189,891,213.02

(2) Provision for impairment of inventories and provision for impairment of contract performance costs

Item	As at December 31, 2025 RMB (Audited)	Increase for the period		Decrease for the period		**As at June 30, 2026 RMB (Unaudited)**
		Provision RMB (Unaudited)	Other RMB (Unaudited)	Reversal or write-off RMB (Unaudited)	Other RMB (Unaudited)	
Raw materials	109,925,587.89	48,379,350.41	2,273,060.58	33,057,135.30	3,679,942.32	**123,840,921.26**
Work in progress	2,585,407.72	213,068.06	740,866.55	2,309,504.40	29,265.84	**1,200,572.09**
Finished goods	392,347,544.73	260,590,622.27	21,543,435.11	211,214,212.47	2,187,901.10	**461,079,488.54**
Entrusted processing materials	3,335,749.88	2,143,389.58	–	1,253,062.83	3,367.78	**4,222,708.85**
Low-value consumables	1,512,152.69	3,162,964.11	–	154,385.39	2,998.10	**4,517,733.31**
Self-manufactured semi-finished goods	40,309,788.68	37,499,202.28	–	21,160,887.42	168,820.99	**56,479,282.55**
Total	550,016,231.59	351,988,596.71	24,557,362.24	269,149,187.81	6,072,296.13	**651,340,706.60**

Note: Others in the increase for the current period represent additions from consolidation, and Others in the decrease for the current period represent exchange rate changes.

Provision for impairment of inventories made on a portfolio basis

Group name	As at June 30, 2026			As at December 31, 2025		
	Balance at the end of the year RMB (Unaudited)	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**	Balance at the beginning of the year RMB (Audited)	Provision RMB (Audited)	Provision ratio % (Audited)
Net realisable value portfolio						
Raw materials	**1,862,550,704.86**	**123,840,921.26**	**6.65%**	1,480,086,340.09	109,925,587.89	7.43%
Work in progress	**824,355,565.72**	**1,200,572.09**	**0.15%**	691,787,332.67	2,585,407.72	0.37%
Finished goods	**4,947,343,431.77**	**461,079,488.54**	**9.32%**	4,705,831,383.28	392,347,544.73	8.34%
Entrusted processing materials	**119,066,602.96**	**4,222,708.85**	**3.55%**	96,062,544.50	3,335,749.88	3.47%
Low-value consumables	**41,425,770.37**	**4,517,733.31**	**10.91%**	18,116,496.22	1,512,152.69	8.35%
Self-manufactured semi-finished goods	**689,909,469.97**	**56,479,282.55**	**8.19%**	572,503,123.88	40,309,788.68	7.04%
Materials in transit	**194,988,295.73**	**–**	**0.00%**	175,520,223.97	–	0.00%
Total	**8,679,639,841.38**	**651,340,706.60**	**7.50%**	7,739,907,444.61	550,016,231.59	7.11%

Basis for making provision for impairment of inventories by group:

The cost of inventories is compared with the net realisable value, and a provision for impairment of inventories is made based on the excess of the cost of inventories over the net realisable value. The net realisable value of inventories is determined based on the estimated selling price of the inventories less the costs required to bring the inventories to a complete and saleable condition (if any), the estimated selling expenses and the relevant taxes and charges.

10. OTHER CURRENT ASSETS

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Cost of returns receivable	**4,584,485.50**	4,781,526.03
Value-added tax to be deducted	**639,325,855.98**	524,972,897.22
Assets to be amortised	**607,880,898.76**	419,244,849.61
Prepaid corporate income tax	**41,320,560.22**	66,379,193.63
Inventories for processing on behalf of customers	**358,265,799.15**	256,343,110.91
Prepaid customs duties	**18,723,038.85**	14,508,995.41
Prepaid overseas taxes and others	**16,151,771.72**	16,409,369.77
Prepaid listing expenses	**—**	17,175,166.81
Large-denomination certificates of deposit within one year	**15,075,292.00**	80,225,197.00
Total	**1,701,327,702.18**	1,400,040,306.39

Other explanations: None

11. OTHER EQUITY INSTRUMENT INVESTMENTS

Item	As at December 31, 2025 RMB (Audited)	Gains included in other comprehensive income during the period RMB (Unaudited)	Losses included in other comprehensive income during the period RMB (Unaudited)	Cumulative gains included in other comprehensive income as at the end of the period RMB (Unaudited)	Cumulative losses included in other comprehensive income as at the end of the period RMB (Unaudited)	Dividend income recognised for the period RMB (Unaudited)	As at June 30, 2026 RMB (Unaudited)	Reason for being designated as measured at fair value through other comprehensive income
CAS Dihuge (Shandong) Technology Co., Ltd. (formerly known as Hefei CAS Dihuge Automation Co., Ltd.)	57,658,880.00	—	—	29,214,280.00	—	—	**57,658,880.00**	Strategic holding for long term
Guangdong Jonsion New Material Technology Co., Ltd.	2,176,000.00	—	1,344,000.00	—	2,438,613.72	—	**832,000.00**	Strategic holding for long term
Hangzhou BOCO Electronics Co., Ltd.	25,490,332.45	33,152,464.72	—	41,142,797.17	—	—	**58,642,797.17**	Strategic holding for long term
Shanghai Zhiqu Yuanshu Technology Co., Ltd.	—	—	—	—	—	—	**18,110,000.00**	Strategic holding for long term
Total	85,325,212.45	33,152,464.72	1,344,000.00	70,357,077.17	2,438,613.72	—	**135,243,677.17**	

Disclosure of non-trading equity instrument investments for the current period by item

Item	Dividend income recognised RMB (Unaudited)	Cumulative gains RMB (Unaudited)	Cumulative losses RMB (Unaudited)	Amount transferred from other comprehensive income to retained profits RMB (Unaudited)	Reason for being designated as measured at fair value through other comprehensive income	Reason for the transfer from other comprehensive income to retained profits
CAS Dihuge (Shandong) Technology Co., Ltd. (formerly known as Hefei CAS Dihuge Automation Co., Ltd.)	–	29,214,280.00	–	–	Strategic holding for long term	
Guangdong Jonsion New Material Technology Co., Ltd.	–	–	2,438,613.72	–	Strategic holding for long term	
Hangzhou BOCO Electronics Co., Ltd.	–	41,142,797.17	–	–	Strategic holding for long term	
Shanghai Zhiqu Yuanshu Technology Co., Ltd.	–	–	–	–	Strategic holding for long term	

12. LONG-TERM EQUITY INVESTMENTS

Associates	As at December 31, 2025 RMB (carrying amount) (Audited)	As at December 31, 2025 RMB (provision for impairment) (Audited)	Change for the period: Additional investment RMB (Unaudited)	Change for the period: Reduced investment RMB (Unaudited)	Change for the period: Investment profit or loss recognised under the equity method RMB (Unaudited)	Change for the period: Other comprehensive income adjustment RMB (Unaudited)	Change for the period: Other changes in equity RMB (Unaudited)	Change for the period: Declared cash dividends or profit RMB (Unaudited)	Change for the period: Provision for impairment RMB (Unaudited)	Change for the period: Other RMB (Unaudited)	As at June 30, 2026 RMB (carrying amount) (Unaudited)	As at June 30, 2026 RMB (provision for impairment) (Unaudited)
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	48,012,997.97	–	–	–	1,110,429.41	–	–	–	–	–	**49,123,427.38**	–
Jiangmen Jianghai Huitong Microfinance Co., Ltd.	–	26,140,092.03	–	–	–	–	–	–	–	–	**–**	26,140,092.03
Guangdong Nbtm New Materials Co., Ltd.	92,448,784.02	–	–	–	2,647,939.26	–	397,355.79	4,800,000.00	–	–	**90,694,079.07**	–
Martin Motor Co., Ltd.	6,857,605.30	–	–	–	1,120,926.92	–	–	720,000.00	–	–	**7,258,532.22**	–
Nanjing Kuke Electronic Technology Co., Ltd.	40,708,640.94	–	–	–	9,114,425.70	33,028.77	–	–	–	–	**49,856,095.41**	–
DBG Electronics (Investment) Limited	335,553,126.34	–	–	–	6,245,960.79	(11,467,747.98)	–	–	–	(10,912,125.34)	**319,419,213.81**	–
Ningbo Hexi Industrial Investment Partnership (Limited Partnership)	98,497,665.40	–	–	–	(10,766,179.88)	–	–	–	–	–	**87,731,485.52**	–
Ningbo Jinxi Venture Capital Partnership (Limited Partnership)	18,353,599.24	–	–	–	(3,137,482.83)	–	–	–	–	–	**15,216,116.41**	–
Jiaxing Chaoxi Hengyu Equity Investment Partnership (Limited Partnership)	2,510,057.07	–	–	–	2,404,213.07	–	–	–	–	–	**4,914,270.14**	–
Jiaxing Chaoxi Hehou Equity Investment Partnership (Limited Partnership)	42,079,288.07	–	–	–	1,203,282.20	–	–	–	–	–	**43,282,570.27**	–
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	34,531,293.94	–	–	7,288,232.54	18,278,272.93	–	–	17,513,062.44	–	–	**28,008,271.89**	–
Hunan Salboc Electronics Co., Ltd.	4,000,000.00	–	–	–	(29,008.65)	–	–	–	–	–	**3,970,991.35**	–
Haining Automann Parts Co., Ltd.	73,397,885.98	–	–	–	(744,044.09)	–	–	–	–	–	**72,653,841.89**	–
Hangzhou Bohua Xinda Technology Co., Ltd.	–	–	30,000,000.00	–	310.44	–	–	–	–	–	**30,000,310.44**	
Subtotal	796,950,944.27	26,140,092.03	30,000,000.00	7,288,232.54	27,449,045.27	(11,434,719.21)	397,355.79	23,033,062.44	–	(10,912,125.34)	**802,129,205.80**	26,140,092.03
Total	796,950,944.27	26,140,092.03	30,000,000.00	7,288,232.54	27,449,045.27	(11,434,719.21)	397,355.79	23,033,062.44	–	(10,912,125.34)	**802,129,205.80**	26,140,092.03

13. OTHER NON-CURRENT FINANCIAL ASSETS

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Financial assets at fair value through profit or loss — Cost	**80,000,000.00**	20,000,000.00
Financial assets at fair value through profit or loss — Changes in fair value	**(2,789,903.68)**	(1,873,383.64)
Total	**77,210,096.32**	18,126,616.36

14. INVESTMENT PROPERTIES

(1) Investment properties measured using the cost model

☑ Applicable ☐ Not Applicable

Item	Buildings and structures	Land use rights	Construction in progress	Total
I. Cost				
1. As at December 31, 2025 (audited)	448,912,707.02	14,179,674.57	—	463,092,381.59
2. Increase during the period (unaudited)	15,433,316.51	80,744.87	—	15,514,061.38
(1) Purchases (unaudited)	—	—	—	—
(2) Transfers from inventories/fixed assets/construction in progress (unaudited)	15,433,316.51	80,744.87	—	15,514,061.38
(3) Addition through acquisition of the subsidiaries (unaudited)	—	—	—	—
3. Decrease during the period (unaudited)	—	—	—	—
(1) Disposal (unaudited)	—	—	—	—
(2) Other transfer out (unaudited)	—	—	—	—
4. As at June 30, 2026 (unaudited)	464,346,023.53	14,260,419.44	—	478,606,442.97
II. Accumulated depreciation and accumulated amortisation				
1. As at December 31, 2025 (audited)	181,712,559.13	6,147,679.57	—	187,860,238.70
2. Increase during the period (unaudited)	24,389,800.37	179,297.23	—	24,569,097.60
(1) Provision or amortisation (unaudited)	12,349,997.91	151,000.27	—	12,500,998.18
(2) Transfers from fixed assets/ intangible assets (unaudited)	12,039,802.46	28,296.96	—	12,068,099.42
3. Decrease during the period (unaudited)	—	—	—	—
(1) Disposal (unaudited)	—	—	—	—
(2) Other transfer out (unaudited)	—	—	—	—
4. As at June 30, 2026 (unaudited)	206,102,359.50	6,326,976.80	—	212,429,336.30

Item	Buildings and structures	Land use rights	Construction in progress	Total
III. Provision for impairment				
1. As at December 31, 2025 (audited)	–	–	–	–
2. Increase during the period (unaudited)	–	–	–	–
(1) Provision (unaudited)	–	–	–	–
3. Decrease during the period (unaudited)	–	–	–	–
(1) Disposal (unaudited)	–	–	–	–
(2) Other transfer out (unaudited)	–	–	–	–
4. As at June 30, 2026 (unaudited)	–	–	–	–
IV. Carrying amount				
1. As at June 30, 2026 (unaudited)	258,243,664.03	7,933,442.64	–	266,177,106.67
2. As at December 31, 2025 (audited)	267,200,147.89	8,031,995.00	–	275,232,142.89

15. FIXED ASSETS

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Fixed assets	**15,058,523,894.11**	14,444,823,272.09
Total	**15,058,523,894.11**	14,444,823,272.09

(1) Fixed assets

Item	Buildings and structures	Machinery and equipment	Transport equipment	Electronic and other equipment	Total
I. Cost:					
1. As at December 31, 2025 (audited)	5,713,813,878.46	18,392,110,180.72	111,632,215.07	1,032,683,627.72	25,250,239,901.97
2. Additions during the period (unaudited)	626,930,482.23	1,228,207,254.62	6,298,210.43	(4,475,151.51)	1,856,960,795.77
(1) Purchase (unaudited)	–	92,806,585.91	5,305,717.95	21,958,834.11	120,071,137.97
(2) Transfer from construction in progress (unaudited)	679,709,523.30	1,238,401,047.43	–	17,061,071.47	1,935,171,642.20
(3) Addition through acquisition of the subsidiaries (unaudited)	–	34,020,873.21	1,259,378.43	2,099,788.78	37,380,040.42
(4) Exchange adjustments (unaudited)	(52,779,041.07)	(137,021,251.93)	(266,885.95)	(45,594,845.87)	(235,662,024.82)
3. Decrease during the period (unaudited)	37,943,216.16	355,725,944.42	3,672,217.52	12,980,942.53	410,322,320.63
(1) Disposals or retirements (unaudited)	–	163,826,753.09	3,519,949.29	10,685,352.79	178,032,055.17
(2) Transfer to investment properties (unaudited)	15,433,316.51	–	–	–	15,433,316.51
(3) Transfer to construction in progress (unaudited)	–	151,783,861.90	–	–	151,783,861.90
(4) Decrease through acquisition of the subsidiaries (unaudited)	22,509,899.65	40,115,329.43	152,268.23	2,295,589.74	65,073,087.05
4. As at June 30, 2026 (unaudited)	6,302,801,144.53	19,264,591,490.92	114,258,207.98	1,015,227,533.68	26,696,878,377.11
II. Accumulated depreciation					
1. As at December 31, 2025 (audited)	1,303,050,445.72	8,329,937,239.94	67,371,837.82	556,207,336.34	10,256,566,859.82
2. Additions during the period (unaudited)	119,846,769.59	910,242,723.77	6,864,342.00	44,430,175.73	1,081,384,011.09
(1) Charge (unaudited)	132,279,557.29	962,392,989.72	6,976,011.29	62,722,316.95	1,164,370,875.25
(2) Exchange adjustments (unaudited)	(12,432,787.70)	(52,150,265.95)	(111,669.29)	(18,292,141.22)	(82,986,864.16)
3. Decrease during the period (unaudited)	17,222,940.19	191,632,028.69	3,426,306.40	11,066,192.90	223,347,468.18
(1) Disposals or retirements (unaudited)	–	118,868,969.09	3,307,101.23	9,627,908.67	131,803,978.99
(2) Transfer to investment properties (unaudited)	12,039,802.46	–	–	–	12,039,802.46
(3) Transfer to construction in progress (unaudited)	–	40,586,894.82	–	–	40,586,894.82
(4) Decrease through acquisition of the subsidiaries (unaudited)	5,183,137.73	32,176,164.78	119,205.17	1,438,284.23	38,916,791.91
4. As at June 30, 2026 (unaudited)	1,405,674,275.12	9,048,547,935.02	70,809,873.42	589,571,319.17	11,114,603,402.73

Item	Buildings and structures	Machinery and equipment	Transport equipment	Electronic and other equipment	Total
III. Provision for impairment					
1. As at December 31, 2025 (audited)	1,968,412.60	533,271,339.16	2,893,636.37	10,716,381.93	548,849,770.06
2. Additions during the period (unaudited)	(141,893.23)	6,312,795.10	37,929.67	(453,444.88)	5,755,386.66
(1) Provision (unaudited)	–	7,471,649.81	38,364.27	80,618.77	7,590,632.85
(2) Exchange adjustments (unaudited)	(141,893.23)	(1,158,854.71)	(434.60)	(534,063.65)	(1,835,246.19)
3. Decrease during the period (unaudited)	–	30,411,532.38	8,749.41	433,794.66	30,854,076.45
(1) Disposals or retirements (unaudited)	–	28,693,017.32	8,749.41	433,794.66	29,135,561.39
(2) Transfer to construction in progress (unaudited)	–	1,718,515.06	–	–	1,718,515.06
4. As at June 30, 2026 (unaudited)	1,826,519.37	509,172,601.88	2,922,816.63	9,829,142.39	523,751,080.27
IV. Carrying Amount					
1. As at June 30, 2026 (unaudited)	4,895,300,350.04	9,706,870,954.02	40,525,517.93	415,827,072.12	15,058,523,894.11
2. As at December 31, 2025 (audited)	4,408,795,020.14	9,528,901,601.62	41,366,740.88	465,759,909.45	14,444,823,272.09

(2) Temporarily idle fixed assets

Item	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Note
Machinery and equipment (unaudited)	1,200,909,675.29	588,862,952.02	509,172,601.88	102,874,121.39	
Transport equipment (unaudited)	6,976,620.05	3,650,942.97	2,922,816.63	402,860.45	
Electronic and other equipment (unaudited)	35,047,790.70	24,813,475.15	9,829,142.39	405,173.16	
Total	1,242,934,086.04	617,327,370.14	521,924,560.90	103,682,155.00	

(3) Fixed assets leased out under operating leases

Item	As at June 30, 2026 RMB (Unaudited)
Buildings and structures	7,853,949.25
Transport equipment	73,400.49

(4) Fixed assets without title certificates

Item	As at June 30, 2026 RMB (Unaudited)	Reason for not obtaining the title certificate
Buildings and structures	2,044,003,018.85	Under application

(5) Impairment test of fixed assets

☑ Applicable ☐ Not Applicable

Determining the recoverable amount by subtracting the disposal costs from the fair value

☑ Applicable ☐ Not Applicable

Item	Carrying amount (unaudited)	Recoverable amount (unaudited)	Impairment amount (unaudited)	Method for determining fair value and costs of disposal	Key parameters	Basis for determining the key parameters
Machinery and equipment	8,125,950.49	654,300.68	7,471,649.81	Fair value less costs of disposal method	Market transaction price, costs of disposal	Market transaction price: market prices of identical or similar assets; costs of disposal: taxes and fees relating to the disposal of the assets, etc.
Transport equipment	42,218.72	3,854.45	38,364.27	Fair value less costs of disposal method	Market transaction price, costs of disposal	Market transaction price: market prices of identical or similar assets; costs of disposal: taxes and fees relating to the disposal of the assets, etc.
Electronic and other equipment	83,527.93	2,909.16	80,618.77	Fair value less costs of disposal method	Market transaction price, costs of disposal	Market transaction price: market prices of identical or similar assets; costs of disposal: taxes and fees relating to the disposal of the assets, etc.
Total	8,251,697.14	661,064.29	7,590,632.85			

Determining the recoverable amount by the present value of expected future cash flows

☐ Applicable ☑ Not applicable

Reasons for the significant differences between the above information and the information used in impairment tests in previous years or external information

Not applicable

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

Not applicable

Other explanations:

None

16. CONSTRUCTION IN PROGRESS

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Construction in progress	**3,094,836,769.63**	2,859,779,949.07
Total	**3,094,836,769.63**	2,859,779,949.07

(1) Construction in progress

Item	As at June 30, 2026			As at December 31, 2025		
	Gross amount	Provision for impairment	Carrying amount	Gross amount	Provision for impairment	Carrying amount
		RMB (Unaudited)			RMB (Audited)	
Production line equipment	**2,212,684,299.64**	**238,936.40**	**2,212,445,363.24**	1,539,303,175.68	238,936.40	1,539,064,239.28
Factory building construction	**550,305,875.49**	**–**	**550,305,875.49**	1,048,879,512.27	–	1,048,879,512.27
Other	**332,085,530.90**	**–**	**332,085,530.90**	271,836,197.52	–	271,836,197.52
Total	**3,095,075,706.03**	**238,936.40**	**3,094,836,769.63**	2,860,018,885.47	238,936.40	2,859,779,949.07

(2) Changes in significant construction in progress projects during the current period

Item	Budget	As at December 31, 2025 RMB (Audited)	Increase during the period RMB (Unaudited)	Amount transferred to fixed assets during the period RMB (Unaudited)	Other decreases during the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**	Proportion of accumulated project investment to the budget	Project progress	Accumulated capitalised interest	Including: capitalised interest during the period	Capitalisation rate of interest during the period	Source of funds
Dongguan Lingrui factory building construction	1,292,923,409.12	780,598,719.65	72,998,410.19	677,509,301.25	–	**176,087,828.59**	86.90%	86.90%	–	–	–	Raised funds and self-owned funds
Shenzhen Lingyi factory project	863,218,630.56	34,540,059.64	6,218,727.52	–	–	**40,758,787.16**	88.84%	88.84%	–	–	–	Raised funds and self-owned funds
Lingyi Technology Building project	284,433,600.00	103,058,886.46	42,941,783.97	–	–	**146,000,670.43**	51.33%	51.33%	–	–	–	Self-owned funds
India charger production line construction project	108,365,677.24	17,458,722.18	2,526,936.56	18,872,825.24	890,362.91	**222,470.59**	96.26%	96.26%	–	–	–	Self-owned funds
Total	2,548,941,316.92	935,656,387.93	124,685,858.24	696,382,126.49	890,362.91	**363,069,756.77**			–	–	–	–

Note: Other decreases during the current period were attributable to the effect of exchange rate changes.

