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CALB Group Co., Ltd.

中創新航科技集團股份有限公司

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

(Stock Code: 3931)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of CALB Group Co., Ltd. (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”, “**CALB**”, “**we**” or “**us**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2024, as follows:

FINANCIAL SUMMARY

The revenue of the Group increased by 31.7% from RMB12,469.24 million for the six months ended 30 June 2024 to RMB16,418.88 million for the six months ended 30 June 2025.

The profit for the period of the Group increased by 80.4% from RMB417.31 million for the six months ended 30 June 2024 to RMB752.99 million for the six months ended 30 June 2025.

The basic earnings per share of the Group increased by 87.1% from RMB0.1405 for the six months ended 30 June 2024 to RMB0.2629 for the six months ended 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
Revenue	4	16,418,878	12,469,237
Cost of sales		<u>(13,539,998)</u>	<u>(10,521,107)</u>
Gross profit		2,878,880	1,948,130
Investment and other income	5	160,942	145,957
Other losses, net	6	(121,384)	(140,025)
Selling expenses		(368,568)	(204,963)
Administrative expenses		(500,062)	(517,537)
Research and development expenses		(859,670)	(542,225)
Impairment losses on trade and bills receivables		(19,017)	(31,185)
(Impairment losses)/reversal of impairment losses on prepayments, deposits and other receivables		<u>(4,523)</u>	<u>622</u>
Profit from operations		1,166,598	658,774
Finance costs		(383,121)	(297,536)
Share of profit/(loss) of associates		<u>515</u>	<u>(114)</u>
Profit before tax		783,992	361,124
Income tax (expense)/credit	7	<u>(31,005)</u>	<u>56,182</u>
Profit for the period	8	<u>752,987</u>	<u>417,306</u>
Attributable to:			
Owners of the Company		465,957	248,987
Non-controlling interests		<u>287,030</u>	<u>168,319</u>
		<u>752,987</u>	<u>417,306</u>
Earnings per share (expressed in RMB per share)	10		
Basic		<u>0.2629</u>	<u>0.1405</u>
Diluted		<u>0.2629</u>	<u>0.1405</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit for the period	<u>752,987</u>	<u>417,306</u>
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value changes of equity instruments at fair value through other comprehensive income (FVTOCI)	<u>7,147</u>	<u>(70,857)</u>
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>(2,849)</u>	<u>(3,482)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>4,298</u>	<u>(74,339)</u>
Total comprehensive income for the period	<u><u>757,285</u></u>	<u><u>342,967</u></u>
Attributable to:		
Owners of the Company	470,255	174,648
Non-controlling interests	<u>287,030</u>	<u>168,319</u>
	<u><u>757,285</u></u>	<u><u>342,967</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	<i>Note</i>	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		85,210,905	81,005,464
Right-of-use assets		1,947,228	1,749,505
Intangible assets		1,529,033	1,480,521
Investments in associates		16,624	16,109
Other financial assets		891,287	829,152
Deposits paid for acquisition of property, plant and equipment		1,485,299	993,795
Deferred tax assets		807,437	793,450
		91,887,813	86,867,996
Current assets			
Inventories		6,890,284	5,263,435
Trade and bills receivables	<i>11</i>	9,371,539	8,414,300
Prepayments, deposits and other receivables		8,455,265	7,455,596
Amounts due from related parties		2,482	201,399
Other financial assets		2,954,806	1,834,516
Current tax assets		228	185
Pledged bank deposits		2,679,649	3,377,123
Restricted bank balances		526	280
Bank and cash balances		8,297,549	9,058,553
		38,652,328	35,605,387
Current liabilities			
Trade and bills payables	<i>12</i>	20,750,532	19,486,536
Accruals and other payables		6,013,671	6,779,961
Contract liabilities		374,343	141,294
Amounts due to related parties		18,436	27,250
Lease liabilities		36,456	31,463
Bank borrowings		22,631,424	18,960,089
Provisions		132,504	122,660
Financial guarantee		34,563	34,563
Current tax liabilities		20,980	485
		50,012,909	45,584,301
Net current liabilities		(11,360,581)	(9,978,914)
Total assets less current liabilities		80,527,232	76,889,082