(3) Provision for impairment of construction in progress during the current period

Item	As at December 31, 2025 RMB (Audited)	Increase during the period RMB (Unaudited)	Decrease during the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**	Reason for the provision
Production line equipment	238,936.40	–	–	**238,936.40**	The estimated recoverable amount of the assets is lower than their carrying amounts
Total	238,936.40	–	–	**238,936.40**	–

Other explanations:

None

(4) Impairment test of construction in progress

☐Applicable ☑Not applicable

17. RIGHT-OF-USE ASSETS

(1) Right-of-use assets

Item	Buildings and structures	Machinery and equipment	Transport equipment	Total
I. Cost				
1. Balance as at December 31, 2025 (audited)	2,299,087,462.66	—	—	2,299,087,462.66
2. Increase during the period (unaudited)	451,311,250.24	6,693,425.94	248,275.21	458,252,951.39
(1) Additions (unaudited)	408,301,550.87	6,693,425.94	251,679.89	415,246,656.70
(2) Addition through acquisition of the subsidiaries (unaudited)	51,243,805.23	—	—	51,243,805.23
(3) Exchange adjustments (unaudited)	(9,329,598.78)	—	(3,404.68)	(9,333,003.46)
(4) Lease modification (unaudited)	1,095,492.92	—	—	1,095,492.92
3. Decrease during the period (unaudited)	381,495,648.22	—	—	381,495,648.22
(1) Lease modification (unaudited)	97,923,460.38	—	—	97,923,460.38
(2) Lease expiration (unaudited)	283,572,187.84	—	—	283,572,187.84
4. Balance as at June 30, 2026 (unaudited)	2,368,903,064.68	6,693,425.94	248,275.21	2,375,844,765.83
II. Accumulated depreciation				
1. Balance as at December 31, 2025 (audited)	912,388,614.85	—	—	912,388,614.85
2. Increase during the period (unaudited)	191,619,992.13	273,447.40	34,482.62	191,927,922.15
(1) Provision (unaudited)	195,500,628.37	273,447.40	34,955.49	195,809,031.26
(2) Exchange adjustments (unaudited)	(3,880,636.24)	—	(472.87)	(3,881,109.11)
3. Decrease during the period (unaudited)	303,439,161.58	—	—	303,439,161.58
(1) Lease modification (unaudited)	19,866,973.74	—	—	19,866,973.74
(2) Lease expiration (unaudited)	283,572,187.84	—	—	283,572,187.84
4. Balance as at June 30, 2026 (unaudited)	800,569,445.40	273,447.40	34,482.62	800,877,375.42
III. Carrying Amount				
1. As at June 30, 2026 (unaudited)	1,568,333,619.28	6,419,978.54	213,792.59	1,574,967,390.41
2. As at December 31, 2025 (audited)	1,386,698,847.81	—	—	1,386,698,847.81

(2) Impairment test of right-of-use assets

☐Applicable ☑Not applicable

18. INTANGIBLE ASSETS

(1) Intangible assets

Item	Land use rights	Patent	Non-patent technology	Software	Customer relationship	Proprietary technology	Others	Total
I. Cost								
1. Balance as at December 31, 2025 (audited)	1,300,132,361.81	325,322,113.92	–	229,141,194.78	75,233,863.08	65,110,571.37	45,253,548.85	2,040,193,653.81
2. Increase during the period (unaudited)	(1,249,431.04)	31,741,584.15	–	7,645,838.75	97,148,000.00	–	(40,356.96)	135,245,634.90
(1) Purchases (unaudited)	–	–	–	4,788,824.82	–	–	–	4,788,824.82
(2) Internal research and development (unaudited)	–	–	–	–	–	–	–	–
(3) Addition through acquisition of the subsidiaries (unaudited)	–	31,741,584.15	–	5,403,400.83	97,148,000.00	–	–	134,292,984.98
(4) Exchange adjustments (unaudited)	(1,249,431.04)	–	–	(2,546,386.90)	–	–	(40,356.96)	(3,836,174.90)
3. Decrease during the period (unaudited)	80,744.87	1,000,000.00	–	3,356,805.53	–	–	999,892.52	5,437,442.92
(1) Disposal (unaudited)	–	1,000,000.00	–	3,356,805.53	–	–	–	4,356,805.53
(2) Transferred out to investment properties – construction in progress (unaudited)	80,744.87	–	–	–	–	–	–	80,744.87
(3) Decrease through acquisition of the subsidiaries (unaudited)	–	–	–	–	–	–	999,892.52	999,892.52
4. Balance as at June 30, 2026 (unaudited)	1,298,802,185.90	356,063,698.07	–	233,430,228.00	172,381,863.08	65,110,571.37	44,213,299.37	2,170,001,845.79
II. Accumulated amortisation								
1. Balance as at December 31, 2025 (audited)	183,027,572.65	301,829,104.73	–	149,104,219.59	54,465,810.74	65,110,571.37	19,241,328.00	772,778,607.08
2. Increase during the period (unaudited)	15,697,805.57	5,626,597.72	–	12,339,368.94	8,538,030.02	–	2,256,620.89	44,458,423.14
(1) Provision (unaudited)	15,697,805.57	5,626,597.72	–	14,485,205.88	8,538,030.02	–	2,296,338.85	46,643,978.04
(2) Exchange adjustments (unaudited)	–	–	–	(2,145,836.94)	–	–	(39,717.96)	(2,185,554.90)
3. Decrease during the period (unaudited)	28,296.96	1,000,000.00	–	3,063,520.95	–	–	984,060.52	5,075,878.43
(1) Disposal (unaudited)	–	1,000,000.00	–	3,063,520.95	–	–	–	4,063,520.95
(2) Transferred out to investment properties – construction in progress (unaudited)	28,296.96	–	–	–	–	–	–	28,296.96
(3) Decrease through acquisition of the subsidiaries (unaudited)	–	–	–	–	–	–	984,060.52	984,060.52
4. Balance as at June 30, 2026 (unaudited)	198,697,081.26	306,455,702.45	–	158,380,067.58	63,003,840.76	65,110,571.37	20,513,888.37	812,161,151.79

Item	Land use rights	Patent	Non-patent technology	Software	Customer relationship	Proprietary technology	Others	Total
III. Provision for impairment								
1. Balance as at December 31, 2025 (audited)	–	3,385,325.40	–	2,143,695.44	–	–	–	5,529,020.84
2. Increase during the period (unaudited)	–	–	–	–	–	–	–	–
(1) Provision (unaudited)	–	–	–	–	–	–	–	–
3. Decrease during the period (unaudited)	–	–	–	25,775.38	–	–	–	25,775.38
(1) Disposal (unaudited)	–	–	–	20,720.85	–	–	–	20,720.85
(2) Exchange adjustments (unaudited)	–	–	–	5,054.53	–	–	–	5,054.53
4. Balance as at June 30, 2026 (unaudited)	–	3,385,325.40	–	2,117,920.06	–	–	–	5,503,245.46
IV. Carrying Amount								
1. As at June 30, 2026 (unaudited)	1,100,105,104.64	46,222,670.22	–	72,932,240.36	109,378,022.32	–	23,699,411.00	1,352,337,448.54
2. As at December 31, 2025 (audited)	1,117,104,789.16	20,107,683.79	–	77,893,279.75	20,768,052.34	–	26,012,220.85	1,261,886,025.89

At the end of the Reporting Period, intangible assets formed through the Company's internal research and development accounted for 13.44% of the balance of intangible assets.

(2) Data resources recognised as intangible assets

None

(3) Land use rights for which title certificates have not been obtained

None

(4) Impairment test of intangible assets

☐Applicable ☑Not applicable

19. GOODWILL

(1) Original carrying amount of goodwill

Name of investee or item giving rise to goodwill	As at December 31, 2025 RMB (Audited)	Increase during the period arising from business combination RMB (Unaudited)	Decrease during the period Disposal RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Business of Zhejiang Xianglong	1,364,992,933.34	—	—	**1,364,992,933.34**
Precision structural parts business	1,104,293,724.99	—	—	**1,104,293,724.99**
Mobile charger business	695,375,038.62	—	—	**695,375,038.62**
Magnetic material business	370,993,560.30	—	—	**370,993,560.30**
Business of Jieying Technology	165,231,772.26	—	—	**165,231,772.26**
Base station components business	65,621,200.00	—	—	**65,621,200.00**
Screen protector business	54,073,610.95	—	—	**54,073,610.95**
Business of Jiangsu Kooda	42,036,726.19	—	—	**42,036,726.19**
Communication devices parts business	33,977,693.98	—	—	**33,977,693.98**
5G base station components business	20,456,011.66	—	—	**20,456,011.66**
Automotive products	1,336,466.59	—	—	**1,336,466.59**
Other	64,244.29	—	—	**64,244.29**
Business of Readore	—	783,985,841.56	—	**783,985,841.56**
Total	3,918,452,983.17	783,985,841.56	—	**4,702,438,824.73**

(2) Impairment provision for goodwill

Name of investee or item giving rise to goodwill	As at December 31, 2025 RMB (Audited)	Increase during the period Provision made RMB (Unaudited)	Decrease during the period Disposal RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Precision structural parts business	667,885,273.95	—	—	**667,885,273.95**
Magnetic material business	370,993,560.30	—	—	**370,993,560.30**
Mobile charger business	89,827,782.72	—	—	**89,827,782.72**
Base station components business	65,621,200.00	—	—	**65,621,200.00**
5G base station components business	20,456,011.66	—	—	**20,456,011.66**
Total	1,214,783,828.63	—	—	**1,214,783,828.63**

(3) Related information on asset groups or asset group portfolio containing goodwill

Name	Composition of the asset group or group of asset groups and the basis	Operating segment to which it belongs and the basis	Whether consistent with prior years
Business of Zhejiang Xianglong	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Automotive and advanced air mobility	Yes
Precision structural parts business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Yes
Mobile charger business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Yes
Magnetic material business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Yes
Business of Jieying Technology	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Yes
Base station components business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Other	Yes
Screen protector business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Yes
Business of Jiangsu Kooda	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Automotive and advanced air mobility	Yes
Communication devices parts business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Other	Yes
5G base station components business	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Other	Yes
Automotive products	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Automotive and advanced air mobility	Yes
Business of Readore	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Not applicable
Other	The cash inflows generated by the asset group are basically independent of the cash inflows generated by other assets or asset groups, and comprise the long-term assets attributable to the asset group	Electronic devices	Yes

Changes in the asset group or asset group portfolio

None

(4) Specific method of determining the recoverable amount

Determining the recoverable amount by subtracting the disposal costs from the fair value

☐Applicable ☑Not applicable

Determining the recoverable amount by the present value of expected future cash flows

☐Applicable ☑Not applicable

Reasons for the significant differences between the above information and the information used in impairment tests in previous years or external information

Not applicable

Reasons for significant differences between the information used in impairment tests in previous years and the actual situation in the current year

Not applicable

(5) Fulfilment of performance commitments and the corresponding goodwill impairment

Performance commitments existed when the goodwill was formed, and the Reporting Period or the period immediately preceding the Reporting Period fell within the performance commitment period

☐Applicable ☑Not applicable

Other explanations: None

20. LONG-TERM DEFERRED EXPENSES

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Amortisation for the period RMB (Unaudited)	Other decreases RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Decoration, renovation works and others	529,039,112.62	283,719,663.34	190,776,898.85	1,477,341.63	**620,504,535.48**
Total	529,039,112.62	283,719,663.34	190,776,898.85	1,477,341.63	**620,504,535.48**

21. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

(1) Deferred tax assets not offset

Item	As at June 30, 2026 Deductible temporary differences RMB (Unaudited)	As at June 30, 2026 Deferred tax assets RMB (Unaudited)	As at December 31, 2025 Deductible temporary differences RMB (Audited)	As at December 31, 2025 Deferred tax assets RMB (Audited)
Provision for impairment of assets	**716,652,623.70**	**120,115,554.78**	660,511,067.89	103,742,655.84
Unrealised profit from internal transactions	**432,200,274.74**	**75,099,061.30**	614,650,668.04	99,393,843.00
Deductible losses	**2,900,857,312.03**	**587,275,611.99**	2,517,021,694.10	535,419,205.62
Provision for loss allowance	**590,529,405.18**	**108,928,688.29**	626,182,781.42	101,620,105.76
Deferred income	**400,065,492.96**	**62,516,450.84**	422,836,158.71	66,036,836.75
Lease liabilities	**1,646,870,308.77**	**326,085,652.99**	1,433,956,688.13	269,597,030.53
Changes in fair value of financial instruments at fair value through profit or loss	**439,775.60**	**70,553.05**	3,937,974.12	649,696.13
Others	**421,207,967.64**	**70,842,106.35**	260,465,781.01	45,351,544.91
Total	**7,108,823,160.62**	**1,350,933,679.59**	6,539,562,813.42	1,221,810,918.54

(2) Deferred tax liabilities not offset

Item	As at June 30, 2026 Taxable temporary differences RMB (Unaudited)	As at June 30, 2026 Deferred tax liabilities RMB (Unaudited)	As at December 31, 2025 Taxable temporary differences RMB (Audited)	As at December 31, 2025 Deferred tax liabilities RMB (Audited)
Fair value adjustments due to business combinations not under common control	**620,408,703.27**	**105,365,412.85**	534,836,183.97	97,562,991.28
Changes in fair value of other equity instrument investments	**67,918,463.45**	**14,058,187.86**	36,109,998.73	6,106,071.68
Depreciation of fixed assets	**2,660,472,914.20**	**409,539,925.33**	2,767,506,442.09	427,871,230.89
Changes in fair value of financial instruments at fair value through profit or loss	**48,987,812.77**	**9,163,703.21**	64,699,515.50	12,180,383.44
Right-of-use assets	**1,574,967,390.41**	**314,075,347.29**	1,385,318,819.14	261,710,032.45
Investment income from long-term equity investments	**76,977,989.95**	**19,244,497.49**	86,978,959.34	21,744,739.84
Other	**18,070,239.18**	**4,445,689.32**	12,225,299.56	3,051,780.86
Total	**5,067,803,513.23**	**875,892,763.35**	4,887,675,218.33	830,227,230.44

(3) Deferred tax assets or liabilities presented at the net amount after offsetting

Item	Offsetting amount of deferred tax assets and liabilities at the end of the period RMB (Unaudited)	Closing balance of deferred tax assets or liabilities after offsetting RMB (Unaudited)	Offsetting amount of deferred tax assets and liabilities at the beginning of the period RMB (Unaudited)	Opening balance of deferred tax assets or liabilities after offsetting RMB (Unaudited)
Deferred tax assets	568,788,753.00	782,144,926.59	489,350,973.45	732,459,945.09
Deferred tax liabilities	568,788,753.00	307,104,010.35	489,350,973.45	340,876,256.99

(4) Breakdown of unrecognised deferred tax assets

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Deductible temporary differences	**1,382,912,057.18**	1,453,538,686.82
Deductible losses	**5,735,455,240.64**	5,614,882,740.58
Total	**7,118,367,297.82**	7,068,421,427.40

(5) Deductible losses for which no deferred tax assets were recognised will expire in the following years

Year	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)	Note
2026	**814,773,351.98**	839,955,889.13	
2027	**1,405,009,402.77**	1,434,809,671.84	
2028	**1,236,638,118.27**	1,243,239,256.40	
2029	**1,131,518,931.36**	1,131,518,931.36	
2030 and thereafter	**1,147,515,436.26**	965,358,991.85	
Total	**5,735,455,240.64**	5,614,882,740.58	

Other explanations

At the end of each period, the Group re-assesses the taxable income that each subsidiary is likely to obtain in the future based on the actual profitability of each subsidiary, and recognises deferred tax assets arising from deductible temporary differences accordingly, which results in changes in the deductible losses for which no deferred tax assets were recognised at the end of each period.

22. OTHER NON-CURRENT ASSETS

Item	As at June 30, 2026			As at December 31, 2025		
	Gross amount	Provision	Carrying amount	Gross amount	Provision	Carrying amount
	RMB (Unaudited)			RMB (Audited)		
Prepayments for equipment and construction works	**318,991,888.36**	**–**	**318,991,888.36**	334,149,558.64	–	334,149,558.64
Time deposits and large denomination certificates of deposit over one year	**1,213,051,839.81**	**–**	**1,213,051,839.81**	1,190,064,395.06	–	1,190,064,395.06
Total	**1,532,043,728.17**	**–**	**1,532,043,728.17**	1,524,213,953.70	–	1,524,213,953.70

Information relating to indemnification assets: None

23. ASSETS WITH RESTRICTED OWNERSHIP OR RIGHTS OF USE

Item	As at June 30, 2026			As at December 31, 2025		
	Carrying amount	Type of restriction	Restriction	Carrying amount	Type of restriction	Restriction
	RMB (Unaudited)			RMB (Audited)		
Cash and bank balances	**752,787,924.90**	**Pledge and property preservation**	**Security deposits for bank acceptance bills, other security deposits, and frozen bank funds**	735,616,665.60	Pledge and property preservation	Security deposits for bank acceptance bills and other security deposits, and frozen bank funds
Bills receivables	**176,043,148.89**	**Pledged**	**Pledge of bank acceptance bills; bills receivables endorsed/discounted but not yet matured and not derecognised**	202,771,966.46	Pledged	Pledge of bank acceptance bills; bills receivables endorsed/discounted but not yet matured and not derecognised
Fixed assets	**614,435,066.72**	**Mortgaged**	**Mortgage security for borrowings**	665,698,106.88	Mortgaged	Mortgage security for borrowings
Intangible assets	**134,773,878.06**	**Mortgage and pledge**	**Mortgage/pledge security for borrowings**	141,299,203.33	Mortgage and pledge	Mortgage/pledge security for borrowings
Investment properties	**203,184,248.60**	**Property preservation**	**Property preservation**	211,991,265.98	Property preservation	Property preservation
Other current assets	**15,075,292.00**	**Pledged**	**Pledged for issuance of bank acceptance bills**	80,225,197.00	Pledged	Pledged for issuance of bank acceptance bills
Other non-current assets	**10,000,000.00**	**Pledged**	**Pledged for issuance of bank acceptance bills**	10,000,000.00	Pledged	Pledged for issuance of bank acceptance bills
Total	**1,906,299,559.17**			2,047,602,405.25		

Note: As at June 30, 2026, the 96.15% equity interest in Zhejiang Xianglong Machinery Co., Ltd., the 60% equity interest in Jiangsu Kooda Stone Automotive Technology Co., Ltd. and the 35% equity interest in Dongguan Readore Technology Co., Ltd. held by the Group had been pledged to secure bank loans

24. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Mortgage borrowings	—	30,000,000.00
Guaranteed borrowings	**2,344,312,259.56**	2,047,145,991.97
Credit borrowings	**25,000,000.00**	35,000,000.00
Bill discounting borrowings	**3,626,287,671.62**	2,374,199,080.29
Mortgage and guaranteed borrowings	**129,000,000.00**	45,000,000.00
Pledged and guaranteed borrowings	**150,000,000.00**	—
Undue interest payable	**3,968,507.49**	214,958.67
Total	**6,278,568,438.67**	4,531,560,030.93

Explanation of the classification of short-term borrowings:

Note 1: The guaranteed borrowings at the end of the period are guaranteed by the Company and its subsidiaries

Note 2: The mortgaged and guaranteed borrowings at the end of the period are secured by mortgages over the fixed assets and intangible assets of subsidiaries, and are guaranteed by the Company and its subsidiaries

Note 3: The pledged and guaranteed borrowings at the end of the period are secured by pledges over the patents of subsidiaries, and are guaranteed by the Company

25. BILLS PAYABLES

Category	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Bank acceptance bills	**1,199,458,151.35**	1,611,216,404.47
Total	**1,199,458,151.35**	1,611,216,404.47

The total amount of bills payable that had become due but remained unpaid at the end of the Reporting Period was nil.

26. TRADE PAYABLES

The ageing of trade payables is determined by the time when the purchase of materials and equipment is recognised or services are accepted; The ageing analysis of trade payables is presented as follows:

	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Payables for materials	**8,370,350,439.33**	9,427,731,680.38
Payables for equipment and construction works	**1,848,329,216.89**	1,737,552,524.06
Payables for processing fees	**760,455,866.22**	1,066,311,087.65
Others	**136,193,454.31**	260,472,505.83
Total	**11,115,328,976.75**	12,492,067,797.92

Ageing	**As at June 30, 2026 RMB (Unaudited)**	As at December 31, 2025 RMB (Audited)
Within 1 year (inclusive)	**10,782,555,921.09**	12,245,906,260.90
1 to 2 years	**249,386,821.96**	150,598,642.85
2 to 3 years	**45,521,738.57**	26,862,340.34
Over 3 years	**37,864,495.13**	68,700,553.83
Total	**11,115,328,976.75**	12,492,067,797.92

27. OTHER PAYABLES

Item	**As at June 30, 2026 RMB (Unaudited)**	As at December 31, 2025 RMB (Audited)
Dividends payable	**6,351,916.78**	6,351,916.78
Other payables	**998,974,038.53**	1,169,465,299.44
Total	**1,005,325,955.31**	1,175,817,216.22

(1) Dividends payable

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Dividends on ordinary shares	**6,351,916.78**	6,351,916.78
Total	**6,351,916.78**	6,351,916.78

Other explanations, including significant dividends payable unpaid for over 1 year, for which the reason for non-payment shall be disclosed: Not applicable

(2) Other payables

1) Presentation of other payables by nature

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Consideration for acquisition of equity interests	**—**	115,384,000.00
Accrued expenses	**592,496,506.05**	549,768,213.45
Share-based incentive and employee share ownership plans	**179,111,560.52**	189,092,949.60
Individual income tax withheld on exercise of the employee share ownership plan	**—**	93,394,550.56
Government grants and capital occupation fees to be refunded	**188,271,811.51**	185,891,537.54
Current account balances	**7,680,920.13**	8,744,275.96
Deposits received	**29,896,484.10**	26,313,114.96
Amounts due to related parties	**1,516,756.22**	6,529.82
Other	**—**	870,127.55
Total	**998,974,038.53**	1,169,465,299.44

2) Significant other payables aged over 1 year or overdue

None

28. RECEIPTS IN ADVANCE

(1) Presentation of receipts in advance

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Rental received in advance	**188,082.71**	573,527.77
Total	**188,082.71**	573,527.77

29. CONTRACT LIABILITIES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Advances from customers	**49,918,044.81**	92,664,384.28
Total	**49,918,044.81**	92,664,384.28

30. EMPLOYEE BENEFITS PAYABLE

(1) Presentation of employee benefits payable

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	As at June 30, 2026 RMB (Unaudited)
1. Short-term employee benefits	515,662,637.87	5,145,335,981.32	5,204,443,265.95	**456,555,353.24**
2. Post-employment benefits – defined contribution plans	13,882,918.81	399,598,983.68	400,983,848.18	**12,498,054.31**
3. Termination benefits	56,950,040.05	41,887,081.33	57,533,560.23	**41,303,561.15**
Total	586,495,596.73	5,586,822,046.33	5,662,960,674.36	**510,356,968.70**

(2) Presentation of short-term benefits

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
1. Wages, bonuses, allowances and subsidies	500,905,339.27	4,694,589,706.06	4,755,602,354.92	**439,892,690.41**
2. Employee welfare expenses	623,190.47	209,693,562.70	208,164,476.12	**2,152,277.05**
3. Social insurance	3,273,716.42	160,227,605.93	159,622,960.93	**3,878,361.42**
Including: Medical insurance	3,196,137.47	139,191,391.17	138,891,085.05	**3,496,443.59**
Work injury insurance	77,578.95	15,289,257.22	14,984,918.34	**381,917.83**
Maternity insurance	—	5,746,957.54	5,746,957.54	**—**
4. Housing provident fund	211,540.88	70,179,952.53	69,676,159.05	**715,334.36**
5. Labour union funds and employee education funds	10,648,850.83	10,645,154.10	11,377,314.93	**9,916,690.00**
Total	515,662,637.87	5,145,335,981.32	5,204,443,265.95	**456,555,353.24**

(3) Presentation of defined contribution plan

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
1. Basic pension insurance	11,029,528.09	379,942,326.16	379,299,382.81	**11,672,471.44**
2. Unemployment insurance	831,315.20	19,097,345.08	19,249,333.34	**679,326.94**
3. Other	2,022,075.52	559,312.44	2,435,132.03	**146,255.93**
Total	13,882,918.81	399,598,983.68	400,983,848.18	**12,498,054.31**

31. TAXES PAYABLE

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Value-added tax	**205,193,824.24**	143,619,290.80
Corporate income tax	**303,108,009.55**	373,596,861.04
Individual income tax	**16,633,474.14**	28,610,139.61
Urban maintenance and construction tax	**5,760,864.14**	25,189,312.02
Overseas indirect taxes	**39,872,114.97**	66,845,260.24
Education surcharge (including local)	**5,637,952.91**	23,422,802.18
Property tax	**16,687,738.31**	12,216,967.52
Land use tax	**3,052,048.46**	2,009,283.04
Other	**14,401,658.87**	14,530,020.56
Total	**610,347,685.59**	690,039,937.01

32. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Long-term borrowings due within one year	**3,807,433,782.48**	4,510,995,067.88
Long-term payables due within one year	**7,670,454.13**	—
Lease liabilities due within one year	**488,279,024.14**	385,133,445.66
Other non-current liabilities due within one year	**233,844,040.11**	224,006,065.62
Total	**4,537,227,300.86**	5,120,134,579.16

33. OTHER CURRENT LIABILITIES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Refundable consideration payable	**5,976,291.07**	7,324,585.18
Provisions	**19,241,543.04**	18,977,543.58
Output VAT to be transferred	**1,045,009.19**	728,548.01
Payables for entrusted processing materials	**378,071,287.40**	156,912,979.47
Total	**404,334,130.70**	183,943,656.24

34. LONG-TERM BORROWINGS

(1) Classification of long-term borrowings

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Guaranteed borrowings	**6,146,193,325.27**	6,747,344,195.97
Credit borrowings	**—**	9,900,000.00
Pledged and guaranteed borrowings	**1,805,483,550.00**	1,021,000,000.00
Mortgage and guaranteed borrowings	**928,189,332.00**	1,025,369,762.00
Undue interest payable	**5,489,624.88**	6,864,282.75
Less: Long-term borrowings due within one year	**(3,807,433,782.48)**	(4,510,995,067.88)
Total	**5,077,922,049.67**	4,299,483,172.84

Explanation of the classification of long-term borrowings:

Note 1: The guaranteed borrowings at the end of the period represent borrowings obtained with guarantees provided by the Company and its subsidiaries.

Note 2: The pledged and guaranteed borrowings at the end of the period are secured by pledges of the equity interests of the Company and its subsidiaries, and are guaranteed by the Company and its subsidiaries.

Note 3: The mortgaged and guaranteed borrowings at the end of the period are secured by mortgages over the fixed assets and intangible assets of the Company and its subsidiaries, and are guaranteed by the Company and its subsidiaries.

35. LEASE LIABILITIES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Lease liabilities	**1,755,686,825.19**	1,502,074,985.10
Less: Lease liabilities due within one year	**(488,279,024.14)**	(385,133,445.66)
Total	**1,267,407,801.05**	1,116,941,539.44

36. LONG-TERM PAYABLES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Long-term payables	**6,567,033.63**	—
Total	**6,567,033.63**	—

(1) Presentation of long-term payables by nature

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Long-term payables	**15,259,729.69**	—
Long-term payables — unrecognised finance costs	**(1,022,241.93)**	—
Subtotal	**14,237,487.76**	—
Less: Long-term payables due within one year	**(7,670,454.13)**	—
Total	**6,567,033.63**	—

37. LONG-TERM EMPLOYEE BENEFITS PAYABLE

(1) Table of long-term employee benefits payable

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
1. Post-employment benefits — net liability under defined benefit plans	**27,357,209.67**	25,323,240.67
3. Other long-term benefits	**11,489,655.87**	11,489,655.87
Total	**38,846,865.54**	36,812,896.54

38. DEFERRED INCOME

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	As at June 30, 2026 RMB (Unaudited)	Reason
Government grants	601,825,135.50	50,197,323.10	68,551,255.34	**583,471,203.26**	Government project grants related to assets
Government grants	25,756,757.52	78,902.10	25,191,757.52	**643,902.10**	Government project grants related to income
Total	627,581,893.02	50,276,225.20	93,743,012.86	**584,115,105.36**	

Other explanations: None

39. OTHER NON-CURRENT LIABILITIES

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Consideration for acquisition of non-controlling interests	**93,145,135.94**	91,531,607.47
Long-term equity consideration payable	**304,587,759.98**	544,762,242.92
Total	**397,732,895.92**	636,293,850.39

40. SHARE CAPITAL

		Increase/decrease during the period		
	December 31, 2025 (Audited)	Issue of new shares (Unaudited)	Option exercise (Unaudited)	**June 30, 2026 (Unaudited)**
Share capital (RMB)	1,830,828,680.30	203,440,057.13	535,708.38	**2,034,804,445.81**

The movements in share capital set out above represent the movements in the share capital of Lingyi Technology (Shenzhen) Co., Ltd. as restated for the reverse acquisition.

The movements in the shares actually issued by the Company are set out in the table below:

		Increase/decrease during the period		
	December 31, 2025 (Audited)	Issue of new shares (Unaudited)	Option exercise (Unaudited)	**June 30, 2026 (Unaudited)**
Share capital (RMB)	7,306,060,977.00	811,811,880.00	2,137,703.00	**8,120,010,560.00**

41. CAPITAL RESERVE

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Capital premium (share premium)	10,721,244,540.15	6,908,239,881.83	—	**17,629,484,421.98**
Other capital reserves	708,510,755.89	192,051,537.54	1,433,554.31	**899,128,739.12**
Total	11,429,755,296.04	7,100,291,419.37	1,433,554.31	**18,528,613,161.10**

Other explanations, including the increase/decrease movements during the current period and the reasons for such changes:

1. The Company issued H shares and listed on the Main Board of The Stock Exchange of Hong Kong Limited during the current period and restored the share capital for the reverse acquisition, and capital reserves (share premium) increased by RMB6,899,328,959.70 in aggregate;

2. The exercise of the first exercise period of the share options initially granted under the Company's 2024 Share Option Incentive Plan during the year and the restoration of the share capital for the reverse acquisition resulted in an aggregate increase of RMB8,910,922.13 in capital reserves (share premium);

3. The equity incentive expenses for the year amounted to RMB192,196,222.33, other capital reserves increased by RMB191,654,181.75, and the remainder was recognised in non-controlling interests;

4. As a result of the adjustment to the equity of Lingyi iTech's long-term equity investment in Guangdong Nbtm, the Company's other capital reserves increased by RMB397,355.79 accordingly;

5. The income tax effect arising from the difference between the amount of share-based payment deductible for tax purposes and the share-based payment-related costs and expenses for the year resulted in a decrease of RMB26,996.40 in other capital reserves;

6. After the acquisition of Readore during the current period, other capital reserves decreased by RMB644,127.72 as a result of the capital increase by non-controlling shareholders;

7. The acquisition of Ningbo Longjun during the current period resulted in a decrease of RMB762,430.19 in other capital reserves.

42. TREASURY SHARES

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Share-based incentive and employee share ownership plans	405,112,535.77	311,197,847.88	888,418.48	**715,421,965.17**
Total	405,112,535.77	311,197,847.88	888,418.48	**715,421,965.17**

Other explanations, including the increase/decrease movements during the current period and the reasons for such changes:

1. During the Reporting Period, the Company repurchased 22,199,300 shares of the Company through its special securities account for share repurchase by way of centralized bidding, representing 0.30% of the Company's total share capital; the highest transaction price was RMB14.43 per share and the lowest transaction price was RMB13.68 per share, and the transaction amount was RMB311,132,511.58 (excluding transaction fees), or RMB311,197,847.88 including transaction fees;

2. The decrease in treasury shares during the current period was attributable to the dividend distribution in the Reporting Period.

43. OTHER COMPREHENSIVE INCOME

Item	As at December 31, 2025 RMB (Audited)	Six months ended June 30, 2026						
		Amount incurred before tax in the current period	Less: Amounts previously included in other comprehensive income and transferred to profit or loss in the current period	Less: Amounts previously included in other comprehensive income and transferred to retained profits in the current period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to non-controlling interests	As at June 30, 2026 RMB (Unaudited)
		RMB (Unaudited)						
I. Items that will not be reclassified to profit or loss in subsequent periods	19,459,264.44	**33,239,765.97**	–	–	**8,149,595.73**	**25,090,170.24**	–	**44,549,434.68**
Including: remeasurements of post-employment benefit obligations	(10,544,662.61)	**1,431,301.25**	–	–	**197,479.55**	**1,233,821.70**	–	**(9,310,840.91)**
Fair value gains on other equity investments	30,003,927.05	**31,808,464.72**	–	–	**7,952,116.18**	**23,856,348.54**	–	**53,860,275.59**
II. Items that may be reclassified to profit or loss in subsequent periods	(263,061,262.30)	**(155,379,258.69)**	**2,080,481.66**	–	–	**(157,212,264.58)**	**(247,475.77)**	**(420,273,526.88)**
Including: Share of other comprehensive loss of associates	(13,718,287.32)	**(11,434,719.21)**	–	–	–	**(11,434,719.21)**	–	**(25,153,006.53)**
Exchange differences on translation of financial information of foreign operations	(249,342,974.98)	**(143,944,539.48)**	**2,080,481.66**	–	–	**(145,777,545.37)**	**(247,475.77)**	**(395,120,520.35)**
Total other comprehensive income	(243,601,997.86)	**(122,139,492.72)**	**2,080,481.66**	–	**8,149,595.73**	**(132,122,094.34)**	**(247,475.77)**	**(375,724,092.20)**

44. SURPLUS RESERVE

Item	As at December 31, 2025 RMB (Audited)	Increase for the period RMB (Unaudited)	Decrease for the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Statutory surplus reserve	987,000,000.00	–	–	**987,000,000.00**
Total	987,000,000.00	–	–	**987,000,000.00**

45. RETAINED PROFITS

Item	Current period RMB (Unaudited)	Prior period RMB (Audited)
Retained profits at the end of the prior period before adjustment	**10,441,272,317.12**	8,533,285,964.93
Adjustment to the total opening retained profits	**—**	(94,228,472.66)
Retained profits at the beginning of the period after adjustment	**10,441,272,317.12**	8,439,057,492.27
Add: Net profit attributable to owners of the parent for the period	**763,630,227.88**	2,287,723,584.28
Dividends payable on ordinary shares	**145,483,349.60**	285,520,137.92
Add: Others (Note 1)	**—**	11,378.49
Closing retained profits	**11,059,419,195.40**	10,441,272,317.12

Other explanations:

Note 1: The "Other" for the prior year represents the exercise of the third tranche of the 2022 Employee Share Ownership Plan, of which 52,800 shares did not meet the exercise conditions; the prior years' dividends corresponding thereto were reversed against retained profits and recognised in the current period.

46. REVENUE AND COST OF SALES

	Six months ended June 30,			
	2026		2025	
	Revenue RMB (Unaudited)	Cost of sales RMB (Unaudited)	Revenue RMB (Unaudited)	Cost of sales RMB (Unaudited)
Principal operations	**24,267,321,501.78**	**20,395,193,534.77**	23,180,278,788.35	19,801,038,973.49
Other operations	**881,812,177.59**	**547,474,527.23**	445,006,590.84	261,688,380.88
Total	**25,149,133,679.37**	**20,942,668,062.00**	23,625,285,379.19	20,062,727,354.37

Disaggregation for the six months ended June 30, 2026 (RMB)

Classification of contracts	Electronic devices		Automotive and advanced air mobility		Others		Total	
	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales
By operating region	20,463,843,050.36	16,888,160,635.87	3,527,792,857.90	3,030,915,273.96	1,141,042,872.41	1,015,783,345.64	25,132,678,780.67	20,934,859,255.47
Including:								
Domestic sales	4,811,597,039.63	4,169,724,275.82	3,121,740,823.44	2,725,698,860.36	104,723,295.85	77,009,787.06	8,038,061,158.92	6,972,432,923.24
Overseas sales	15,652,246,010.73	12,718,436,360.05	406,052,034.46	305,216,413.60	1,036,319,576.56	938,773,558.58	17,094,617,621.75	13,962,426,332.23
By timing of transfer of goods	20,463,843,050.36	16,888,160,635.87	3,527,792,857.90	3,030,915,273.96	1,141,042,872.41	1,015,783,345.64	25,132,678,780.67	20,934,859,255.47
Including:								
Transfer at a point in time	20,463,843,050.36	16,888,160,635.87	3,527,792,857.90	3,030,915,273.96	1,141,042,872.41	1,015,783,345.64	25,132,678,780.67	20,934,859,255.47
Total	20,463,843,050.36	16,888,160,635.87	3,527,792,857.90	3,030,915,273.96	1,141,042,872.41	1,015,783,345.64	25,132,678,780.67	20,934,859,255.47

47. TAXES AND SURCHARGES

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Urban maintenance and construction tax	**27,288,069.68**	27,611,716.21
Education surcharge	**13,612,376.08**	13,740,524.16
Property tax	**23,360,622.47**	18,475,723.88
Land use tax	**4,569,421.18**	3,582,873.23
Stamp duty	**21,685,556.67**	14,563,641.32
Local education surcharge	**9,749,394.64**	9,160,349.47
Other	**2,014,391.73**	6,213,016.99
Total	**102,279,832.45**	93,347,845.26

48. ADMINISTRATIVE EXPENSES

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Employee benefits	**728,335,803.53**	508,693,368.94
Depreciation and amortisation expenses	**162,062,957.47**	164,118,488.26
Service fees	**58,506,110.66**	49,245,587.06
Office expenses	**62,177,008.53**	50,454,598.83
Consumption of materials	**7,426,856.05**	4,513,584.88
Travelling expenses	**12,565,746.30**	5,859,197.80
Repair and testing expenses	**6,671,425.46**	4,771,676.31
Business expenses	**7,672,208.32**	2,943,171.52
Other expenses	**27,456,041.73**	19,478,374.04
Total	**1,072,874,158.05**	810,078,047.64

49. SELLING AND DISTRIBUTION EXPENSES

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Employee benefits	**196,469,504.68**	150,125,304.82
Consumption of materials	**1,055,646.93**	1,441,155.98
Business expenses	**23,964,878.12**	18,016,951.48
Travelling expenses	**9,947,364.47**	8,149,025.99
Depreciation and amortisation expenses	**2,599,555.47**	1,520,908.21
Office expenses	**3,272,701.65**	2,017,899.47
Other expenses	**19,944,019.40**	9,060,453.33
Total	**257,253,670.72**	190,331,699.28

50. RESEARCH AND DEVELOPMENT EXPENSES

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Employee benefits	**802,956,078.48**	624,043,096.70
Consumption of materials	**556,582,962.09**	436,335,547.07
Depreciation and amortisation expenses	**34,810,833.29**	36,834,010.86
Power expenses	**8,345,878.91**	8,172,643.62
Office expenses	**6,841,661.33**	5,908,545.82
Repair and testing expenses	**9,616,305.58**	5,450,705.76
Vehicle expenses	**6,880,610.95**	4,319,391.00
Other expenses	**15,635,771.41**	6,469,790.65
Total	**1,441,670,102.04**	1,127,533,731.48

51. FINANCE COSTS

	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Interest expenses	**198,184,602.79**	174,370,895.79
Less: Interest income	**51,045,077.75**	40,354,209.09
Loss/(gain) on foreign currency exchange	**466,445,960.35**	(23,722,167.29)
Bank charges and others	**6,365,303.08**	3,177,209.82
Total	**619,950,788.47**	113,471,729.23

52. OTHER INCOME

Sources of other income	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
1. Amortisation of government grants related to assets	**62,293,945.80**	83,385,603.11
2. Amortisation of government grants related to income	**2,184,384.48**	2,910,181.89
3. Government grants related to income for compensating costs, expenses or losses already incurred and others	**110,292,208.82**	48,580,695.20
Total	**174,770,539.10**	134,876,480.20

53. GAINS FROM CHANGES IN FAIR VALUE

Sources of gains from changes in fair value	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Financial assets held for trading	**73,000,822.87**	135,185,136.33
Including: Fair value gains arising from derivative financial instruments	**60,860,427.91**	127,913,049.14
Changes in fair value of other non-current financial assets	**(916,520.04)**	(55,392,442.38)
Other	**—**	5,962,337.09
Total	**72,084,302.83**	85,755,031.04

54. INVESTMENT INCOME

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Investment income from long-term equity investments accounted for under the equity method	**27,449,045.27**	30,118,200.08
Investment income arising from disposal of long-term equity investments	**2,790,942.16**	—
Investment income arising from disposal of financial assets held for trading	**197,436,283.45**	(168,907.16)
Other	**13,515,367.92**	21,831,212.38
Total	**241,191,638.80**	51,780,505.30

55. CREDIT IMPAIRMENT LOSSES

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Impairment losses on bills receivables	**(4,562,539.68)**	(206,440.12)
Impairment losses on trade receivables	**93,746,417.27**	17,024,800.44
Impairment losses on other receivables	**(20,243,783.37)**	96,888,710.42
Total	**68,940,094.22**	113,707,070.74

56. IMPAIRMENT LOSSES ON ASSETS

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Impairment loss of inventories and costs to fulfil contracts	**(351,988,596.71)**	(368,055,675.76)
Impairment loss of fixed assets	**(7,590,632.85)**	(53,664,417.85)
Impairment loss of construction in progress	**—**	(4,501,093.73)
Impairment loss of intangible assets	**—**	(61,551.16)
Impairment loss of contract assets	**(82,100.84)**	—
Total	**(359,661,330.40)**	(426,282,738.50)

57. GAINS ON DISPOSAL OF ASSETS

Sources of gains on disposal of assets	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Loss on disposal of construction in progress	**(3,079,646.02)**	(5,772,818.77)
Loss or gain on disposal of fixed assets	**1,647,742.54**	2,914,723.73
Gain on disposal of intangible assets	**—**	5,500.04
Lease modification	**3,669,451.23**	37,704,852.31
Total	**2,237,547.75**	34,852,257.31

58. NON-OPERATING INCOME

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)	Amount included in non-recurring profit or loss for the period (Unaudited)
Fines and penalties income	**459,426.91**	583,551.30	459,426.91
Insurance claims and compensation for breach of contract	**1,148,705.98**	1,884,015.64	1,148,705.98
Waived liabilities	**3,056,231.34**	1,696,428.03	3,056,231.34
Other	**919,910.01**	438,303.20	919,910.01
Total	**5,584,274.24**	4,602,298.17	5,584,274.24

59. NON-OPERATING EXPENSES

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)	Amount included in non-recurring profit or loss for the period (Unaudited)
Donations	**10,633.50**	100,000.00	10,633.50
Losses on inventory shrinkage	**65,638.39**	68,397.78	65,638.39
Loss on damage and scrapping of non-current assets	**5,391,011.65**	2,585,446.10	5,391,011.65
Penalty expenses and fines for breach of contracts	**10,241,655.48**	610,203.01	10,241,655.48
Others	**2,665,404.27**	312,957.21	2,665,404.27
Total	**18,374,343.29**	3,677,004.10	18,374,343.29

60. INCOME TAX

	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Current tax	**220,128,854.39**	219,250,893.26
Deferred tax	**(97,957,102.67)**	61,811,361.41
Total	**122,171,751.72**	281,062,254.67

Reconciliation between accounting profit and income tax expenses:

	Six months ended June 30, 2026 RMB (Unaudited)
Total profit	**899,209,788.89**
Income tax expenses calculated at statutory/applicable tax rate	**224,802,447.22**
Effect of different tax rates applicable to subsidiaries	**(125,648,662.07)**
Under-provision in prior years	**7,855,276.73**
Tax effect of non-deductible expenses	**44,439,022.96**
Tax effect of utilisation of tax losses not recognised in prior years	**(28,649,505.25)**
Tax effect of deductible tax loss and deductible temporary difference not recognised	**119,354,257.57**
Super deduction of research and development expenses and others	**(119,981,085.44)**
Income tax	**122,171,751.72**

61. OTHER COMPREHENSIVE INCOME

For details, refer to Note 43, Other comprehensive income.