	<i>Note</i>	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Non-current liabilities			
Bond payables		500,000	–
Deferred income		241,891	297,907
Lease liabilities		60,514	69,137
Bank borrowings		29,305,866	27,156,291
Provisions		1,578,730	1,303,117
Deferred tax liabilities		29,021	8,705
		<u>31,716,022</u>	<u>28,835,157</u>
NET ASSETS		<u>48,811,210</u>	<u>48,053,925</u>
Capital and reserves			
Equity attributable to owners of the Company			
Share capital		1,772,302	1,772,302
Reserves		33,876,337	33,411,542
		<u>35,648,639</u>	<u>35,183,844</u>
Non-controlling interests		<u>13,162,571</u>	<u>12,870,081</u>
TOTAL EQUITY		<u>48,811,210</u>	<u>48,053,925</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

CALB Group Co., Ltd. (中創新航科技集團股份有限公司) is a joint stock limited company registered in the People's Republic of China (the "PRC"). The Company's H shares have been listed on The Stock Exchange of Hong Kong Limited since 6 October 2022. The address of its registered office and its principal place of business is No. 1 Jiangdong Avenue, Jintan District, Changzhou City, Jiangsu Province, the PRC.

The Company and its subsidiaries have been engaging in the design, research and development, production and sales of EV batteries and ESS products.

The condensed financial statements are presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accountant Standard Board (the "IASB") and applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2024 ("**2024 Annual Report**"), which have been prepared in accordance with IFRS Accounting Standards issued by IASB. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the 2024 Annual Report.

3. NEW AND AMENDED IFRS ACCOUNTING STANDARDS

A. New and amended IFRS Accounting Standards adopted by the Group

The Group has applied the amendments to IAS 21 "Lack of Exchangeability" for the first time from 1 January 2025. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standard.

B. Impact of new and amended IFRS Accounting Standards issued but not yet adopted by the Group

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

Directors are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. REVENUE

The Group's operation and main revenue streams are those described in the 2024 Annual Report. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the periods is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Sales of EV batteries	10,662,346	9,723,980
Sales of ESS products and others	5,756,532	2,745,257
	16,418,878	12,469,237

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

For the six months ended 30 June	Sales of EV battery		Sales of ESS products and others		Total	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Primary geographic markets						
– Mainland China	10,377,173	9,560,146	5,715,278	2,677,900	16,092,451	12,238,046
– Europe	74,770	46,876	1,784	6,927	76,554	53,803
– Asia	207,815	103,554	39,396	52,832	247,211	156,386
– America	212	11,671	74	7,598	286	19,269
– Others	2,376	1,733	–	–	2,376	1,733
Revenue from external customers	10,662,346	9,723,980	5,756,532	2,745,257	16,418,878	12,469,237
Timing of revenue recognition						
Products transferred at a point in time	10,662,346	9,723,980	5,718,099	2,721,566	16,380,445	12,445,546
Products and services transferred over time	–	–	38,433	23,691	38,433	23,691
Total	10,662,346	9,723,980	5,756,532	2,745,257	16,418,878	12,469,237

5. INVESTMENT AND OTHER INCOME

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited) (re-presented)
Interest income on:		
Bank deposits	53,052	64,748
Financial assets at FVTOCI	19,563	5,865
Total interest income	72,615	70,613
Government grants and subsidies	45,358	3,686
Cash discount income	–	52,279
Value-added tax additional deduction	34,188	11,867
Compensation from suppliers	1,295	6,435
Insurance compensation income	6,479	854
Others	1,007	223
	160,942	145,957

6. OTHER LOSSES, NET

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Allowance for inventories	(165,420)	(126,574)
Fair value change in financial assets at FVTPL	3,580	(8,682)
Dividend income from financial assets at FVTPL held at the end of the period	920	1,660
Net foreign exchange gains/(losses)	39,351	(5,855)
Net gain/(loss) on disposal of property, plant and equipment	185	(574)
	(121,384)	(140,025)

7. INCOME TAX (EXPENSE)/CREDIT

Income tax (expense)/credit has been recognised in profit or loss as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax – PRC		
Provision for the period	(26,359)	(73,439)
Current tax – Others		
Provision for the period	(107)	(51)
	<u>(26,466)</u>	<u>(73,490)</u>
Deferred tax	(4,539)	129,672
	<u>(31,005)</u>	<u>56,182</u>

Under the relevant income tax law, the PRC subsidiaries are subject to Enterprise Income Tax (“EIT”) at a statutory rate of 25% on their respective taxable income during the periods.