62. ITEMS OF CASH FLOW STATEMENT

(1) Cash relating to operating activities

Other cash received from operating activities

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Government grants	**129,157,272.13**	52,002,511.94
Interest income	**51,045,077.75**	39,852,884.39
Extra-group transactions	**2,678,037.38**	101,493,049.72
Other	**12,184,659.69**	284,927.79
Total	**195,065,046.95**	193,633,373.84

Other cash paid for operating activities

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Operating expenses paid	**290,433,270.97**	196,181,354.58
Deposits paid for operating activities	**28,300,626.42**	11,218,106.93
Bank charges and others	**4,626,752.74**	2,403,890.35
Other	**10,241,655.48**	35,651,910.09
Total	**333,602,305.61**	245,455,261.95

(2) Cash relating to investing activities

Other cash received from investing activities

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Proceeds from redemption of wealth management products	**2,140,162,222.12**	77,634,140.37
Derivative financial instruments	**242,392,788.65**	—
Receipt of performance compensation	**13,115,965.37**	—
Total	**2,395,670,976.14**	77,634,140.37

Other cash paid for investing activities

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Payments for wealth management products and time deposits	**2,821,441,166.66**	1,656,876,172.12
Cash paid for disposal of a subsidiary	**1,276,171.13**	—
Derivative financial instruments	**—**	6,726,180.12
Total	**2,822,717,337.79**	1,663,602,352.24

(3) Cash relating to financing activities

Other cash received from financing activities

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Proceeds from exercise of share options	**9,448,647.26**	—
Receipts of financing deposits	**—**	170,000,000.00
Total	**9,448,647.26**	170,000,000.00

Other cash paid for financing activities

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Repurchase of shares	**311,197,847.88**	319,979,159.13
Repayment of lease liabilities	**166,808,725.12**	159,541,347.05
Individual income tax paid on behalf of employees and others	**102,805,690.29**	–
Deposits paid for financing activities	**92,990,101.32**	72,944,397.28
Listing expenses paid	**11,038,615.58**	–
Acquisition of non-controlling interests	**1,440,092.16**	–
Repayment of loans from related parties	**–**	29,500,000.00
Refund of capital contributions to non-controlling shareholders	**–**	2,549,999.90
Cash consideration paid for business combinations under common control	**–**	28,800,000.00
Other	**–**	7,899,739.30
Total	**686,281,072.35**	621,214,642.66

Movements in liabilities from financing activities

Item	As at December 31, 2025 RMB (Audited)	Increase for the period Cash movements RMB (Unaudited)	Increase for the period Non-cash movements RMB (Unaudited)	Decrease for the period Cash movements RMB (Unaudited)	Decrease for the period Non-cash movements RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Short-term borrowings	4,531,560,030.93	5,859,369,577.51	169,062,057.06	4,281,423,226.83	–	**6,278,568,438.67**
Long-term borrowings (including long-term borrowings due within one year)	8,810,478,240.72	2,441,534,271.76	106,032,572.98	2,472,689,253.31	–	**8,885,355,832.15**
Lease liabilities (including current portion of lease liabilities)	1,502,074,985.10	–	420,420,565.21	166,808,725.12	–	**1,755,686,825.19**
Dividends payable	6,351,916.78	–	151,535,349.60	150,324,949.60	1,210,400.00	**6,351,916.78**
Long-term payables (including current portion of long-term payables)	–	–	18,000,806.41	3,763,318.65	–	**14,237,487.76**
Other payables	282,487,500.16	–	–	102,775,701.03	600,238.61	**179,111,560.52**
Total	15,132,952,673.69	8,300,903,849.27	865,051,351.26	7,177,785,174.54	1,810,638.61	**17,119,312,061.07**

(4) Explanation on cash flows presented on a net basis

Item	Relevant facts and circumstances	Basis for net presentation	Financial impact
Other cash received from/paid to operating activities	Receipts and payments on behalf of others and other current account balances	Large amounts, short cycles and quick turnover	No impact on net cash flows from operating activities
Other cash received from/paid to financing activities	Deposits for bills	Large amounts, short cycles and quick turnover	No impact on net cash flows from financing activities
Other cash received from/paid to investing activities	Wealth management products within three months	Large amounts, short cycles and quick turnover	No impact on net cash flows from investing activities
Cash received from sale of goods and rendering of services/cash paid for goods and services	Raw materials purchased on behalf of customers	Cash received or paid on behalf of customers	No impact on net cash flows from operating activities

(5) Significant activities that do not involve cash receipts and payments in the current period but affect the enterprise's financial position or may affect the enterprise's cash flows in the future, and their financial impact

None

63. SUPPLEMENTARY INFORMATION TO CASH FLOW STATEMENT

(1) Supplementary information to cash flow statement

Supplementary information	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
1. Reconciliation of net profit to net cash flows from operating activities:		
Net profit	**777,038,037.17**	942,346,617.42
Add: Impairment losses on assets	**290,721,236.18**	312,575,667.76
Depreciation of fixed assets	**1,176,720,873.16**	912,870,992.12
Depreciation of right-of-use assets	**195,809,031.26**	152,324,315.95
Amortisation of intangible assets	**46,794,978.31**	49,551,838.14
Amortisation of long-term deferred expenses	**190,776,898.85**	185,503,847.78
Loss on disposal of fixed assets, intangible assets and other long-term assets	**(2,237,547.75)**	(34,852,257.31)
Loss on retirement of fixed assets	**4,741,965.01**	2,585,446.10
Gains from changes in fair value	**(72,084,302.83)**	(85,755,031.04)
Finance costs	**301,124,098.16**	140,635,184.60
Investment income	**(241,191,638.80)**	(51,780,505.30)
Decrease in deferred tax assets	**(37,876,494.18)**	86,159,405.24
Increase in deferred tax liabilities	**(60,080,608.49)**	(13,478,244.22)
Decrease in inventories	**(1,066,529,719.44)**	(519,716,968.89)
Decrease in operating receivables	**1,958,521,161.00**	181,768,290.84
Increase in operating payables	**(1,944,525,095.63)**	(730,733,075.28)
Others	**192,196,222.33**	143,162,285.49
Net cash flows from operating activities	**1,709,919,094.31**	1,673,167,809.40

Supplementary information	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
2. Significant investing and financing activities that do not involve cash receipts and payments:		
Increase of right-of-use assets	**415,246,656.70**	—
3. Net movement in cash and cash equivalents:		
Cash and cash equivalents at the end of the period	**10,690,263,131.73**	4,802,710,553.45
Less: Cash and cash equivalents at the beginning of the period	**5,447,510,912.86**	6,038,980,458.32
Net increase in cash and cash equivalents	**5,242,752,218.87**	(1,236,269,904.87)

(2) Net cash paid for acquisition of subsidiaries in the current period

	Six months ended June 30, 2026 RMB (Unaudited)
Cash or cash equivalents paid during the period for business combinations occurring during the period	875,000,000.00
Including:	
Dongguan Readore Technology Co., Ltd. and related companies	875,000,000.00
Less: Cash and cash equivalents held by the subsidiary at the date of acquisition	48,788,478.84
Including:	
Dongguan Readore Technology Co., Ltd. and related companies	48,788,478.84
Add: Cash or cash equivalents paid during the period for business combinations occurring in prior periods	353,364,160.00
Including:	
Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries	353,364,160.00
Net cash paid for acquisition of subsidiaries	**1,179,575,681.16**

(3) Net cash received from disposal of subsidiaries in the current period

	Six months ended June 30, 2026 RMB (Unaudited)
Cash or cash equivalents received during the period from the disposal of subsidiaries during the period	—
Including:	
STEELMAG INTERNATIONAL SAS	—
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	1,276,171.13
Including:	
STEELMAG INTERNATIONAL SAS	1,276,171.13
Including:	
Net cash received from disposal of subsidiaries	**(1,276,171.13)**

(4) Composition of cash and cash equivalents

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
1. Cash	**10,690,263,131.73**	5,447,510,912.86
Including: Cash on hand	**296,831.03**	41.26
Bank deposits available for payment at any time	**10,689,966,300.70**	5,446,689,037.44
Other cash available for payment at any time	**—**	821,834.16
2. Cash and cash equivalents at the end of the period	**10,690,263,131.73**	5,447,510,912.86

(5) Circumstances where use is restricted but still presented as cash and cash equivalents

None

(6) Cash and bank balances not classified as cash and cash equivalents

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)	Reasons for not being classified as cash and cash equivalents
Security deposits for bank acceptance bills	**596,952,425.66**	558,939,006.98	Restricted cash and bank balances
Frozen bank funds	**94,854,155.56**	107,019,306.57	Restricted cash and bank balances
Time deposits pledged/used as security deposits for bills	**39,000,000.00**	20,010,246.58	Restricted cash and bank balances
Security deposits for letters of guarantee	**12,774,387.26**	20,881,452.13	Restricted cash and bank balances
Transfer cheques	**—**	20,000,000.00	Restricted cash and bank balances
Others	**9,206,956.42**	8,766,653.34	Restricted cash and bank balances
Total	**752,787,924.90**	735,616,665.60	

Other explanations: None

(7) Notes on other significant activities

None

64. FOREIGN CURRENCY MONETARY ITEMS

(1) Foreign currency monetary items

Item	Closing balance in foreign currency (Unaudited)	Exchange rate (Unaudited)	Closing balance translated into RMB (Unaudited)
Cash and bank balances			**8,434,291,966.50**
including: USD	137,946,643.84	6.8109	939,540,796.53
EUR	4,217,848.16	7.7671	32,760,448.44
HKD	8,286,999,547.50	0.86855	7,197,673,456.98
JPY	3,963,953,249.00	0.042045	166,664,414.35
KRW	127,394,398.00	0.004403	560,917.53
VND	7,556,537,571.00	0.000259	1,957,143.23
SGD	2,766,778.63	5.2605	14,554,638.98
TRY	552,638,025.22	0.14581	80,580,150.46
Trade receivables			**7,247,226,938.94**
Including: USD	1,061,243,438.31	6.8109	7,228,022,933.99
EUR	2,068,349.23	7.7671	16,065,075.30
HKD	2,479,221.43	0.86855	2,153,327.77
VND	3,805,412,646.00	0.000259	985,601.88
Other receivables			**267,553,705.29**
Including: USD	32,594,751.96	6.8109	221,999,596.12
EUR	2,842,136.83	7.7671	22,075,160.97
HKD	160,243.00	0.86855	139,179.06
JPY	15,100.00	0.042045	634.88
VND	34,617,181,872.00	0.000259	8,965,850.10
SGD	68,694.00	5.2605	361,364.79
KRW	182,606,363.00	0.004403	804,015.82
BRL	10,029,694.09	1.31688	13,207,903.55
Long-term receivables			**1,378,389,447.08**
Including: USD	201,189,695.55	6.8109	1,370,282,897.42
INR	112,361,562.70	0.072147	8,106,549.66
Trade payables			**4,487,785,749.38**
Including: USD	652,538,018.16	6.8109	4,444,371,187.89
EUR	75,344.85	7.7671	585,210.98
HKD	500.00	0.86855	434.28
JPY	83,541,960.00	0.042045	3,512,521.71
VND	151,792,913,916.00	0.000259	39,314,364.70
SGD	385.86	5.2605	2,029.82

Item	Closing balance in foreign currency (Unaudited)	Exchange rate (Unaudited)	Closing balance translated into RMB (Unaudited)
Other payables			**341,850,435.23**
Including: USD	45,919,728.26	6.8109	312,754,677.21
HKD	276,880.00	0.86855	240,484.12
EUR	2,614,105.51	7.7671	20,304,018.91
VND	11,709,223,766.00	0.000259	3,032,688.96
SGD	1,045,497.85	5.2605	5,499,841.44
KRW	1,172,093.00	0.004403	5,160.73
BRL	10,300.00	1.31688	13,563.86
Short-term borrowings			**170,272,500.00**
– USD	25,000,000.00	6.8109	170,272,500.00
Long-term payables			**1,853,643,817.42**
Including: USD	272,010,217.61	6.8109	1,852,634,391.12
EUR	129,961.80	7.7671	1,009,426.30

(2) Nature of a currency's non-convertibility and its financial impacts, the spot exchange rate adopted and the estimation process, as well as risks to which the enterprise is exposed arising from the non-convertibility of the currency

☐Applicable ☑Not applicable

(3) Notes to foreign operating entities, including, for significant foreign operating entities, the disclosure of overseas principal place of business, functional currency and selection basis, as well as the reason for any change of the functional currency

☐Applicable ☑Not applicable

(4) Lack of convertibility between the functional currency of the foreign operation and the enterprise's presentation currency

☐Applicable ☑Not applicable

65. LEASES

(1) The Company as lessee

☑Applicable ☐Not Applicable

Variable lease payments not included in lease liability measurement

☐Applicable ☑Not applicable

Lease expense for short-term leases or low-value assets under simplified treatment

☑Applicable ☐Not Applicable

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Short-term lease expenses	**28,196,270.09**	22,389,231.69
Lease expenses for low-value assets	**944,235.41**	1,945,930.10
Cash outflows relating to short-term leases and leases of low-value assets accounted for under the simplified treatment	**21,016,359.23**	13,293,309.34
Interest on lease liabilities	**26,857,758.87**	20,245,577.17

Information relating to sale and leaseback transactions:

The Group entered into sale and leaseback agreements for machinery and equipment leasing. Upon expiry of the lease term, the Company has an option to purchase the leased assets for RMB1.00. During the lease term, the rights to use and manage the assets have not changed; in substance, it is financing obtained by pledging the assets. For the assets sold and leased back by the Group, judged in accordance with "Accounting Standard for Business Enterprises No. 14 — Revenue", control over the relevant underlying assets has not been transferred; therefore, they do not constitute a sale. At the Reporting Period end, long-term payables of RMB14,237,487.76 represent financing obtained under a contract in the form of a sale and leaseback of fixed assets but in substance by using fixed assets as collateral, of which RMB7,670,454.13 will fall due within one year after the Reporting Period end and is presented under non-current liabilities due within one year.

(2) The Company as lessor

Operating leases as lessor

☑Applicable ☐Not Applicable

Item	**Rental income RMB (Unaudited)**	**Including: revenue relating to variable lease payments not included in lease receipts**
Buildings and structures	16,022,422.39	
Machinery and equipment	432,476.31	
Total	16,454,898.70	

Finance leases as lessor

☐Applicable ☑Not applicable

Undiscounted lease receipts for each of the next five years

☑Applicable ☐Not Applicable

Item	Undiscounted lease receipts per annum	
	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Within 1 year (inclusively)	**25,032,341.83**	19,456,975.61
1 to 2 years (inclusively)	**24,752,287.01**	22,000,522.66
2 to 3 years (inclusively)	**24,846,285.89**	22,459,867.50
3 to 4 years (inclusively)	**25,650,104.18**	22,889,707.64
4 to 5 years (inclusively)	**25,847,294.54**	23,265,751.67
Over 5 years	**232,063,059.01**	231,280,217.27

66. DIVIDENDS

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Dividend declared per ordinary share (RMB)	**0.02**	0.02

For the six months ended June 30, 2026, the 2025 final dividend of RMB145,483,349.60 in aggregate (RMB0.2 per 10 ordinary shares, tax inclusive), as approved by shareholders at the annual general meeting held on April 20, 2026, was fully paid during the period. (Six months ended June 30, 2025: the 2024 final dividend of RMB140,163,556.38 in aggregate (RMB0.2 per 10 ordinary shares, tax inclusive) was approved and fully paid during the period.)

At the meeting held on August 28, 2026, the Board approved an interim dividend in respect of the six months ended June 30, 2026 of RMB0.2 per 10 ordinary shares (tax inclusive), in aggregate of RMB161,521,554.54 (six months ended June 30, 2025: RMB0.2 per 10 ordinary shares (tax inclusive), in aggregate of RMB139,411,450.00).

67. EARNINGS PER SHARE

Basic earnings per share

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Earnings		
Profit attributable to owners of the parent (RMB)	**763,630,227.88**	929,860,823.22
Shares		
Weighted average number of ordinary shares (shares)	**7,243,880,051.80**	6,953,381,510.83

Diluted earnings per share

	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Earnings		
Profit attributable to owners of the parent (diluted) (RMB)	**763,630,227.88**	956,591,951.04
Shares		
Weighted average number of ordinary shares (diluted) (shares)	**7,362,385,331.23**	7,293,469,355.47

VIII. R&D EXPENDITURES

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Employee benefits	**804,727,639.64**	618,648,142.49
Consumption of materials	**556,801,502.71**	435,243,088.65
Depreciation and amortisation expenses	**34,810,833.29**	35,665,872.75
Power expenses	**8,345,878.91**	8,142,593.87
Office expenses	**6,841,661.33**	5,883,198.75
Repair and testing expenses	**9,616,305.58**	5,443,345.82
Vehicle expenses	**6,880,610.95**	4,270,708.52
Other expenses	**16,558,081.96**	6,319,443.26
Total	**1,444,582,514.37**	1,119,616,394.11
Including: research and development expenditure expensed	**1,441,670,102.04**	1,127,533,731.48
Capitalised research and development expenditure	**2,912,412.33**	(7,917,337.37)

1. R&D projects eligible for capitalisation

Item	As at December 31, 2025 RMB (Audited)	Increase for the period: Internal development expenditure RMB (Unaudited)	Increase for the period: Other RMB (Unaudited)	Decrease for the period: Recognised as intangible assets RMB (Unaudited)	Decrease for the period: Transferred to profit or loss for the period RMB (Unaudited)	**As at June 30, 2026 RMB (Unaudited)**
Robot research and development project	–	2,912,412.33	–	–	–	**2,912,412.33**
Total	–	2,912,412.33	–	–	–	**2,912,412.33**

Significant capitalised R&D projects: None

Impairment provision for development costs: None

2. Significant externally purchased in-progress R&D projects:

None

IX. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combination not under common control

(1) Business combination not under common control in the current period

Name of the acquiree	Date of acquisition of the equity interest	Cost of acquisition of the equity interest	Proportion of the equity interest acquired	Method of acquiring the equity interest	Date of acquisition	Basis for determining the date of acquisition	Revenue of the acquiree from the date of acquisition to the end of the period	Net profit of the acquiree from the date of acquisition to the end of the period	Cash flows of the acquiree from the date of acquisition to the end of the period
Dongguan Readore and its related companies	January 31, 2026	875,000,000.00	36.75%	Cash acquisition	January 31, 2026	Transfer of control	405,405,883.57	445,169.25	2,039,601.96

Other explanations:

Dongguan Readore and its related companies include: Dongguan Readore Technology Co., Ltd., Shanghai Readore Technology Co., Ltd., and READORE TECHNOLOGY (HK) LIMITED. On December 22, 2025, the Company entered into the Equity Transfer Agreement in respect of Dongguan Readore Technology Co., Ltd. with Zhang Qiang, Wu Yan, Wu Yongjun, Xian Juhong, Ma Qi, Shan Xiaojun, Hao Daichao, Tang Jian, Dongguan Maodan Investment Co., Ltd., Xinyu Decai Migu Venture Capital Center (Limited Partnership), and Dongguan Decai Juntai Venture Capital Fund (Limited Partnership). The Company acquired in cash 35% of the equity interest in Dongguan Readore Technology Co., Ltd. held in aggregate by the above shareholders at a price of RMB875 million, and obtained, by way of voting rights entrustment, the voting rights in respect of the 17.78% shares in Readore held by Zhang Qiang, thereby controlling an aggregate of 52.78% of the voting rights in Readore and obtaining control over Readore. In January 2026, based on the Company's payment progress, the arrangement of board seats of Readore, the progress of property rights transfer procedures, the articles of association of Readore and in compliance with the relevant provisions of the CASBE, the Company completed the relevant closing procedures of this transaction as agreed; Readore has become a controlled subsidiary of the Company and has been included in the scope of the Company's consolidated financial statements. Taking into comprehensive consideration that certain non-controlling shareholders had not yet paid their capital contributions in full, and after recalculation based on the actual capital contribution ratios of the shareholders, it is confirmed that the Company held 36.75% of the equity interest in Readore on the acquisition date. In the current period, the non-controlling shareholders have completed their capital contributions, and the Company's shareholding ratio at the end of the period is 35%.

(2) Acquisition cost and goodwill

Cost of the combination	Dongguan Readore and its related companies
— Cash	875,000,000.00
Other	
Total cost of the combination	875,000,000.00
Less: share of fair value of identifiable net assets acquired	91,014,158.44
Goodwill	783,985,841.56

Method for determining the fair value of the consideration:

According to the Asset Valuation Report (Jinzheng Ping Bao Zi [2025] No. 0754) issued by Jinzheng (Shanghai) Asset Appraisal Co., Ltd. on the Value of All Shareholders' Equity of Dongguan Readore Technology Co., Ltd. Involved in the Proposed Equity Acquisition by Lingyi iTech (Guangdong) Company, the appraised value of 100% of the equity interest in Dongguan Readore and its related companies as at the valuation benchmark date of September 30, 2025 was RMB2,510 million. With reference to the appraised value and through equal negotiation among the transaction parties, the transaction price for 35% of the equity interest in Dongguan Readore and its related companies was determined to be RMB875 million.

Description of contingent consideration and its changes: None

Main reasons for the formation of significant goodwill:

The significant goodwill of the Company in the current period was formed from the goodwill recognised through the acquisition of the share of fair value of identifiable net assets of Dongguan Readore and its related companies in a business combination not under common control.

Other explanations: None

(3) Identifiable assets and liabilities of the acquiree as at the acquisition date

	Dongguan Readore and its related companies	
	Fair value at the date of acquisition	Carrying amount at the date of acquisition
Assets:		
Cash and bank balances	49,891,697.57	49,891,697.57
Trade receivables	459,941,824.88	459,941,824.88
Inventories	111,278,238.35	101,619,628.88
Fixed assets	40,082,999.30	37,809,233.21
Intangible assets	134,292,984.98	3,341,904.64
Right-of-use assets	51,243,805.23	51,243,805.23
Other current assets	14,951,030.49	14,951,030.49
Other non-current assets	27,562,460.01	27,562,460.01

	Dongguan Readore and its related companies	
	Fair value at the date of acquisition	Carrying amount at the date of acquisition
Liabilities:		
Borrowings	160,987,838.39	160,987,838.39
Trade payables	379,801,479.58	379,801,479.58
Deferred tax liabilities	21,460,523.02	—
Lease liabilities	45,873,568.66	45,873,568.66
Other current liabilities	23,723,918.28	23,723,918.28
Other non-current liabilities	9,740,138.87	9,926,836.47
Net assets	**247,657,574.01**	**126,047,943.53**
Less: Non-controlling interests	156,643,415.57	—
Net assets acquired	**91,014,158.44**	**—**

Method for determining the fair value of identifiable assets and liabilities:

The fair value of identifiable assets and liabilities of Dongguan Readore and its related companies was determined by reference to the asset-based approach valuation method and appraisal increments in the Asset Appraisal Report (Shen Zhong Qi Hua Ping Bao Zi (2026) No. 031) on the Fair Value of Each Identifiable Asset and Liability of Dongguan Readore Technology Co., Ltd. Involved in the Purchase Price Allocation for Financial Reporting Purposes of Lingyi iTech (Guangdong) Company.