The Company and certain subsidiaries operating in Mainland China were approved to be high and new technology enterprises and were entitled to a reduced EIT rate of 15%. The high and new technology enterprises certificates need to be renewed every three years so as to enable the Company and those subsidiaries to enjoy the reduced EIT rate of 15%.

8. PROFIT FOR THE PERIOD

The Group’s profit for the periods is arrived after charging/(crediting) the following:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Allowance for inventories	165,420	126,574
Amortisation of intangible assets	92,543	82,457
Cost of inventories sold	13,539,998	10,521,107
Depreciation of property, plant and equipment	1,956,160	949,230
Depreciation of right-of-use assets	30,953	28,529
Employee benefit expenses (including Directors’ emoluments):		
Salaries, bonus and allowances	686,166	805,155
Equity-settled share-based payments	–	20,227
Retirement benefit scheme contribution	56,735	67,514
Net (gain)/loss on disposals of property, plant and equipment	(185)	574
Impairment loss on trade and bills receivables	19,017	31,185
Impairment loss/(reversal of impairment loss) on prepayments, deposits and other receivables	4,524	(622)

9. DIVIDENDS

The directors do not recommend the payment of any interim dividend for the six months period ended 30 June 2025.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share during the periods is based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue.

(a) Basic earnings per share

For the six months ended 30 June 2025 and 30 June 2024, the calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately profit of RMB465,957,000 (unaudited) and profit of RMB248,987,000 (unaudited) respectively and the weighted average number of ordinary shares of approximately 1,772,302,000 (unaudited) and 1,772,302,000 (unaudited) in issue during the respective periods.

(b) Diluted earnings per share

No diluted earnings per share was presented as the Company did not have any dilutive potential ordinary shares during the periods.

11. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade receivables		
Receivables from third parties	8,513,628	7,172,546
Due from related parties	95,996	16,564
Allowance for doubtful debts	(198,714)	(179,697)
	8,410,910	7,009,413
Bills receivables	960,629	1,404,887
	9,371,539	8,414,300

The credit terms, being granted to independent third parties, are generally within 90 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The aging analysis of trade receivables based on the invoice date, and net of allowance is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 to 180 days	8,012,301	6,345,783
181 to 365 days	160,024	299,671
1 to 2 years	144,217	284,651
Over 2 years	94,368	79,308
	<u>8,410,910</u>	<u>7,009,413</u>

Reconciliation of allowance for trade receivables:

	2025 RMB'000 (unaudited)	2024 RMB'000 (audited)
At 1 January	179,697	88,639
Allowance for the period/year, net	<u>19,017</u>	<u>91,058</u>
At 30 June/31 December	<u>198,714</u>	<u>179,697</u>

12. TRADE AND BILLS PAYABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Trade payables		
Payables to third parties	8,857,411	7,947,258
Due to related parties	62,683	1,607
Bills payables	<u>11,830,438</u>	<u>11,537,671</u>
	<u>20,750,532</u>	<u>19,486,536</u>

As at 30 June 2025, bills payables were secured by bills receivables of RMB NIL (31 December 2024: RMB14,000) and pledged bank deposits of RMB2,563,969,000 (31 December 2024: RMB3,315,497,000), respectively.

The aging analysis of trade payables, based on the date of receipt of goods is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
0 to 180 days	8,900,010	7,922,962
181 to 365 days	16,615	22,907
1 to 2 years	1,738	2,996
Over 2 years	1,731	–
	<u>8,920,094</u>	<u>7,948,865</u>

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Landscape

In the first half of 2025, global renewable energy development showed an accelerating trend of transformation, with the installed capacity of clean energy continuing to expand. The rapid development of the EV battery and energy storage battery markets, driven by the synergistic advancement of multiple technological approaches, is providing sustained momentum for global low-carbon economic growth.

1. *EV battery market*

The vigorous development of the new energy vehicle industry has injected core growth momentum into the global EV battery market, and the EV battery industry has achieved breakthrough development. According to SNE Research, global sales of new energy vehicles in the first half of 2025 reached 9.469 million units, representing a year-on-year increase of 31.8%; the growth in new energy vehicle sales directly drove an expansion in demand for EV batteries, with global EV battery installations reaching 504.4GWh in the first half of 2025, representing a year-on-year growth rate of 37.3%.