Contingent liabilities of the acquiree assumed in the business combination: None

Other explanations: None

2. Changes in the scope of consolidation due to other reasons

Descriptions of changes in the scope of consolidation due to other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related situations:

(1) Companies newly established in the current period: Beijing Lingyi Robot Technology Co., Ltd., Suzhou Lingchao Robotic Intelligent Manufacturing Co., Ltd., Chengdu Lingzhi Innovation Robotics Technology Co., Ltd., Zhengzhou Lingzhi Innovation Robotics Technology Co., Ltd., Triumph Lead Group (Thailand) Co., Ltd., KOODA STONE (SINGAPORE) PTE. LTD., READORE ITECH (SINGAPORE) PTE. LTD., Kooda Stone Co., Ltd., Ningbo Longsheng Meichuang Technology Co., Ltd. (Note 5), SALCOMP TECHNOLOGY VIETNAM COMPANY LIMITED, Readore Logistics Philippines Inc.

(2) Companies deregistered in the current period: Chengdu Lingfu New Energy Technology Co., Ltd.

(3) Asset acquisition in the form of equity in the current period: Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership)

(4) Companies bankrupt in the current period: STEELMAG INTERNATIONAL SAS

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the enterprise group

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
Triumph Lead Electronic Technology (Shenzhen) Co., Ltd.	RMB216,506,960	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	100.00%	0.00%	Business combination
Shenzhen Linglue Machine Co., Ltd.	RMB200,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	100.00%	0.00%	Business combination
Shengxiang Precision Metal (Dongguan) Co., Ltd.	RMB240,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	100.00%	0.00%	Establishment
Dongguan Lingyi Precision Manufacturing Technology Co., Ltd.	RMB403,733,650	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	100.00%	0.00%	Business combination
Dongguan Xinyan Precision Cutter Co., Ltd.	RMB18,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Business combination
LS City Technology (Jiangsu) Co., Ltd.	RMB458,000,000	Dongtai, Jiangsu	Dongtai, Jiangsu	Production and sales	100.00%	0.00%	Establishment
TLG INVESTMENT (HK) LIMITED	USD4,285,000	Hong Kong, China	Hong Kong, China	Trading	0.00%	100.00%	Establishment
Zhengzhou Led Technology Co., Ltd.	RMB50,000,000	Zhengzhou, Henan	Zhengzhou, Henan	Production and sales	100.00%	0.00%	Establishment
Zhengzhou Lingye Technology Co., Ltd.	RMB10,000,000	Zhengzhou, Henan	Zhengzhou, Henan	Dormant	0.00%	100.00%	Establishment
DONGGUAN LINGJIE PRECISION MACHINING TECHNOLOGY CO., LTD.	RMB300,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	100.00%	0.00%	Establishment
LY TECHNOLOGY (SUZHOU) CO., LTD.	RMB769,550,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	100.00%	0.00%	Business combination
Chengdu Lingyi Technology Co., Ltd.	RMB179,358,560	Chengdu, Sichuan	Chengdu, Sichuan	Production and sales	100.00%	0.00%	Establishment
LY INVESTMENT (HK) LIMITED	USD900,000	Hong Kong, China	Hong Kong, China	Trading	100.00%	0.00%	Establishment
TRIUMPH LEAD GROUP USA, INC	USD92,000,001	United States	United States	Services	0.00%	100.00%	Establishment
TRIUMPH LEAD GROUP LIMITED (registered in the BVI)	USD10,000	British Virgin Islands	British Virgin Islands	Dormant	0.00%	100.00%	Business combination
HONG KONG CRYSTALYTE LIMITED	HKD263,000,000	Hong Kong, China	Hong Kong, China	Dormant	0.00%	100.00%	Business combination
CRYSTALYTE CO., LTD.	USD32,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Leasing services	0.00%	100.00%	Business combination
Lingyi iTech (Guangdong) Company	RMB7,307,109,252	Jiangmen, Guangdong	Jiangmen, Guangdong	Trading	100.00%	0.00%	Business combination

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
JPMF Jiangyi Co., Ltd.	RMB403,635,600	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sales	0.00%	100.00%	Business combination
JPMF Heshan New Material Co. Ltd.	RMB77,332,565	Jiangmen, Guangdong	Jiangmen, Guangdong	Leasing services	0.00%	100.00%	Business combination
JPMF INTERNATIONAL HOLDING LIMITED	HKD46,167,452	Hong Kong, China	Hong Kong, China	Investment holding	0.00%	100.00%	Business combination
A-CORE Jiangmen Electronics Co., Ltd.	USD3,000,000	Jiangmen, Guangdong	Jiangmen, Guangdong	Production and sales	0.00%	91.50%	Business combination
JPMF NFC Co., Ltd.	RMB2,000,000	Jiangmen, Guangdong	Jiangmen, Guangdong	Dormant	0.00%	100.00%	Business combination
Jiangmen Chuangfu Investment Management Co., Ltd.	RMB35,000,000	Jiangmen, Guangdong	Jiangmen, Guangdong	Investment management	0.00%	100.00%	Business combination
Lingchao (Guangzhou) Private Equity Investment Fund Management Co., Ltd.	RMB3,690,000	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment management	0.00%	100.00%	Business combination
Jiangmen Zhengxi Machinery Equipment Co., Ltd.	RMB23,977,009	Jiangmen, Guangdong	Jiangmen, Guangdong	Dormant	0.00%	100.00%	Business combination
Shenzhen Qianhai Fangyuan Commercial Factoring Co., Ltd.	RMB100,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Supply chain management	0.00%	100.00%	Business combination
JPMF Jiangmen Jinci Co., Ltd.	RMB10,000,000	Jiangmen, Guangdong	Jiangmen, Guangdong	Dormant	0.00%	55.00%	Business combination
Jiangfen Magnetic Material (Wuhan) Technology Research and Development Co., Ltd.	RMB20,000,000	Wuhan, Hubei	Wuhan, Hubei	Leasing services	0.00%	100.00%	Business combination
Shenzhen Dongfang Liangcai Precision Technology Co., Ltd.	RMB1,048,250,500	Shenzhen, Guangdong	Shenzhen, Guangdong	Trading	0.00%	100.00%	Business combination
LINGYI iTECH (DONGGUAN) CO., LTD.	RMB240,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Business combination
Dongguan Obi-di Precision Hardware Co., Ltd.	RMB905,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Business combination
Shenzhen Lingyi Technology Supply Chain Management Co., Ltd.	RMB10,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Logistics services	0.00%	100.00%	Establishment
Chengdu Lingtai Technology Co., Ltd.	RMB100,000,000	Chengdu, Sichuan	Chengdu, Sichuan	Production and sales	0.00%	100.00%	Establishment
Lingyi Trading (Suzhou) Co., Ltd. (formerly known as Lingyi Precision Technology (Suzhou) Co., Ltd.)	RMB250,000,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	100.00%	0.00%	Establishment
Leading Technology (Dongtai) Co., Ltd.	RMB100,000,000	Dongtai, Jiangsu	Dongtai, Jiangsu	Production and sales	0.00%	100.00%	Establishment
LingYi iTech Investment (HK) Limited	USD84,340,000 +RMB24,000,000	Hong Kong, China	Hong Kong, China	Investment holding	0.00%	100.00%	Establishment

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
Salcomp Plc	EUR9,832,735.12	Finland	Finland	Investment holding, trading	0.00%	100.00%	Business combination
Salcomp Manufacturing Oy	EUR9,096,650	Finland	Finland	Investment holding	0.00%	100.00%	Business combination
Salcomp (Shenzhen) Co., Ltd.	USD68,100,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	0.00%	100.00%	Business combination
Salcomp Industrial Eletronica da Amazonia Ltda	BRL215,938,034	Brazil	Brazil	Production and sales	0.00%	100.00%	Business combination
Salcomp Manufacturing India Private Ltd.	INR117,900,000	India	India	Production and sales	0.00%	100.00%	Business combination
Salcomp Taiwan Co., Ltd.	TWD500,000	Taiwan, China	Taiwan, China	R&D center	0.00%	100.00%	Business combination
Salcomp (Guigang) Co., Ltd.	RMB21,000,000	Guigang, Guangxi	Guigang, Guangxi	Production and sales	0.00%	100.00%	Business combination
Isallom India Private Limited	INR2,900,000,000	India	India	Production and sales	0.00%	100.00%	Business combination
Salcomp Technologies India Private Limited	INR101,500,000	India	India	Production and sales	0.00%	100.00%	Establishment
Mianyang Weiqi Electronic Technology Co., Ltd.	RMB21,150,000	Mianyang, Sichuan	Mianyang, Sichuan	Production and sales	0.00%	69.74%	Business combination
Triumph Lead (Singapore) Pte. Ltd.	USD89,175,000	Singapore	Singapore	Trading	0.00%	100.00%	Establishment
Shenzhen Lingtao Technology Co., Ltd.	RMB20,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	100.00%	0.00%	Establishment
Lingyi Industry (Zhuhai) Co., Ltd.	RMB410,042,200	Zhuhai, Guangdong	Zhuhai, Guangdong	Leasing services	0.00%	100.00%	Asset acquisition in the form of equity
Guilin Lingyi Manufacturing Co., Ltd.	RMB200,000,000	Guilin, Guangxi	Guilin, Guangxi	Production and sales	0.00%	100.00%	Establishment
Huangshan Lingyi Communication Technology Co., Ltd.	RMB20,000,000	Huangshan, Anhui	Huangshan, Anhui	Dormant	0.00%	100.00%	Establishment
Suzhou Lingding New Energy Technology Co., Ltd.	RMB150,000,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Trading	100.00%	0.00%	Establishment
Chengdu Lingyi Communication Technology Co., Ltd.	RMB5,000,000	Chengdu, Sichuan	Chengdu, Sichuan	Production and sales	0.00%	100.00%	Establishment
Dongguan Lingbo Industrial Co., Ltd.	RMB50,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	100.00%	0.00%	Establishment
SUZHOU LL INTELLIGENT TECHNOLOGY CO., LTD.	RMB720,000,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	0.00%	100.00%	Establishment
Zhejiang Jintai Electronic Co., Ltd.	RMB71,665,871.63	Huzhou, Zhejiang	Huzhou, Zhejiang	Trading	95.00%	0.00%	Business combination

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
Shenzhen Lingpeng Intelligent Technology Co., Ltd.	RMB50,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	0.00%	100.00%	Establishment
Suzhou Linghui New Energy Technology Co., Ltd.	RMB40,000,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	0.00%	95.00%	Establishment
Dongguan Shengtao Technology Co., Ltd.	RMB50,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Establishment
Fujian Lingfu New Energy Technology Co., Ltd.	RMB10,000,000	Ningde, Fujian	Ningde, Fujian	Production and sales	0.00%	57.00%	Establishment
Yitao Technology (Dongguan) Co., Ltd.	RMB20,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Establishment
Dongtai Lingyu Intelligent Technology Co., Ltd.	RMB436,000,000	Dongtai, Jiangsu	Dongtai, Jiangsu	Production and sales	0.00%	100.00%	Establishment
Yangzhou Linghuang Technology Co., Ltd.	RMB208,800,000	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Production and sales	47.8927%	52.1073%	Establishment
Salcomp Holdings PTE. LTD.	USD23,000,000	Singapore	Singapore	Trading	0.00%	100.00%	Establishment
SALCOMP TURKEY TEKNOLOJI SANAYI VE TICARET ANONIM SIRKETI	TRY3,500,000	Turkey	Turkey	Production and sales	0.00%	100.00%	Establishment
Chengdu Lingtao New Energy Technology Co., Ltd.	RMB100,000,000	Chengdu, Sichuan	Chengdu, Sichuan	Production and sales	0.00%	95.00%	Establishment
Yangzhou Lingsheng New Energy Co., Ltd.	RMB60,526,300	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Trading	0.00%	57.00%	Establishment
Changzhou Lingsheng New Energy Technology Co., Ltd.	RMB20,000,000	Changzhou, Jiangsu	Changzhou, Jiangsu	Production and sales	0.00%	57.00%	Establishment
Guangzhou Lingyu Equity Investment Partnership Enterprise (Limited Partnership)	RMB16,010,000	Guangzhou, Guangdong	Guangzhou, Guangdong	Investment management	0.00%	50.0313%	Establishment
Dongguan Lingrui Technology Co., Ltd.	RMB100,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Establishment
Guilin Salcomp Electronic Technology Co., Ltd.	RMB81,011,000	Guilin, Guangxi	Guilin, Guangxi	Production and sales	0.00%	100.00%	Establishment
Zhuhai Lingyi Communication Technology Co., Ltd.	RMB20,000,000	Zhuhai, Guangdong	Zhuhai, Guangdong	Production and sales	0.00%	100.00%	Establishment
Salcomp Energy USA Inc.	USD7,000,000	United States	United States	Leasing services	0.00%	100.00%	Establishment
Salcomp Manufacturing USA Corp.	USD10,000,000	United States	United States	Production and sales	0.00%	100.00%	Establishment
LINGYI VIET NAM COMPANY LIMITED	USD37,000,000	Vietnam	Vietnam	Production and sales	0.00%	100.00%	Establishment
Valor Log Armazem Geral Ltda	BRL13,068,449	Brazil	Brazil	Logistics services	0.00%	100.00%	Establishment
Yangzhou Lingtao Technology Co., Ltd.	RMB10,000,000	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Trading	0.00%	100.00%	Establishment

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
Triumph Lead(Finland)Pte. Ltd Oy	0	Finland	Finland	Investment holding	0.00%	100.00%	Establishment
Yangzhou Linghui New Energy Co., Ltd.	RMB10,000,000	Yangzhou, Jiangsu	Yangzhou, Jiangsu	Production and sales	0.00%	95.00%	Establishment
Dongtai Lingtao Electronics Co., Ltd.	RMB10,000,000	Dongtai, Jiangsu	Dongtai, Jiangsu	Production and sales	100.00%	0.00%	Establishment
Shenzhen Huazhiyi Automation Technology Co., Ltd.	RMB20,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	0.00%	100.00%	Establishment
Ryoukou seimitsu seizou Co., Ltd.	JPY2,000,000	Japan	Japan	Dormant	0.00%	100.00%	Establishment
LINGHUI SG NEW ENERGY PTE. LTD.	SGD50,000	Singapore	Singapore	Dormant	0.00%	95.00%	Establishment
Wenzhou Xinke Technology Co., Ltd.	RMB1,000,000	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Production and sales	0.00%	66.50%	Business combination
Jiangsu Lingyicheng Electronic Technology Development Co., Ltd.	RMB20,000,000	Dongtai, Jiangsu	Dongtai, Jiangsu	Dormant	0.00%	100.00%	Establishment
Shenzhen Lingyi Liangcai Trading Co., Ltd.	RMB10,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Trading	0.00%	100.00%	Establishment
Suzhou Lingye Intelligent Technology Co., Ltd.	RMB55,555,600	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	100.00%	0.00%	Business combination under common control
LINGYI THAI NGUYEN VIET NAM COMPANY LIMITED	USD5,000,000	Vietnam	Vietnam	Production and sales	0.00%	100.00%	Establishment
Salcomp (Dongguan) Co., Ltd.	RMB100,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	100.00%	Establishment
Shenzhen Lingyi Robot Technology Co., Ltd.	RMB20,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	0.00%	100.00%	Establishment
Salcomp Electronics (Suzhou) Co., Ltd.	RMB30,000,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	0.00%	100.00%	Establishment
Dongguan Lingzhi Innovative Robotics Technology Co., Ltd.	RMB20,000,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	80.00%	0.00%	Establishment
Shenzhen Lingfu Robot Technology Co., Ltd.	RMB10,000,000	Shenzhen, Guangdong	Shenzhen, Guangdong	Production and sales	0.00%	100.00%	Establishment
Dongguan Jieying Precision Silicone Technology Co., Ltd.	RMB66,800,000	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	80.00%	Business combination not under common control

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
ANSHUN (ASIA) INVESTMENT LIMITED	HKD5,000,000	Hong Kong, China	Hong Kong, China	Trading	0.00%	80.00%	Business combination not under common control
THE CARE LABS COMPANY LIMITED	HKD500,000	Hong Kong, China	Hong Kong, China	Dormant	0.00%	80.00%	Business combination not under common control
Jiangsu Kooda Stone Automotive Technology Co., Ltd.	RMB59,143,636	Changzhou, Jiangsu	Changzhou, Jiangsu	Production and sales	60.00%	0.00%	Business combination not under common control
Changzhou Keda automobile parts Co., Ltd.	RMB8,000,000	Changzhou, Jiangsu	Changzhou, Jiangsu	Trading	0.00%	60.00%	Business combination not under common control
Anhui Koen Automotive Parts Co., Ltd	RMB5,000,000	Wuhu, Anhui	Wuhu, Anhui	Production and sales	0.00%	60.00%	Business combination not under common control
Anqing Keda Auto Parts Co., Ltd.	RMB5,000,000	Anqing, Anhui	Anqing, Anhui	Production and sales	0.00%	60.00%	Business combination not under common control
Hefei Stone Auto Parts Co., Ltd.	RMB1,000,000	Hefei, Anhui	Hefei, Anhui	Production and sales	0.00%	60.00%	Business combination not under common control
KOODA • STN（Zhengzhou）Auto parts Co.,Ltd.	RMB20,000,000	Zhengzhou, Henan	Zhengzhou, Henan	Production and sales	0.00%	60.00%	Business combination not under common control

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
Xiangtan Keda Automotive Trim Systems Co., Ltd.	RMB1,000,000	Xiangtan, Hunan	Xiangtan, Hunan	Production and sales	0.00%	60.00%	Business combination not under common control
Ningde Keda Stone Automotive Interior Trim Systems Co., Ltd.	RMB3,000,000	Ningde, Fujian	Ningde, Fujian	Production and sales	0.00%	60.00%	Business combination not under common control
Jinan Koen Automotive Components Co., Ltd.	RMB2,500,000	Jinan, Shandong	Jinan, Shandong	Production and sales	0.00%	60.00%	Business combination not under common control
Shenyang Kooda Stone Automotive Components Co., Ltd.	RMB2,500,000	Shenyang, Liaoning	Shenyang, Liaoning	Production and sales	0.00%	60.00%	Business combination not under common control
Ningbo Stone Automotive Trim Co., Ltd.	RMB5,000,000	Ningbo, Zhejiang	Ningbo, Zhejiang	Production and sales	0.00%	60.00%	Business combination not under common control
Zhejiang Xianglong Machinery Co., Ltd.	RMB662,237,218.65	Ningbo, Zhejiang	Ningbo, Zhejiang	Production and sales	96.1536%	0.0576%	Business combination not under common control
Ningbo Xianglong Automotive Parts Co., Ltd	RMB110,000,000	Ningbo, Zhejiang	Ningbo, Zhejiang	Production and sales	0.00%	96.2112%	Business combination not under common control
Ningbo Longjun Import and Export Co., Ltd.	USD10,000,000	Ningbo, Zhejiang	Ningbo, Zhejiang	Trading	0.00%	96.1679%	Business combination not under common control

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage		Method for acquisition
					Direct	Indirect	
Xianglong Manufacturing (Thailand) Co., Ltd.	THB525,175,000	Thailand	Thailand	Production and sales	0.00%	96.1679%	Business combination not under common control
Beijing Lingyi Robot Technology Co., Ltd.	RMB30,000,000	Beijing	Beijing	Production and sales	0.00%	100.00%	Establishment
Suzhou Lingchao Robot Intelligent Manufacturing Co., Ltd.	RMB100,000,000	Suzhou, Jiangsu	Suzhou, Jiangsu	Production and sales	0.00%	100.00%	Establishment
Chengdu Lingzhi Innovation Robotics Technology Co., Ltd.	RMB20,000,000	Chengdu, Sichuan	Chengdu, Sichuan	Production and sales	0.00%	80.00%	Establishment
Dongguan Readore Technology Co., Ltd.	RMB13,369,631	Dongguan, Guangdong	Dongguan, Guangdong	Production and sales	0.00%	35.00%	Business combination not under common control
Shanghai Readore Technology Co., Ltd.	RMB5,000,000	Shanghai	Shanghai	R&D center	0.00%	35.00%	Business combination not under common control
READORE TECHNOLOGY (HK) LIMITED	HKD10,000,000	Hong Kong, China	Hong Kong, China	Trading	0.00%	35.00%	Business combination not under common control
Zhengzhou Lingzhi Innovation Robotics Technology Co., Ltd.	RMB15,000,000	Zhengzhou, Henan	Zhengzhou, Henan	Production and sales	0.00%	80.00%	Establishment
Triumph Lead Group (Thailand) Co., Ltd.	THB5,000,000	Thailand	Thailand	Dormant	0.00%	100.00%	Establishment
KOODA STONE (SINGAPORE) PTE. LTD.	USD500,000	Singapore	Singapore	Investment holding, trading	0.00%	60.00%	Establishment
READORE ITECH (SINGAPORE) PTE. LTD.	USD500,000	Singapore	Singapore	Trading	0.00%	35.00%	Establishment
Kooda Stone Co., Ltd.	THB5,000,000	Thailand	Thailand	Production and sales	0.00%	59.9996%	Establishment
Ningbo Longsheng Meichuang Technology Co., Ltd.	RMB1,000,000	Ningbo, Zhejiang	Ningbo, Zhejiang	Production and sales	0.00%	67.3478%	Establishment
SALCOMP TECHNOLOGY VIETNAM COMPANY LIMITED	USD5,000,000	Vietnam	Vietnam	Production and sales	0.00%	100.00%	Establishment

Name of subsidiary	Registered capital	Principal place of business	Place of registration	Business nature	Shareholding percentage Direct	Shareholding percentage Indirect	Method for acquisition
Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership)	RMB58,235,516.3	Ningbo, Zhejiang	Ningbo, Zhejiang	Investment platform	1.4976%	0.0000%	Asset acquisition in the form of equity
Readore Logistics Philippines Inc.	PHP12,000,000	Philippines	Philippines	Logistics services	0.00%	35%	Establishment

Explanation of the difference between the shareholding percentage and the proportion of voting rights in a subsidiary: The Company holds a 35% equity interest in Dongguan Readore Technology Co., Ltd., and acquired, by way of voting rights entrustment, the voting rights attached to the 17.78% shares in Readore held by Zhang Qiang, thereby controlling an aggregate of 52.78% of the voting rights in Readore and acquiring control over Readore.

Other explanations:

Pursuant to the provisions of the Partnership Agreement of Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership), Lingyi Technology (Shenzhen) Co., Ltd. is the general partner of Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) (hereinafter referred to as "Ningbo Longjun") and acts as the executive partner of Ningbo Longjun, exercising actual control over Ningbo Longjun, and therefore Ningbo Longjun is included in the scope of consolidation of the Group.

(2) Material non-wholly-owned subsidiaries

None

(3) Significant restrictions on using the assets and settling the liabilities of the enterprise group

None

(4) Financial support or other support provided to structured entities included in the scope of consolidated financial statements

None

2. Transactions changing the share of shareholders' equity but not causing loss of control over subsidiaries

(1) Explanation of changes in the share of shareholders' equity in subsidiaries

At the end of April 2026, the Company paid RMB1,440,092.16 in cash to the third-party partners of Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) (hereinafter referred to as "Ningbo Longjun") to acquire 1.4976% equity interest in Ningbo Longjun, thereby increasing the indirect shareholding in Zhejiang Xianglong Machinery Co., Ltd. (hereinafter referred to as "Zhejiang Xianglong") by 0.0576%. Ningbo Longjun has completed the industrial and commercial change registration, and the Company's shareholding proportion in Zhejiang Xianglong increased from 96.1536% to 96.2112%. The share of the subsidiary's net assets calculated based on the proportion of equity interest acquired in this transaction was RMB677,661.97, and capital reserve was reduced by RMB762,430.19 accordingly.

(2) Impact of the transactions on non-controlling interests and total equity attributable to shareholders of the parent

	Zhejiang Xianglong and its related companies
Purchase cost/disposal consideration	
— Cash	1,440,092.16
Total Purchase cost/disposal consideration	1,440,092.16
Less: Share of the subsidiary's net assets calculated based on the proportion of equity interest acquired/disposed of	677,661.97
Difference	762,430.19
Including: Adjustment to capital reserve	762,430.19

Other explanations: None

3. Interests in joint ventures or associates

(1) Material joint ventures or associates

None

(2) Key financial information of material associates

None

(3) Aggregated financial information of immaterial associates

	Balance as at June 30, 2026/Amount for the current period	Balance as at December 31, 2025/Amount for the prior period
Associates:		
Aggregate carrying amount of investments	**802,129,205.80**	796,950,944.27
Aggregate amounts of the following items calculated according to the shareholding percentage		
— Net profit	**27,449,045.27**	30,118,200.08
— Other comprehensive loss	**(11,434,719.21)**	(6,955,476.47)
— Total comprehensive income	**16,014,326.06**	23,162,723.61

Other explanations: None

4. Significant joint operations

None

5. Interests in structured entities not included in the scope of consolidated financial statements

None

XI. GOVERNMENT GRANTS

1. Government grants recognised at the amount receivable at the end of the Reporting Period

☑Applicable ☐Not Applicable

Closing balance of receivables: RMB14,519,237.12.

Reasons for failure to receive the expected amount of government grants at the expected point in time

☐Applicable ☑Not Applicable

2. Liability items involving government grants

☑Applicable ☐Not Applicable

Accounting item	As at December 31, 2025 RMB (Audited)	Amount of new grants for the period RMB (Unaudited)	Amount included in non-operating income for the period RMB (Unaudited)	Amount transferred to other income for the period RMB (Unaudited)	Other changes for the period RMB (Unaudited)	As at June 30, 2026 RMB (Unaudited)	Related to assets/ income
Deferred income	601,825,135.50	50,197,323.10	–	62,293,945.80	6,257,309.54	583,471,203.26	Related to assets
Deferred income	25,756,757.52	78,902.10	–	2,184,384.48	23,007,373.04	643,902.10	Related to income
Total	627,581,893.02	50,276,225.20	–	64,478,330.28	29,264,682.58	584,115,105.36	

3. Government grants recognised in profit or loss for the current period

☑Applicable ☐Not Applicable

Accounting item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Other income	**150,139,508.29**	113,819,525.48

Other explanations: None

XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

1. Various risks arising from financial instruments

The Company's main financial instruments include cash and bank balances, financial assets held for trading, bills receivable, trade receivables, receivables financing, other receivables, short-term borrowings, bills payable, trade payables, other payables, non-current liabilities due within one year and long-term borrowings, etc. Detailed descriptions of each financial instrument are set out in Note VII. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that the above risks are controlled within the prescribed limits.

(I) Credit risk

Credit risk refers to the risk that the Company may incur a financial loss as a result of a counterparty failing to discharge its contractual obligations. Management has formulated appropriate credit policies and continuously monitors credit risk exposures.

The Company has adopted a policy of conducting transactions only with counterparties of sound credit standing. For bills receivable, trade receivables and other receivables, the Company has established relevant policies to control credit risk exposures. The Company assesses the credit qualifications of customers and sets corresponding credit terms based on their financial position, the possibility of obtaining guarantees from third parties, credit records and other factors such as current market conditions. The Company continuously monitors the recovery of the balances of bills receivable, trade receivables and other receivables. For customers with poor credit records, the Company will take measures such as issuing written notice of payment collection, shortening credit terms or cancelling credit terms to ensure that the Company does not face significant credit losses. In addition, the Company reviews the recovery of financial assets at each balance sheet date to ensure that adequate provision for expected credit losses is made for the relevant financial assets.

The Company's other financial assets include cash and bank balances, financial assets held for trading, other receivables, etc. The credit risk of these financial assets arises from the default of the counterparties, and the maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. The cash and bank balances held by the Company are mainly deposited in financial institutions such as state-controlled banks and other large and medium-sized commercial banks. Management believes that these commercial banks have a high level of creditworthiness and asset status, and there is no significant credit risk, and no significant loss will be incurred due to the default of the counterparties. The Company's policy is to control the amount of deposits placed with various well-known financial institutions based on their market reputation, operating scale and financial background, so as to limit the amount of credit risk exposure to any individual financial institution.

As at June 30, 2026, the trade receivables of the Company's top five customers accounted for 39.64% of the Company's total trade receivables.

As part of the Company's credit risk asset management, the Company assesses impairment losses on trade receivables and other receivables based on ageing. The Company's trade receivables and other receivables involve a large number of customers, and the ageing information can reflect the solvency and credit impairment losses risk of these customers in respect of trade receivables and other receivables. The Company calculates the historical actual credit impairment losses rates for different ageing periods based on historical data, and makes adjustments by taking into account the current and future forecast economic conditions, such as national GDP growth rate, total infrastructure investment, national monetary policy and other forward-looking information, to arrive at the expected loss rates. For long-term receivables, the Company comprehensively considers the settlement period, the contractual payment period, the financial position of the debtor and the economic situation of the industry in which the debtor operates, and makes reasonable assessments of expected credit losses after adjusting for the above forward-looking information.

As at June 30, 2026, the gross amount and loss allowance of the relevant assets are as follows:

Item	Gross amount RMB (Unaudited)	Loss allowance RMB (Unaudited)
Bills receivables	408,763,641.09	7,155,081.48
Trade receivables	12,818,152,056.68	737,963,417.19
Other receivables	914,815,320.35	614,636,361.67
Total	14,141,731,018.12	1,359,754,860.34

(II) Liquidity risk

Liquidity risk refers to the risk that an enterprise will encounter a shortage in funds when fulfilling its obligations settled by delivering cash or other financial assets. The Company is responsible for its own cash management, including the short-term investment of cash surpluses and the raising of loans to meet expected cash requirements (subject to approval by the Board of Directors of the Company if the borrowing amount exceeds certain pre-set authorisation limits). The Company's policy is to regularly monitor short-term and long-term liquidity requirements and compliance with borrowing agreements to ensure that adequate cash reserves and marketable securities that can be readily realised are maintained, while obtaining commitments from major financial institutions to provide sufficient standby funds to meet its liquidity requirements in the short and longer term.

(III) Market risk

1. Exchange rate risk

Foreign exchange risk refers to the risk of loss arising from changes in exchange rates. The Company's exposure to foreign exchange risk mainly arises from trade receivables, trade payables and short-term borrowings denominated in foreign currencies due to purchase and sales and borrowing and lending businesses, and the currency giving rise to such risk is mainly the US dollar. As at June 30, 2026, the balances of the Company's foreign currency monetary assets and liabilities are detailed in Note VII, (64). The foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have an impact on the Group's operating results.

Assuming all other variables remain constant, a 5% appreciation/depreciation of the RMB against the USD, EUR, HKD and VND as at June 30, 2026 would result in a decrease/increase of RMB62,009,298.70 in the shareholders' equity and net profit of the Company.

2. Interest rate risk

Interest-bearing financial instruments with fixed and floating interest rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the proportion of fixed and floating interest rate instruments based on the market environment, and maintains an appropriate portfolio of fixed and floating interest rate instruments through regular review and monitoring. Where necessary, the Company will utilise interest rate swap instruments to hedge against interest rate risk.

2. Financial assets

(1) Classification of transfer methods

☑Applicable ☐Not Applicable

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets RMB (Unaudited)	Derecognition status	Basis for determining derecognition status
Bill endorsement	Receivables financing	893,346,043.11	Derecognised	Derecognise bank acceptance bills used for discounting or endorsement, as they are accepted by banks with high credit ratings, and therefore carry lower credit risk and delayed payment risk
Bill discounting	Receivables financing	284,501,333.53	Derecognised	Derecognise bank acceptance bills used for discounting or endorsement, as they are accepted by banks with high credit ratings, and therefore carry lower credit risk and delayed payment risk
Bill endorsement	Bills receivables	46,259,219.47	Not derecognised	Acceptance bills used for discounting or endorsement are accepted by banks or enterprises with low credit ratings, and discounting or endorsement does not affect the right of recourse, and the credit risk and delayed payment risk associated with the bills remain not transferred

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets RMB (Unaudited)	Derecognition status	Basis for determining derecognition status
Bill discounting	Bills receivables	28,087,671.62	Not derecognised	Acceptance bills used for discounting or endorsement are accepted by banks or enterprises with low credit ratings, and discounting or endorsement does not affect the right of recourse, and the credit risk and delayed payment risk associated with the bills remain not transferred
Total		1,252,194,267.73		

(2) Financial assets derecognised due to transfer

☑Applicable ☐Not Applicable

Item	Method of transfer of financial assets	Amount of derecognised financial assets RMB (Unaudited)	Gains or losses related to derecognition RMB (Unaudited)
Receivables financing	Bill endorsement	893,346,043.11	—
Receivables financing	Bill discounting	284,501,333.53	(1,188,140.04)
Total		1,177,847,376.64	(1,188,140.04)

(3) Transferred financial assets with continuing involvement

☑Applicable ☐Not Applicable

Item	Method of asset transfer	Amount of assets formed by continuing involvement RMB (Unaudited)	Amount of liabilities formed by continuing involvement RMB (Unaudited)
Bills receivables	Bill endorsement	46,259,219.47	46,259,219.47
Bills receivables	Bill discounting	28,087,671.62	28,087,671.62
Total		74,346,891.09	74,346,891.09

XIII. FAIR VALUE DISCLOSURES

1. Assets and Liabilities Measured at Fair Value at the End of the Period

Item	Fair Value at the End of the Period			
	Level 1 Fair Value Measurement RMB (Unaudited)	Level 2 Fair Value Measurement RMB (Unaudited)	Level 3 Fair Value Measurement RMB (Unaudited)	Total RMB (Unaudited)
I. Recurring fair value measurement	—	—	—	—
(I) Financial assets held for trading	—	2,133,167,241.51	—	2,133,167,241.51
1. Financial assets at fair value through profit or loss	—	2,133,167,241.51	—	2,133,167,241.51
(1) Bank wealth management	—	2,095,313,560.29	—	2,095,313,560.29
(2) Equity instrument investments	—	15,681,333.34	—	15,681,333.34
(3) Derivative financial assets	—	22,172,347.88	—	22,172,347.88
(III) Other equity instrument investments	—	135,243,677.17	—	135,243,677.17
(VI) Receivables financing	—	—	357,259,632.66	357,259,632.66
(VII) Other non-current financial assets	—	77,210,096.32	—	77,210,096.32
Total assets measured at fair value on a recurring basis	**—**	**2,345,621,015.00**	**357,259,632.66**	**2,702,880,647.66**
(VIII) Non-current liabilities due within one year	—	—	233,844,040.11	233,844,040.11
(IX) Other non-current liabilities	—	—	304,587,759.98	304,587,759.98
Total liabilities measured at fair value on a recurring basis	**—**	**—**	**538,431,800.09**	**538,431,800.09**
II. Non-recurring fair value measurement	—	—	—	—

2. Determination Basis of Market Price for Recurring and Non-recurring Level 1 Fair Value Measurement Items

Unadjusted quoted prices in active markets for identical assets or liabilities.

3. Qualitative and Quantitative Information of Valuation Techniques and Significant Parameters Used for Recurring and Non-recurring Level 2 Fair Value Measurement Items

The fair value of wealth management products issued by banks is determined using the discounted future cash flows method calculated based on the agreed expected yield rate.

The fair value of equity instrument investments, other equity instrument investments, and other non-current financial assets is determined on the basis of the open market closing price of shares of companies with lower liquidity in the National Equities Exchange and Quotations (NEEQ) by adding observable inputs, or is determined based on the price of external investors newly introduced in the current period.

The fair value of forward foreign exchange contracts in derivative financial assets is determined by discounting the difference between the strike price of the forward foreign exchange contract and the market forward price.

4. Qualitative and Quantitative Information of Valuation Techniques and Significant Parameters Used for Recurring and Non-recurring Level 3 Fair Value Measurement Items

Level 3 inputs are unobservable inputs for the relevant assets or liabilities.

5. Information About Reconciliation Between Carrying Amounts at the Beginning Period and at the Ending Period and Sensitivity Analysis of Unobservable Parameters for Recurring Level 3 Fair Value Measurement Items

Item	As at January 1, 2026 RMB (Unaudited)	Transfers into Level 3 RMB (Unaudited)	Transfers out of Level 3 RMB (Unaudited)	Gains for the Period: Recognised in Profit or Loss RMB (Unaudited)	Gains for the Period: Recognised in Other Comprehensive Income RMB (Unaudited)	Purchases, Issues, Sales and Settlements, and Others: Net Amount of Purchases and Sales RMB (Unaudited)	As at June 30, 2026 RMB (Unaudited)	Unrealised Gains Recognised in Profit or Loss for Period-End Assets and Liabilities RMB (Unaudited)
Financial assets								
Financial assets held for trading	13,115,965.37	–	–	–	–	(13,115,965.37)	–	–
Receivables financing	403,378,297.24	–	–	–	–	(46,118,664.58)	357,259,632.66	–
Subtotal of financial assets	**416,494,262.61**	**–**	**–**	**–**	**–**	**(59,234,629.95)**	**357,259,632.66**	**–**
Financial liabilities								
Other non-current liabilities (including other non-current liabilities due within one year)	768,768,308.54	–	–	7,643,651.55	–	(237,980,160.00)	538,431,800.09	7,643,651.55
Subtotal of financial liabilities	**768,768,308.54**	**–**	**–**	**7,643,651.55**	**–**	**(237,980,160.00)**	**538,431,800.09**	**7,643,651.55**
Total	**(352,274,045.93)**	**–**	**–**	**(7,643,651.55)**	**–**	**178,745,530.05**	**(181,172,167.43)**	**(7,643,651.55)**

6. Reasons for Transfers Between Levels and Policies for Determining the Timing of Transfers for Recurring Fair Value Measurement Items Occurring in the Current Period

None

7. Changes in Valuation Techniques Occurring in the Current Period and Reasons Therefor

None

8. Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

The Group has evaluated cash and bank balances, trade receivables, bills receivables, other receivables, other current assets, bills payables, trade payables, other payables, etc., the majority of which are considered to be current assets and current liabilities. Due to their short remaining maturities, their carrying amounts approximate the fair values of such assets and liabilities.

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the Parent Company of the Company

Name of Parent Company	Place of Registration	Nature of Business	Registered Capital	Shareholding Percentage of Parent Company in the Company	Voting Right Percentage of Parent Company in the Company
Lingsheng Investment (Jiangsu) Co., Ltd.	Dongtai City, Yancheng City, Jiangsu Province	Investment	RMB50 million	50.98%	50.98%

Explanation of the parent company of the Company

On January 17, 2018, the Company received the document headed "Approval in Relation to the Acquisition of Assets by Issuance of Shares to Lingsheng Investment (Shenzhen) Co., Ltd. and Others by JPMF Guangdong Co., Ltd.," (Zheng Jian Xu Ke [2018] No. 139) issued by the China Securities Regulatory Commission, approving the Company's issuance of a total of 4,429,487,177.00 shares to Lingsheng Investment (Shenzhen) Co., Ltd., Shenzhen Lingshang Investment Partnership (Limited Partnership) and Shenzhen Lingjie Investment Partnership (Limited Partnership) to purchase 100% equity interest in Lingyi Technology (Shenzhen) Company Limited held by them. On January 19, 2018, Lingyi Technology (Shenzhen) Company Limited completed the registration of industrial and commercial changes in respect of the asset transfer under this transaction. On February 13, 2018, the Company completed the registration of the issuance of the new shares, and the controlling shareholder changed to Lingsheng Investment (Shenzhen) Co., Ltd.. In July 2023, the name of Lingsheng Investment (Shenzhen) Co., Ltd. was changed to Lingsheng Investment (Jiangsu) Co., Ltd..

The ultimate controlling party of the Company is Zeng Fangqin.

Other explanation: None

2. Information on the Subsidiaries of the Company

For details of the subsidiaries of the Company, please see Note X. 1. Interests in Subsidiaries.

3. Information on Joint Ventures and Associates of the Company

For details of the significant joint ventures or associates of the Company, please see Note X. 3. Interests in Joint Ventures or Associates.

Other joint ventures or associates that had related party transactions with the Company during the current period, or formed balances with the Company resulting from related party transactions in prior periods, are as follows:

Name of Joint Venture or Associate	Relationship with the Enterprise
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries (Note 1)	Associate of the Company
Jiangmen Jiefuyi Magnetic Material Co., Ltd	Associate of the Company
Guangdong Nbtm New Materials Co., Ltd	Associate of the Company
Jiangmen Jianghai Huitong Microfinance Co., Ltd.	Associate of the Company
Martin Motor Co., Ltd.	Associate of the Company
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	Associate of the Company
Hunan Salboc Electronics Co., Ltd.	Associate of the Company
Haining Automann Parts Co., Ltd.	Associate of the Company

Note 1: Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries include: Nanjing Kuke Electronic Technology Co., Ltd. and Nanjing CUKTECH Technology Co., Ltd.

4. Information on Other Related Parties

Name of Other Related Party	Relationship Between Other Related Party and the Company
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries (Note 1)	Enterprise indirectly controlled by the ultimate controller of the Company
Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries (Note 2)	Enterprise directly controlled by the ultimate controller of the Company
Shenzhen Xiaochen Technology Co., Ltd.	Enterprise over which the controlling shareholder of the Company exercises significant influence
HG Automation Technology (Suzhou) Ltd	Enterprise over which the controlling shareholder of the Company exercises significant influence
DBG Electronics (Investment) Limited and its subsidiaries (Note 3)	Enterprise where the ultimate controller of the Company and close family members serve as directors, supervisors or senior management
Directors and other senior management personnel of the Company	Key management personnel

Note 1: ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries include: Chengdu Kingdom Electronic Technology Co., Ltd.; Suzhou Maige New Material Technology Co., Ltd.; Suzhou Bozhenxing Electronics Co., Ltd.; Ningbo Qihe New Material Technology Company Limited; ShenZhen Kingdom Electronic Co., Ltd.; and Chengdu Bozhenxing Electronic Technology Co., Ltd..

Note 2: Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries include: Lingsheng Investment (Jiangsu) Co., Ltd.; Bocai Intelligent Technology (Dongtai) Co., Ltd.; Suzhou Lingdao Electronic Technology Co., Ltd.; and LS (HK) INVESTMENT LIMITED.

Note 3: DBG Electronics (Investment) Limited and its subsidiaries include: DBG Electronics (Investment) Limited and DBG Technology (Vietnam) Company Limited.

5. Information on Related Party Transactions

(1) Related party transactions in respect of purchase and sale of goods, and provision and rendering of services

Schedule of purchase of goods/rendering of services

Related Party	Content of Related Party Transaction	Six months ended June 30, 2026 RMB (Unaudited)	Approved Transaction Cap	Whether the Transaction Cap is Exceeded	Six months ended June 30, 2025 RMB (Unaudited)
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	Purchase of goods, rendering of services	**212,373,169.75**	547,000,000.00	No	231,782,360.10
Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	Purchase of goods	**45,315.00**	45,315.00	No	–
Guangdong Nbtm New Materials Co., Ltd	Purchase of goods	**185,414.67**	600,000.00	No	230,192.01
HG Automation Technology (Suzhou) Ltd	Purchase of goods, rendering of services	**38,617,643.54**	75,000,000.00	No	7,538,719.37
Shenzhen Xiaochen Technology Co., Ltd.	Purchase of goods	**–**	500,000.00	No	3,514.60
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	Purchase of goods	**479,227.59**	500,000.00	No	54,960.06
Haining Automann Parts Co., Ltd.	Purchase of goods	**8,035,130.43**	36,000,000.00	No	–
Total		**259,735,900.98**	659,645,315.00		239,609,746.14

Other explanation: The corresponding execution amounts for the purchase of goods from related parties Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries, and Haining Automann Parts Co., Ltd. in the table above have undergone approval procedures within the scope of authority of the General Manager.