China, as the world's largest new energy vehicle market, is witnessing a high-speed development of the EV battery industry alongside the continued high-speed growth in the scale of the new energy vehicle market. According to the data from China Automotive Battery Innovation Alliance, the sales of new energy vehicles in China reached 6.937 million units in the first half of 2025, representing a year-on-year increase of 40.3%, with a market share of 44.3%. Among them, sales of new energy commercial vehicles reached 402,000 units, representing a year-on-year increase of 66.5%. According to data from the China Automotive Battery Innovation Alliance, in the first half of 2025, China's cumulative EV battery installations reached 299.6GWh, representing a cumulative year-on-year increase of 47.3%.

In the European market, according to the data from European Automobile Manufacturers' Association (ACEA), in the first half of 2025, sales of pure electric vehicles in EU countries reached approximately 869,000 units, accounting for a market share of 15.6%, representing a year-on-year increase of 22%. In the US market, sales of new energy vehicles in the US reached 607,000 units in the first half of 2025, representing a year-on-year increase of 1.5%, according to a report released by Kelley Blue Book, a subsidiary of the market research firm, Cox Automotive.

2. *Energy storage market*

The global energy storage market continued to expand in the first half of 2025, with emerging regions contributing significantly to growth. According to InfoLink, cumulative shipments of energy storage cells in the global energy storage market reached 240.2GWh in the first half of 2025, representing a year-on-year increase of 106.1%, and those cumulative shipments are expected to reach 460.0GWh by the end of 2025.

In the Chinese market, driven by the liberalization of the electricity market, the application scenarios for energy storage are continuously expanding. According to the statistics from the China Energy Storage Alliance, as of the first half of 2025, the cumulative installed capacity of new energy storage projects which have been put into operation in China was 101.3GW/240.3GWh, representing a year-on-year increase of 110%/123%. The newly added operational capacity of new energy storage projects in the first half of 2025 was 23.03GW/56.12GWh, with both power capacity and energy capacity increasing by 68% year-on-year.

In the European market, countries are accelerating the European energy transition through policies such as tax breaks and subsidies. Countries such as Saudi Arabia and the United Arab Emirates are actively tendering for energy storage projects, leading the explosive growth in the Middle East energy storage market. At the same time, demands in Southeast Asia, Latin America, Australia, and other regions have surged.

II. Business Review

As a leading international new energy technology company, the Group is committed to becoming a creator of energy value. Adhering to the mission of “transcend commerce to benefit humanity” and the vision of “co-create, win together, achieve excellence”, the Group will continue to shape a healthy ecosystem for the new energy sector by pioneering innovation and technology leadership, and strive to take on the greatest responsibility in achieving the goals of “carbon peaking and carbon neutrality” and the strategic advancement of new energy vehicle and fulfill its responsibilities for energy security and sustainable development for humanity.

During the Reporting Period, the Group achieved revenue of RMB16,418.88 million, representing an increase of 31.7% compared to the same period last year, and realized a profit of RMB752.99 million during the Reporting Period, representing an increase of 80.4% compared to the same period last year. The major business operations are as follows:

1. Continuous innovations in product and technology

The Group leverages its leading technology and product capabilities to support the high-quality development of the new energy sector, and insists on taking the needs of end users and customers and social sustainable development as the fundamental pursuit of technological development. It is committed to providing users with products featuring high safety, high reliability and high performance. Adhering to the technology innovation as the driving force, the Group developed top-notch technologies and products through continuous innovation to achieve its breakthrough in technological development, continuously boosting the core competitiveness of the Group.

During the Reporting Period, the Group has achieved a series of technological breakthroughs based on the key areas of advanced materials, high-performance battery technology, new battery technology, advanced manufacturing technology and battery full life cycle management, etc. Meanwhile, focusing on breakthroughs in key technologies of all-solid-state batteries, the Group has completed proprietary development of core materials such as high-performance solid-state electrolytes, which enabled the energy density of all-solid-state silicon-based batteries to reach 430Wh/kg. The Group has completed the construction of production lines for all-solid-state batteries, laying a crucial foundation for technology development and subsequent industrialization of the all-solid-state batteries. The Group followed the high-quality intellectual property rights development strategy which was deeply integrated with the strategy of “consolidating its leadership in product and technology”, focused on the high-quality patent portfolio to constantly forge an innovative brand power. It has established a patent portfolio in the entire battery industry chain covering battery materials, battery structure, system integration, electrical circuits, BMS, manufacturing process equipment and battery recycling. As of 30 June 2025, the Group had a total of 4,983 patent applications globally.