Schedule of sale of goods/provision of services

Related Party	Content of Related Party Transaction	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	Sale of goods, provision of services	**938,521.65**	1,084,138.89
Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	Sale of goods	**—**	13,804.68
Martin Motor Co., Ltd.	Sale of goods	**4,212,955.71**	3,650,667.21
Jiangmen Jiefuyi Magnetic Material Co., Ltd	Provision of services	**54,920.80**	82,381.20
Guangdong Nbtm New Materials Co., Ltd	Sale of goods, provision of services	**22,500.36**	5,659.51
HG Automation Technology (Suzhou) Ltd	Provision of services	**1,404.71**	578.39
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	Sale of goods	**10,762,973.24**	29,364,442.87
Hunan Salboc Electronics Co., Ltd.	Sale of goods	**40,217.70**	—
Haining Automann Parts Co., Ltd.	Sale of goods	**14,679.87**	—
Total		**16,048,174.04**	34,201,672.75

(2) Information on related party leases

The Company as lessor:

Name of Lessee	Type of Leased Asset	**Six months ended June 30, 2026 Lease Income RMB (Unaudited)**	Six months ended June 30, 2025 Lease Income RMB (Unaudited)
Jiangmen Jiefuyi Magnetic Material Co., Ltd	Plant leasing	**1,098,831.50**	1,071,371.10
HG Automation Technology (Suzhou) Ltd	Dormitory leasing	**5,504.58**	5,504.58
Total		**1,104,336.08**	1,076,875.68

The Company as lessee:

Name of Lessor	Type of Leased Asset	Rental expenses for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Lease payments paid		Interest expenses on lease liabilities assumed		Right-of-use assets increased	
		Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	Plant leasing, dormitory leasing	–	–	–	–	1,799,559.30	–	845,764.64	–	32,071,929.77	–
DBG Electronics (Investment) Limited and its subsidiaries	Plant leasing	–	–	–	–	–	11,243,659.16	–	1,105,472.69	–	–

(3) Asset transfer and debt restructuring of related parties

Related Party	Content of Related Party Transaction	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	Purchase of assets	**830,738.00**	203,539.98
Total		**830,738.00**	203,539.98

(4) Remuneration of key management personnel

Item	**Six months ended June 30, 2026 RMB (Unaudited)**	Six months ended June 30, 2025 RMB (Unaudited)
Remuneration of key management personnel	**6,629,422.04**	9,644,075.68

Share-based payment expenses were recognised for key management personnel of the Company due to the grant of shares under the employee share ownership plan, and such expenses are not included in the remuneration of key management personnel above, among which the share-based payment expenses recognised for January to June 2026 amounted to RMB3,150,875.04. In the above remuneration of key management personnel, the amount for January to June 2025 includes remuneration received by supervisors during their term of office.

(5) Other related party transactions

From January to June 2026, the Company, as lessee, had utility fees collected and paid on behalf of related party Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries in an amount of RMB2,190,098.13 arising from the leasing business.

6. Receivables from and payables to related parties

(1) Receivables

Item name	Related party	As at June 30, 2026 (Unaudited) RMB Gross amount	As at June 30, 2026 (Unaudited) RMB Provision	As at December 31, 2025 (Audited) RMB Gross amount	As at December 31, 2025 (Audited) RMB Provision
Trade receivables	ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	**210,165.73**	**10,508.29**	272,481.80	13,624.09
Trade receivables	Martin Motor Co., Ltd.	**4,910,543.63**	**245,527.18**	4,965,058.49	248,252.92
Trade receivables	Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	**9,709,017.96**	**485,923.35**	8,647,239.47	432,361.97
Trade receivables	Guangdong Nbtm New Materials Co., Ltd.	**9,627.80**	**481.39**	–	–
Trade receivables	Haining Automann Parts Co., Ltd.	**16,588.26**	**829.41**	–	–
Trade receivables	Hunan Salboc Electronics Co., Ltd.	**45,446.00**	**2,272.30**	–	–
Subtotal		**14,901,389.38**	**745,541.92**	13,884,779.76	694,238.98
Prepayments	ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	–	–	348,591.46	–
Prepayments	Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	–	–	15,361.79	–
Subtotal		–	–	363,953.25	–
Other receivables	DBG Electronics (Investment) Limited and its subsidiaries	–	–	4,431,781.40	221,589.07
Subtotal		–	–	4,431,781.40	221,589.07
Other non-current assets	HG Automation Technology (Suzhou) Ltd.	–	–	765,486.73	–
Other non-current assets	Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	–	–	187,016.70	–
Subtotal		–	–	952,503.43	–

Item name	Related party	As at June 30, 2026 Gross amount	As at June 30, 2026 Provision	As at December 31, 2025 Gross amount	As at December 31, 2025 Provision
		RMB (Unaudited)		RMB (Audited)	
Dividends receivable	Jiangmen Jianghai Huitong Microfinance Co., Ltd.	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,000,000.00
Dividends receivable	Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	**176,107.02**	**–**	–	–
Dividends receivable	Martin Motor Co., Ltd.	**720,000.00**	**–**	–	–
Subtotal		**5,896,107.02**	**5,000,000.00**	5,000,000.00	5,000,000.00

(2) Payables

Item name	Related party	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Trade payables	Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	**868,286.04**	134,983.83
Trade payables	ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	**77,913,670.30**	77,151,716.18
Trade payables	Guangdong Nbtm New Materials Co., Ltd.	**122,804.69**	158,193.08
Trade payables	Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	**457,916.49**	53,607.04
Trade payables	HG Automation Technology (Suzhou) Ltd.	**30,233,264.18**	15,772,224.10
Trade payables	Shenzhen Xiaochen Technology Co., Ltd.	**–**	305.50
Trade payables	Haining Automann Parts Co., Ltd.	**4,515,293.18**	–
Subtotal		**114,111,234.88**	93,271,029.73
Other payables	HG Automation Technology (Suzhou) Ltd.	**1,000.00**	1,000.00
Other payables	Lingsheng Investment (Jiangsu) Co., Ltd. and its subsidiaries	**1,515,756.22**	5,529.82
Subtotal		**1,516,756.22**	6,529.82
Receipts in advance	HG Automation Technology (Suzhou) Ltd.	**1,000.00**	1,000.00
Subtotal		**1,000.00**	1,000.00

XV. SHARE-BASED PAYMENTS

1. General information of share-based payments

☑Applicable ☐Not Applicable

Category of grantees	Granted during the period		Exercised during the period		Vested during the period		Forfeited during the period	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2024 Share Option Scheme: For the Company's core personnel	–	–	–	–	–	–	4,056,000.00	6,465,782.96
2024 Employee Stock Ownership Plan: For the Company's Directors (excluding independent Directors), Supervisors, senior management and the Company's core personnel	–	–	–	–	–	–	–	–
2025 Share Option Scheme: For the Company's core personnel	–	–	–	–	–	–	4,818,500.00	23,575,040.25
2025 Employee Stock Ownership Plan: For the Company's core personnel	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	8,874,500.00	30,040,823.21

Share options or other equity instruments outstanding at the end of the period

☑Applicable ☐Not Applicable

Category of grantees	Share options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Range of exercise prices	Remaining contractual term	Range of exercise prices	Remaining contractual term
2024 Share Option Scheme: For the Company's core personnel	For the share options initially granted on September 18, 2024 (the 2024 Share Option Scheme), the initial exercise price is RMB4.46 per share. The unlocking dates shall respectively commence on the first trading day after 12 months, 24 months, and 36 months from the date of initial grant, and end on the last trading day within 24 months from the grant date. The proportion of underlying shares unlocked in each tranche shall be 40%, 30%, and 30%, respectively.	15 months		

Category of grantees	Share options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Range of exercise prices	Remaining contractual term	Range of exercise prices	Remaining contractual term
2024 Employee Stock Ownership Plan: For the Company's Directors (excluding independent Directors), Supervisors, senior management and the Company's core personnel	—	—	The grant price of the restricted shares initially granted under the 2024 Employee Stock Ownership Plan is RMB3.48 per share. The underlying shares held under this employee stock ownership plan shall be unlocked in three tranches. The unlocking dates shall respectively be 12 months, 24 months, and 36 months after the date on which the draft of this employee stock ownership plan is considered and approved by the Company's general meeting of Shareholders and the Company announces the transfer of the last tranche of underlying shares to the name of this employee stock ownership plan. The proportion of underlying shares unlocked in each tranche shall be 40%, 30%, and 30%, respectively.	16 months

Category of grantees	Share options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Range of exercise prices	Remaining contractual term	Range of exercise prices	Remaining contractual term
2025 Share Option Scheme: For the Company's core personnel	For the reserved share options granted on August 6, 2025 (the 2024 Share Option Scheme), the initial exercise price is RMB4.44 per share. The unlocking dates shall respectively commence on the first trading day after 12 months, 24 months, and 36 months from the date of initial grant, and end on the last trading day within 24 months from the grant date. The proportion of underlying shares unlocked in each tranche shall be 40%, 30%, and 30%, respectively.	25 months		

Category of grantees	Share options outstanding at the end of the period		Other equity instruments outstanding at the end of the period	
	Range of exercise prices	Remaining contractual term	Range of exercise prices	Remaining contractual term
2025 Employee Stock Ownership Plan: the Company's core personnel	—	—	The grant price of the restricted shares initially granted under the 2025 Employee Stock Ownership Plan is RMB4.47 per share. The underlying shares held under this employee stock ownership plan shall be unlocked in three tranches. The unlocking dates shall respectively be 12 months, 24 months, and 36 months after the date on which the draft of this employee stock ownership plan is considered and approved by the Company's general meeting of Shareholders and the Company announces the transfer of the last tranche of underlying shares to the name of this employee stock ownership plan. The proportion of underlying shares unlocked in each tranche shall be 30%, 30%, and 40%, respectively.	29 months

Other explanations:

Note 1: On July 26, 2024, the Company held the second meeting of the sixth session of the Board, at which the Company considered and approved the Resolution on the Company's 2024 Share Option Plan (Revised Draft) and Its Summary(《關於公司〈2024年股票期權激勵計劃(草案修訂稿)〉及其摘要的議案》), the Resolution on the Company's Appraisal Management Measures for Implementation of the 2024 Share Option Plan (Revised) (《關於公司〈2024年股票期權激勵計劃實施考核管理辦法(修訂稿)〉的議案》) and other resolutions. On August 14, 2024, the Company held the third extraordinary general meeting of Shareholders of 2024, at which the Company considered and approved, by special resolution, the Resolution on the Company's 2024 Share Option Plan (Revised Draft) and Its Summary (《關於公司〈2024年股票期權激勵計劃(草案修訂稿)〉及其摘要的議案》). Date of initial grant: September 18, 2024; registered number of initial grant: 188.61 million options; initial exercise price: RMB4.46 per share; incentive participants and number of share options granted: a total of 1,410 incentive participants under the initial grant, with 188.61 million options granted under the initial grant.

Note 2: On July 26, 2024 and August 14, 2024, the Company held the second meeting of the sixth session of the Board and the third extraordinary general meeting of 2024, respectively, at which the Company considered and approved the Resolution on the Company's 2024 Employee Stock Ownership Plan (Draft) and Its Summary (《關於公司〈2024年員工持股計劃(草案)〉及其摘要的議案》) and related resolutions, approving the implementation of the employee stock ownership plan by the Company. The Company has received the Confirmation Letter on Securities Transfer and Registration (《證券過戶登記確認書》) issued by the Shenzhen Branch of China Securities Depositary and Clearing Corporation Limited. 30,034,872 shares of the Company held in the Company's designated repurchase securities account were transferred to the designated securities account of "Lingyi iTech (Guangdong) Company — 2024 Employee Stock Ownership Plan" opened by the Company through non-trading transfer on November 5, 2024, representing 0.43% of the Company's total share capital, at a transfer price of RMB3.48 per share.

Note 3: On August 6, 2025, the Company held the sixth meeting of the Remuneration and Appraisal Committee of the sixth session of the Board and the sixteenth meeting of the sixth session of the Board, at which the Company considered and approved the Resolution on the Grant of Reserved Share Options under the 2024 Share Option Plan to Incentive Participants (《關於向激勵對象授予2024年股票期權激勵計劃預留股票期權的議案》), determining the date of grant of the reserved share options under the 2024 Share Option Plan (hereinafter referred to as the "Plan") as August 6, 2025, and granting 47.1625 million share options to 395 eligible incentive participants at an exercise price of RMB4.44 per share.

Note 4: On September 8, 2025, the Company held the seventh meeting of the Remuneration and Appraisal Committee of the sixth session of the Board and the eighteenth meeting of the sixth session of the Board, at which the Company considered and approved the Resolution on the Fulfilment of the Exercise Conditions for the First Exercise Period of the Share Options under the Initial Grant of the 2024 Share Option Plan (《關於2024年股票期權激勵計劃首次授予股票期權第一個行權期行權條件成就的議案》). Pursuant to relevant provisions of the Administrative Measures for Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) and the 2024 Share Option Plan (Revised Draft) of Lingyi iTech (Guangdong) Company (《廣東領益智造股份有限公司2024年股票期權激勵計劃(草案修訂稿)》), the Board considered that the exercise conditions for the first exercise period of the share options under the initial grant of the Company's 2024 Share Option Plan (hereinafter referred to as the "Plan") had been fulfilled. A total of 1,299 incentive participants met the exercise conditions for the first exercise period of the share options under the initial grant, corresponding to a total of 66.7060 million share options exercisable.

Note 5: On October 28, 2025, the Company held the twentieth meeting of the sixth session of the Board and the eighth meeting of the Remuneration and Appraisal Committee of the sixth session of the Board, at which the Company considered and approved the Resolution on the Expiry of the First Lock-up Period and the Fulfilment of Unlocking Conditions under the 2024 Employee Stock Ownership Plan (《關於2024年員工持股計劃第一個鎖定期屆滿暨解鎖條件成就的議案》). The Board considered that the performance assessment indicators at the Company level for the year 2024 in respect of the first lock-up period had been met. Upon review, the target number of shares to be unlocked in the first lock-up period of this employee stock ownership plan was 12,013,948 shares, and 12,013,948 shares fulfilled the unlocking conditions.

Note 6: On June 17, 2025 and September 16, 2025, the Company held the fourteenth meeting of the sixth session of the Board and the third extraordinary general meeting of 2025, respectively, at which the Company considered and approved the Resolution on the Company's 2025 Employee Stock Ownership Plan (Draft) and Its Summary (《關於公司〈2025年員工持股計劃(草案)〉及其摘要的議案》) and related resolutions, approving the implementation of the employee stock ownership plan by the Company. The Company has opened a special securities account for this employee stock ownership plan with the Shenzhen Branch of China Securities Depositary and Clearing Corporation Limited under the account name "Lingyi iTech (Guangdong) Company — 2025 Employee Stock Ownership Plan". 26,400,000 shares of the Company held in the Company's designated repurchase securities account were transferred to the designated securities account of "Lingyi iTech (Guangdong) Company — 2025 Employee Stock Ownership Plan" opened by the Company through non-trading transfer on December 19, 2025, representing 0.36% of the Company's total share capital, at a transfer price of RMB4.47 per share.

2. Equity-settled share-based payments

☑Applicable ☐Not Applicable

Method for determining the fair value of equity instruments at the grant date	Black-Scholes model/Trading price of shares at the grant date
Important parameters of the fair value of equity instruments at the grant date	Closing price of shares at the grant date
Basis for determining the number of exercisable equity instruments	Determined based on industry and company employee turnover rates
Reasons for significant differences between estimates of the current period and previous period	None
Cumulative amount of equity-settled share-based payments recognised in capital reserve	827,461,215.14
Total expenses recognised for equity-settled share-based payments during the period	192,196,222.33

Other explanations: None

3. Cash-settled share-based payments

☐Applicable ☑Not Applicable

4. Share-based payment expenses for the period

☑Applicable ☐Not Applicable

Category of grantees	Expenses for equity-settled share-based payments	Expenses for cash-settled share-based payments
2024 Share Option Scheme: For the Company's core personnel 2024 Employee Stock Ownership Plan: For the Company's Directors (excluding independent Directors), Supervisors, senior management and the Company's core personnel 2025 Share Option Scheme: For the Company's core personnel 2025 Employee Stock Ownership Plan: For the Company's core personnel	192,196,222.33	—
Total	192,196,222.33	—

Other explanations

None

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant commitments existing as at the balance sheet date

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Contracted for	**2,247,345,230.94**	4,762,264,748.31
Authorised but not contracted for	**273,601,756.55**	570,304,394.67
Total	**2,520,946,987.49**	5,332,569,142.98

2. Contingencies

(1) Significant contingencies existing as at the balance sheet date

Other matters

On February 8, 2021, Lingyi Industry (Zhuhai) Co., Ltd. (hereinafter referred to as "Zhuhai Lingyi") entered into the Agreement on the Use and Supervision of Support Funds for the Lingyi iTech Complete Machine Assembly Project (hereinafter referred to as the Support Funds Agreement) with the People's Government of Doumen District, Zhuhai Municipality (hereinafter referred to as the "Doumen District Government"), pursuant to which the Investment Promotion Bureau of Doumen District (currently known as the Investment Promotion Center of Doumen District, Zhuhai Municipality), an administrative department under the jurisdiction of the Doumen District Government, would disburse project support funds of RMB160 million in a lump sum to Zhuhai Lingyi exclusively for supporting the Lingyi iTech complete machine assembly project in Zhuhai. As the construction progress of the complete machine assembly project fell behind expectations, Zhuhai Lingyi received an Administrative Decision from the Doumen District Government on January 21, 2025, requesting Zhuhai Lingyi to return the relevant support funds of RMB160 million and compensate for funding occupation losses.

On July 9, 2025, Zhuhai Lingyi initiated an administrative litigation with the Zhuhai Intermediate People's Court against the People's Government of Doumen District, Zhuhai Municipality and the People's Government of Zhuhai Municipality. On March 12, 2026, Zhuhai Lingyi received the Administrative Judgment from the Zhuhai Intermediate People's Court, in which the first-instance judgment dismissed the claims of Zhuhai Lingyi. At present, Zhuhai Lingyi has filed an appeal with the Higher People's Court of Guangdong Province in respect of this matter, and received the notice of acceptance of appeal from the Higher People's Court of Guangdong Province on July 22, 2026.

As of the date of this report, the cumulative amount of the government grant recognised in other income was RMB1,469,100, and the remaining balance was presented under other payables, with the relevant funding occupation charges having been provided for.

(2) Please make a statement if the Company has no significant contingencies to disclose

The Company has no significant contingencies that need to be disclosed.

3. Other

None

XVII. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Proposed dividend per 10 shares (RMB)	0.2
Profit distribution plan	In order to actively reward investors and taking into comprehensive consideration the Company's results of operations and long-term development, the profit distribution plan for the first half of 2026 proposed by the Board of the Company is as follows: a cash dividend of RMB0.2 (tax inclusive) for every 10 shares will be distributed based on the Company's total share capital of 8,076,077,727 shares as of July 31, 2026, after deducting the shares held in the repurchase special account, without issuing bonus shares or converting capital reserves into share capital. The Company proposes to distribute an aggregate cash dividend of RMB161,521,554.54 (tax inclusive). If there is a change in the total share capital of the Company between July 31, 2026 and the equity registration date for the implementation of the equity distribution due to share repurchase, exercise of equity incentives, etc., the Company will adjust the total amount of dividends based on the principle of keeping the distribution ratio per share unchanged. This cash dividend is denominated and declared in RMB, of which A-share dividends are paid in RMB and H-share dividends are paid in HKD. The actual payment amount of H-share dividends is calculated based on the central parity rate of RMB against HKD announced by the People's Bank of China on the working day immediately preceding the date of the twenty-eighth meeting of the sixth session of the Board of the Company.

XVIII. OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Basis for determining reportable segments and accounting policies

In combination with the application fields of the Company's products by customers, business distribution and future strategy, in order to reflect the Company's business situation more scientifically and accurately, the Company adjusted the business classification caliber and divided its products into three major categories: Electronic devices, automotive and advanced air mobility, and others.

(2) Financial information of reportable segments

Item	Electronic devices	Automotive and advanced air mobility	Others	Inter-segment elimination	Total
Operating revenue	20,463,843,050.36	3,527,792,857.90	1,157,497,771.11	–	25,149,133,679.37
Operating costs	16,888,160,635.87	3,030,915,273.96	1,023,592,152.17	–	20,942,668,062.00

XIX. NOTES TO MAJOR ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Trade receivables

(1) Disclosure by ageing

The ageing analysis of trade receivables is based on the invoice date.

Ageing	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Within 1 year (inclusive)	**589,744,393.13**	483,157,939.66
1 to 2 years	**268,723.80**	241,584.97
2 to 3 years	**–**	–
Over 3 years	**31,803,566.95**	31,803,566.95
3 to 4 years	**–**	–
4 to 5 years	**–**	–
Over 5 years	**31,803,566.95**	31,803,566.95
Total	**621,816,683.88**	515,203,091.58

(2) Classification and disclosure by loss allowance method

Category	As at June 30, 2026					As at December 31, 2025				
	Gross amount		Provision			Gross amount		Provision		
	Amount RMB (Unaudited)	Ratio % (Unaudited)	Amount RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)	Amount RMB (Audited)	Ratio % (Audited)	Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
On an individual basis	**31,803,566.95**	**5.11%**	**31,803,566.95**	**100.00%**	**–**	31,803,566.95	6.17%	31,803,566.95	100.00%	–
Including:										
On a collective basis	**590,013,116.93**	**94.89%**	**27,003,595.42**	**4.58%**	**563,009,521.51**	483,399,524.63	93.83%	22,583,112.15	4.67%	460,816,412.48
Including:										
Group 1: Ageing analysis group	**539,803,184.62**	**86.82%**	**27,003,595.42**	**5.00%**	**512,799,589.20**	451,420,658.03	87.62%	22,583,112.15	5.00%	428,837,545.88
Group 2: Related parties within the consolidation scope of the listed company	**50,209,932.31**	**8.07%**	**–**	**0.00%**	**50,209,932.31**	31,978,866.60	6.21%	–	0.00%	31,978,866.60
Total	**621,816,683.88**	**100.00%**	**58,807,162.37**	**9.46%**	**563,009,521.51**	515,203,091.58	100.00%	54,386,679.10	10.56%	460,816,412.48

Name of category for which a loss allowance is recognised individually: Trade receivables for which a loss allowance is recognised on an individual basis

Name	As at December 31, 2025		As at June 30, 2026			Reason for the provision
	Gross amount RMB (Audited)	Provision RMB (Audited)	**Gross amount RMB (Unaudited)**	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**	
On an individual basis	31,803,566.95	31,803,566.95	**31,803,566.95**	**31,803,566.95**	**100.00%**	Not expected to be recovered in full
Total	31,803,566.95	31,803,566.95	**31,803,566.95**	**31,803,566.95**		

Name of the category for which a loss allowance is recognised individually:

Name	As at June 30, 2026		
	Gross amount RMB (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)
Group 1: Ageing analysis group	**539,803,184.62**	**27,003,595.42**	**5.00%**
Group 2: Related parties within the consolidation scope of the listed company	**50,209,932.31**	**—**	**0.00%**
Total	**590,013,116.93**	**27,003,595.42**	

Explanation of the basis for determining this group:

None

If the loss allowance for trade receivables is recognised under the general expected credit loss model:

☐Applicable ☑Not Applicable

(3) Loss allowance recognised, recovered or reversed during the current period

Loss allowance recognised in the current period:

Category	As at December 31, 2025 RMB (Audited)	Amount of change for the period:				As at June 30, 2026 RMB (Unaudited)
		Provision RMB (Unaudited)	Recovery or reversal RMB (Unaudited)	Transfer out or write-off RMB (Unaudited)	Other RMB (Unaudited)	
On an individual basis	31,803,566.95	—	—	—	—	**31,803,566.95**
On a collective basis	22,583,112.15	4,420,483.27	—	—	—	**27,003,595.42**
Total	54,386,679.10	4,420,483.27	—	—	—	**58,807,162.37**

Including significant amounts recovered or reversed from the loss allowance recognised in the current period:

None

(4) Trade receivables actually written off during the current period

None

(5) Trade receivables and contract assets of top five debtors by closing balance

Entity name	Closing balance of trade receivables RMB (Unaudited)	Closing balance of contract assets RMB (Unaudited)	Closing balance of trade receivables and contract assets RMB (Unaudited)	Proportion of the total closing balance of trade receivables and contract assets % (Unaudited)	Closing balance of loss allowance of trade receivables and contract assets RMB (Unaudited)
No. 1	416,692,467.31	–	416,692,467.31	67.01%	20,834,623.37
No. 2	70,025,653.10	–	70,025,653.10	11.26%	3,501,282.66
No. 3	44,043,287.59	–	44,043,287.59	7.08%	–
No. 4	40,704,976.51	–	40,704,976.51	6.55%	2,035,248.83
No. 5	18,189,209.30	–	18,189,209.30	2.93%	18,189,209.30
Total	589,655,593.81	–	589,655,593.81	94.83%	44,560,364.16

2. Other receivables

Item	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Dividends receivable	**176,107.02**	–
Other receivables	**8,197,743,956.36**	9,124,929,620.35
Total	**8,197,920,063.38**	9,124,929,620.35

(1) Dividends receivable

1) Classification of dividends receivable

Item (or investee)	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	**176,107.02**	–
Jiangmen Jianghai Huitong Microfinance Co., Ltd. (Note)	**–**	–
Total	**176,107.02**	–

Note: A full loss allowance was recognised in prior periods

2) Significant dividends receivable aged over 1 year

None

3) Classification and disclosure by loss allowance method

☑Applicable ☐Not Applicable

Category	As at June 30, 2026					As at December 31, 2025				
	Gross amount		Provision			Gross amount		Provision		
	Amount RMB (Unaudited)	Ratio % (Unaudited)	Amount RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)	Amount RMB (Audited)	Ratio % (Audited)	Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
On an individual basis	5,000,000.00	100.00%	5,000,000.00	100.00%	–	5,000,000.00	100.00%	5,000,000.00	100.00%	–
Including:	–	–	–	–	–	–	–	–	–	–
Including:	–	–	–	–	–	–	–	–	–	–
Total	5,000,000.00	100.00%	5,000,000.00	100.00%	–	5,000,000.00	100.00%	5,000,000.00	100.00%	–

Name of the category for which a loss allowance is recognised on an individual basis:

Name	As at December 31, 2025		As at June 30, 2026			Reason for the provision
	Gross amount RMB (Audited)	Provision RMB (Audited)	Gross amount RMB (Unaudited)	Provision RMB (Unaudited)	Provision ratio % (Unaudited)	
Jiangmen Jianghai Huitong Microfinance Co., Ltd.	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	100.00%	Expected to be irrecoverable
Total	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00		

Loss allowance recognised under the general expected credit loss model: None

(2) Other receivables

1) Classification of other receivables by nature

Nature of the amount	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Current accounts with related parties	**8,197,332,023.71**	9,124,819,783.72
Prepayments for bulk trade	**74,471,740.67**	74,471,740.67
Current accounts with external entities	**22,042,558.04**	8,082,586.85
Deposits and guarantees	**435,020.56**	405,020.56
Total	**8,294,281,342.98**	9,207,779,131.80

2) Disclosure by ageing

Ageing	As at June 30, 2026 RMB (Unaudited)	As at December 31, 2025 RMB (Audited)
Within 1 year (including 1 year)	**8,211,343,511.51**	9,124,861,300.33
1 to 2 years	**24,452.00**	4,452.00
2 to 3 years	**74,250.00**	74,250.00
Over 3 years	**82,839,129.47**	82,839,129.47
3 to 4 years	**—**	11,818.10
4 to 5 years	**13,978.10**	2,160.00
Over 5 years	**82,825,151.37**	82,825,151.37
Total	**8,294,281,342.98**	9,207,779,131.80

3) Classification and disclosure by method of recognising loss allowance

Category	As at June 30, 2026					As at December 31, 2025				
	Gross amount		Provision			Gross amount		Provision		
	Amount RMB (Unaudited)	Ratio % (Unaudited)	Amount RMB (Unaudited)	Provision ratio % (Unaudited)	Carrying amount RMB (Unaudited)	Amount RMB (Audited)	Ratio % (Audited)	Amount RMB (Audited)	Provision ratio % (Audited)	Carrying amount RMB (Audited)
On an individual basis	**96,134,005.42**	**1.16%**	**96,134,005.42**	**100.00%**	**–**	82,463,082.67	0.90%	82,463,082.67	100.00%	–
Including:										
Other receivables for which a loss allowance is recognised on an individual basis	**96,134,005.42**	**1.16%**	**96,134,005.42**	**100.00%**	**–**	82,463,082.67	0.90%	82,463,082.67	100.00%	–
On a collective basis	**8,198,147,337.56**	**98.84%**	**403,381.20**	**0.01%**	**8,197,743,956.36**	9,125,316,049.13	99.10%	386,428.78	0.01%	9,124,929,620.35
Including:										
Group 1: Ageing analysis group	**815,313.85**	**0.01%**	**403,381.20**	**49.48%**	**411,932.65**	496,265.41	0.01%	386,428.78	77.87%	109,836.63
Group 2: Related parties within the scope of consolidation of the listed company	**8,197,332,023.71**	**98.83%**	**–**	**–**	**8,197,332,023.71**	9,124,819,783.72	99.09%	–	–	9,124,819,783.72
Total	**8,294,281,342.98**	**100.00%**	**96,537,386.62**	**1.16%**	**8,197,743,956.36**	9,207,779,131.80	100.00%	82,849,511.45	0.90%	9,124,929,620.35

Name of the category for which a loss allowance is recognised on an individual basis: Other receivables for which a loss allowance is recognised on an individual basis

Name	As at December 31, 2025		As at June 30, 2026			
	Gross amount RMB (Audited)	Provision RMB (Audited)	**Gross amount RMB (Unaudited)**	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**	Reason for the provision
Other receivables for which a loss allowance is recognised on an individual basis	82,463,082.67	82,463,082.67	**96,134,005.42**	**96,134,005.42**	**100.00%**	Not expected to be recovered in full
Total	82,463,082.67	82,463,082.67	**96,134,005.42**	**96,134,005.42**		

Name of the category for which a loss allowance is recognised by group:

Name	As at June 30, 2026		
	Gross amount RMB (Unaudited)	**Provision RMB (Unaudited)**	**Provision ratio % (Unaudited)**
Group 1: Ageing analysis group	**815,313.85**	**403,381.20**	**49.48%**
Group 2: Related parties within the scope of consolidation of the listed company	**8,197,332,023.71**	**—**	**—**
Total	**8,198,147,337.56**	**403,381.20**	

Explanation of the basis for determining this group:

Loss allowance recognised under the general expected credit loss model:

Loss Allowance	**Stage 1 12-month expected credit losses RMB (Unaudited)**	**Stage 2 Lifetime expected credit losses (not credit-impaired) RMB (Unaudited)**	**Stage 3 Lifetime expected credit losses (credit-impaired) RMB (Unaudited)**	**Total RMB (Unaudited)**
Balance as at January 1, 2026	386,428.78	—	82,463,082.67	82,849,511.45
Balance as at January 1, 2026 during the period	—	—	—	—
Provision	16,952.42	—	13,670,922.75	13,687,875.17
Balance as at June 30, 2026	403,381.20	—	96,134,005.42	96,537,386.62

Basis for the classification of each stage and the loss allowance percentage

4) Loss allowance recognised, recovered or reversed during the current period

Loss allowance recognised during the current period:

Category	As at December 31, 2025 RMB (Audited)	Amount of change for the period				As at June 30, 2026 RMB (Unaudited)
		Provision RMB (Unaudited)	Recovery or reversal RMB (Unaudited)	Transfer out or write-off RMB (Unaudited)	Other RMB (Unaudited)	
On an individual basis	82,463,082.67	13,670,922.75	–	–	–	96,134,005.42
On a collective basis	386,428.78	16,952.42	–	–	–	403,381.20
Total	82,849,511.45	13,687,875.17	–	–	–	96,537,386.62

Including significant amounts of loss allowance reversed or recovered in the current period: None

5) Other receivables of top five debtors by closing balance

Entity name	Nature of the amount	Gross amount As at June 30, 2026 RMB (Unaudited)	Ageing	Proportion of the total closing balance of other receivables % (Unaudited)	Loss allowance As at June 30, 2026 RMB (Unaudited)
No. 1	Current accounts with related parties	1,574,761,760.31	Within 1 year	18.99%	–
No. 2	Current accounts with related parties	918,388,801.60	Within 1 year	11.07%	–
No. 3	Current accounts with related parties	628,000,000.00	Within 1 year	7.57%	–
No. 4	Current accounts with related parties	613,270,000.00	Within 1 year	7.39%	–
No. 5	Current accounts with related parties	564,071,568.00	Within 1 year	6.80%	–
Total		4,298,492,129.91		51.82%	–

3. Long-term equity investments

Item	As at June 30, 2026			As at December 31, 2025		
	Gross amount	Provision for impairment RMB (Unaudited)	Carrying amount	Gross amount	Provision for impairment RMB (Audited)	Carrying amount
Investments in subsidiaries	**29,184,453,654.93**	**5,500,000.00**	**29,178,953,654.93**	28,057,781,467.29	5,500,000.00	28,052,281,467.29
Investments in associates	**243,821,965.78**	**26,140,092.03**	**217,681,873.75**	241,841,808.90	26,140,092.03	215,701,716.87
Total	**29,428,275,620.71**	**31,640,092.03**	**29,396,635,528.68**	28,299,623,276.19	31,640,092.03	28,267,983,184.16

(1) Investments in subsidiaries

Investee	As at December 31, 2025 Carrying amount RMB (Audited)	As at December 31, 2025 provision for impairment RMB (Audited)	Change for the period				As at June 30, 2026 Carrying amount RMB (Unaudited)	As at June 30, 2026 provision for impairment RMB (Unaudited)
			Additional investment RMB (Unaudited)	Reduced investment RMB (Unaudited)	Provision for impairment RMB (Unaudited)	Other RMB (Unaudited)		
Lingyi Technology (Shenzhen) Co., Ltd.	21,594,000,000.00	–	–	–	–	–	21,594,000,000.00	–
Dongguan Xinyan Precision Cutter Co., Ltd.	21,052,506.30	–	–	–	–	–	21,052,506.30	–
JPMF Jiangyi Co., Ltd.	403,635,600.00	–	–	–	–	–	403,635,600.00	–
JPMF Heshan New Material Co. Ltd.	75,000,000.00	–	–	–	–	–	75,000,000.00	–
JPMF INTERNATIONAL HOLDING LIMITED	37,897,217.03	–	–	–	–	–	37,897,217.03	–
A-CORE Jiangmen Electronics Co., Ltd.	38,998,810.03	–	–	–	–	–	38,998,810.03	–
JPMF NFC Co., Ltd.	3,067,021.92	–	–	–	–	–	3,067,021.92	–
Jiangmen Chuangfu Investment Management Co., Ltd.	36,135,744.51	–	–	–	–	–	36,135,744.51	–
Jiangmen Zhengxi Machinery Equipment Co., Ltd.	40,565,900.00	–	–	–	–	–	40,565,900.00	–

RMB

Investee	As at December 31, 2025 Carrying amount RMB (Audited)	As at December 31, 2025 provision for impairment RMB (Audited)	Change for the period				As at June 30, 2026 Carrying amount RMB (Unaudited)	As at June 30, 2026 provision for impairment RMB (Unaudited)
			Additional investment RMB (Unaudited)	Reduced investment RMB (Unaudited)	Provision for impairment RMB (Unaudited)	Other RMB (Unaudited)		
Shenzhen Qianhai Fangyuan Commercial Factoring Co., Ltd.	100,000,000.00	–	–	–	–	–	100,000,000.00	–
JPMF Jiangmen Jinci Co., Ltd.	–	5,500,000.00	–	–	–	–	–	5,500,000.00
Jiangfen Magnetic Material (Wuhan) Technology Research and Development Co., Ltd.	20,000,000.00	–	–	–	–	–	20,000,000.00	–
Lingchao (Guangzhou) Private Equity Investment Fund Management Co., Ltd.	2,695,579.46	–	–	–	–	–	2,695,579.46	–
Zhengzhou Lingye Technology Co., Ltd.	10,000,000.00	–	–	–	–	–	10,000,000.00	–
Shenzhen Lingyi Technology Supply Chain Management Co., Ltd.	10,000,000.00	–	–	–	–	–	10,000,000.00	–
Leading Technology (Dongtai) Co., Ltd.	100,000,000.00	–	–	–	–	–	100,000,000.00	–
Shenzhen Dongfang Liangcai Precision Technology Co., Ltd.	2,744,000,000.00	–	45,000,000.00	–	–	–	2,789,000,000.00	–
LINGYI iTECH (DONGGUAN) CO., LTD.	240,000,000.00	–	–	–	–	–	240,000,000.00	–
Dongguan Obi-di Precision Hardware Co., Ltd.	905,000,000.00	–	–	–	–	–	905,000,000.00	–

Investee	As at December 31, 2025 Carrying amount RMB (Audited)	As at December 31, 2025 provision for impairment RMB (Audited)	Change for the period				As at June 30, 2026 Carrying amount RMB (Unaudited)	As at June 30, 2026 provision for impairment RMB (Unaudited)
			Additional investment RMB (Unaudited)	Reduced investment RMB (Unaudited)	Provision for impairment RMB (Unaudited)	Other RMB (Unaudited)		
Triumph Lead (Singapore) Pte. Ltd.	637,475,002.50	–	–	–	–	–	637,475,002.50	–
Lingyi Industry (Zhuhai) Co., Ltd.	257,436,410.32	–	–	–	–	–	257,436,410.32	–
Shenzhen Lingpeng Intelligent Technology Co., Ltd.	50,000,000.00	–	–	–	–	–	50,000,000.00	–
Guangzhou Lingyu Equity Investment Partnership Enterprise (Limited Partnership)	8,000,000.00	–	–	–	–	–	8,000,000.00	–
Dongguan Lingrui Technology Co., Ltd.	100,000,000.00	–	–	–	–	–	100,000,000.00	–
Long-term equity investments recognised for equity incentives	602,321,675.22	–	–	–	–	191,672,187.64	793,993,862.86	–
Shenzhen Lingyi Robot Technology Co., Ltd.	15,000,000.00	–	5,000,000.00	–	–	–	20,000,000.00	–
Shenzhen Lingfu Robot Technology Co., Ltd.	–	–	10,000,000.00	–	–	–	10,000,000.00	–
Dongguan Readore Technology Co., Ltd.	–	–	875,000,000.00	–	–	–	875,000,000.00	–
Total	28,052,281,467.29	5,500,000.00	935,000,000.00	–	–	191,672,187.64	29,178,953,654.93	5,500,000.00

(2) Investments in associates and joint ventures

Investee	As at December 31, 2025 Carrying amount RMB (Audited)	As at December 31, 2025 provision for impairment RMB (Audited)	Change for the period: Additional investment RMB (Unaudited)	Change for the period: Reduced investment RMB (Unaudited)	Change for the period: Investment profit or loss recognised under the equity method RMB (Unaudited)	Change for the period: Other comprehensive income adjustment RMB (Unaudited)	Change for the period: Other changes in equity RMB (Unaudited)	Change for the period: Declared cash dividends or profit RMB (Unaudited)	Change for the period: Provision for impairment RMB (Unaudited)	Change for the period: Other RMB (Unaudited)	As at June 30, 2026 Carrying amount RMB (Unaudited)	As at June 30, 2026 provision for impairment RMB (Unaudited)
I. Joint ventures												
II. Associates												
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	48,012,997.97	–	–	–	1,110,429.41	–	–	–	–	–	49,123,427.38	–
Jiangmen Jianghai Huitong Microfinance Co., Ltd.	–	26,140,092.03	–	–	–	–	–	–	–	–	–	26,140,092.03
Guangdong Nbtm New Materials Co., Ltd.	92,448,784.02	–	–	–	2,647,939.26	–	397,355.79	4,800,000.00	–	–	90,694,079.07	–
Nanjing Kuke Electronic Technology Co., Ltd.	40,708,640.94	–	–	–	9,114,425.70	33,028.77	–	–	–	–	49,856,095.41	–
Jiaxing Chaoxi Hongtai Equity Investment Partnership (Limited Partnership)	34,531,293.94	–	–	7,288,232.54	18,278,272.93	–	–	17,513,062.44	–	–	28,008,271.89	–
Subtotal	215,701,716.87	26,140,092.03	–	7,288,232.54	31,151,067.30	33,028.77	397,355.79	22,313,062.44	–	–	217,681,873.75	26,140,092.03
Total	215,701,716.87	26,140,092.03	–	7,288,232.54	31,151,067.30	33,028.77	397,355.79	22,313,062.44	–	–	217,681,873.75	26,140,092.03

Determining the recoverable amount by subtracting the disposal costs from the fair value

☐Applicable ☑Not Applicable

Determining the recoverable amount by the present value of expected future cash flows

☐Applicable ☑Not Applicable

(3) Other explanations

None

4. Revenue and cost of sales

Item	Six months ended June 30, 2026 Revenue RMB (Unaudited)	Six months ended June 30, 2026 Cost of sales RMB (Unaudited)	Six months ended June 30, 2025 Revenue RMB (Unaudited)	Six months ended June 30, 2025 Cost of sales RMB (Unaudited)
Principal operations	**790,191,264.32**	**767,420,969.57**	794,304,167.66	775,948,856.53
Other operations	**33,085,271.78**	**4,351,095.57**	25,414,205.30	2,528,720.69
Total	**823,276,536.10**	**771,772,065.14**	819,718,372.96	778,477,577.22

5. Investment income

Item	Six months ended June 30, 2026 RMB (Unaudited)	Six months ended June 30, 2025 RMB (Unaudited)
Investment income from long-term equity investments accounted for under the equity method	**31,151,067.30**	10,319,865.57
Other	**2,876,797.72**	4,252,295.02
Total	**34,027,865.02**	14,572,160.59

XX. SUPPLEMENTARY INFORMATION

1. Detailed statement of non-recurring profit or loss for the current period

☑Applicable ☐Not Applicable

Item	Six months ended June 30, 2026 RMB (Unaudited)	Explanation
Gains or losses on disposal of non-current assets	286,524.90	—
Government grants recognised in profit or loss for the current period (excluding government grants that are closely related to the normal business operations of the Company, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the Company's profit or loss)	150,139,508.29	—
Gains or losses from changes in fair value arising from holding financial assets and financial liabilities by non-financial enterprises, and gains or losses arising from disposal of financial assets and financial liabilities, except for effective hedging business related to the normal business operations of the Company	292,206,199.74	—
Reversal of impairment provision for receivables tested for impairment individually	45,915.36	—
Other non-operating income and expenses other than the above items	(8,048,104.04)	—
Other profit or loss items meeting the definition of non-recurring profit or loss	3,525,481.74	—
Less: Income tax effect	61,178,298.26	—
Effect on non-controlling interests (after tax)	2,114,056.78	—
Total	374,863,170.95	—

Specific circumstances of other profit or loss items meeting the definition of non-recurring profit or loss:

☑Applicable ☐Not Applicable

Other profit or loss items meeting the definition of non-recurring profit or loss are mainly tax reductions and exemptions and tax incentives included in other income.

Explanation on defining the non-recurring profit or loss items listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Profit or Loss as recurring profit or loss items

☐Applicable ☑Not Applicable

2. Return on net assets and earnings per share

		Earnings per share	
Profit for the Reporting Period	**Weighted average return on net assets**	**Basic earnings per share (RMB/share)**	**Diluted earnings per share (RMB/share)**
Profit attributable to owners of the parent	3.14%	0.11	0.10
Profit attributable to owners of the parent after deducting non-recurring profit or loss	1.60%	0.05	0.05

3. Differences in accounting data under domestic and foreign accounting standards

Not applicable

4. Others

None

DEFINITIONS

"2024 Employee Stock Ownership Plan"	the A Share employee stock ownership plan adopted by our Company on August 14, 2024
"2024 Share Option Scheme"	the A Share option scheme adopted by our Company on August 14, 2024
"2025 Employee Stock Ownership Plan"	the A Share employee stock ownership plan adopted by our Company on September 16, 2025
"A Share Incentive Plans"	the A Share incentive plans, including the 2024 Employee Stock Ownership Plan, the 2024 Share Option Scheme and the 2025 Employee Stock Ownership Plan
"A Shares"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in RMB and are listed for trading on the Shenzhen Stock Exchange
"Board"	the board of Directors
"CASBE"	the China Accounting Standards for Business Enterprises issued by the Ministry of Finance and its application guidelines, interpretations and other relevant provisions thereof
"China", "Chinese Mainland" or "PRC"	the People's Republic of China and for the purposes of this document only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China
"Company", "our Company", or "the Company"	LINGYI iTECH (GUANGDONG) COMPANY (廣東領益智造股份有限公司), a joint stock company incorporated in the PRC with limited liability on July 1, 1975, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002600.SZ) (previously known as JPMF Guangdong Co., Ltd. (廣東江粉磁材股份有限公司))
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Ms. Zeng Fangqin (曾芳勤) and Lingsheng Investment.
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of our Company or any one of them
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we" or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it

"H Share(s)"	listed ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in on the Hong Kong Stock Exchange
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	the International Financial Reporting Standards
"Lingsheng Investment"	Lingsheng Investment (Jiangsu) Co., Ltd. (領勝投資(江蘇)有限公司), a limited liability company established in the PRC on April 30, 2015, a member of our Controlling Shareholders
"Listing"	the listing of our H Shares on the Main Board
"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
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Ms. Zeng"	Ms. Zeng Fangqin (曾芳勤), our chairwoman of the Board, executive Director, general manager, and a member of our Controlling Shareholders
"Prospectus"	the prospectus of the Company dated June 17, 2026
"Reporting Period"	six months ended June 30, 2026
"RMB"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Share Option(s)"	share options granted pursuant to the 2024 Share Option Scheme
"Shareholder(s)"	holder(s) of our Share(s)

DEFINITIONS

"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.