Putting together its own technical capabilities and industrialization strength, the Group constantly pursued the high energy density and stable safety performance of EV batteries, launching more competitive new products of ternary series and phosphate series. The Group continued to maintain its product leadership by devoting its efforts in power energy storage (new energy power generation and power grid), industrial and commercial energy storage, household energy storage and other application scenarios.

Products for passenger vehicle market

(1) Ternary EV batteries

- 1) 800V 5C medium-nickel high-voltage battery: it can attain 10%-80% charging within 12 minutes, and exclusively supports popular models such as XPeng's new P7 with ultra-long range, helping XPeng's new P7 create a new world record of driving 3,971km in 24 hours;
- 2) "UP" high-nickel cylindrical battery: the R46 cylindrical battery cell with an energy density of 310Wh/kg is now in mass production for leading eVTOL customers in the industry; and
- 3) 400Wh/kg solid-liquid hybrid battery: the product development of a 400Wh/kg solid-liquid hybrid battery product has been completed, which is set to achieve mass production.

(2) Phosphate series EV batteries

- 1) "UP" lithium iron cylindrical battery: the high-power LFP R46 large cylindrical battery, launched as a platform product for the hybrid electronic market, is the first in the industry to achieve mass production and has successfully integrated into the latest hybrid models of Geely, Dongfeng and other companies.
- 2) 800V 5C super-charged LFP battery: it can attain 10%-80% charging within 12 minutes and is compatible with both pure electric and hybrid vehicle applications. The battery to support the mass production of Xpeng's new models in the fourth quarter of 2025 is the world's first 5C super-charged lithium iron extended-range battery; and
- 3) Next-generation lithium manganese iron phosphate battery product: this battery achieves an energy density exceeding 210Wh/kg and can attain 10%-80% charging within 15 minutes. It has been validated in vehicles.

Products for commercial vehicle market

We have established a comprehensive product matrix architecture for “ZHIYUAN” batteries, covering all scenarios, all applications, and all capabilities. This architecture encompasses a full range of commercial vehicle models, including mini vans, medium-sized vans, large vans, mini trucks, small trucks, light trucks, buses, heavy trucks, and construction machinery. It is designed to address customers’ core needs and build robust product capabilities.

- (1) In terms of light commercial vehicle: in the urban distribution market, we are developing a passenger-commercial vehicle integrated charging platform product that can attain 20%-60% charging within 18 minutes, improve space utilization by 10%, effectively enhance charging efficiency and cargo capacity, and significantly improve customer satisfaction. It is expected to achieve mass delivery in the first half of 2026. In the inter-city logistics market, we are the first in the industry to offer a 134KWh single-pack high-capacity solution with a range exceeding 350km. It has achieved mass production. In the bus market, we completed the iterations for standard containers, covering 90-600KWh power requirements and adapting to 8-16m public bus models. Mass production is expected to begin in the second half of 2025; and
- (2) In terms of heavy commercial vehicle: the scenario-based power consumption design has been achieved. In the short-distance transportation market, we offered a flexible combination of 100KWh standard containers, covering 200-600KWh of power, and have achieved stable batch delivery. In the trunk logistics market, a 200KWh bottom-mounted battery solution is equipped to significantly improve driving range. It is expected to achieve mass production in the first half of 2026. The development of 33KWh fast-charging battery pack for hybrid hydrogen fuel heavy-duty trucks has been completed, effectively addressing the issue of insufficient hydrogen refueling infrastructure in the market. Mass delivery is expected to begin in the second half of 2025. The 800V 5C ultra-fast charging heavy-duty truck battery system can effectively solve charging anxiety issues and significantly improve operational efficiency. It is expected to be launched on the market in 2026. We successfully developed a layered (CTB) battery system with a minimalist design and innovative structure, which boasts full power coverage of 284-426KWh, and is suitable for harsh working conditions in construction machinery. Mass production is expected to begin in the first half of 2026.

Products for energy storage market

- (1) For power energy storage application scenario:
 - 1) The 314Ah battery cell product has achieved large-scale, stable delivery, earning high recognition from customers for both the product and delivery capabilities. The 314Ah second-generation long-cycle energy storage cell can achieve an ultra-long service life of 15,000 cycles and high energy efficiency of over 96%, while achieving zero degradation in the first 1,000 cycles;
 - 2) The 392Ah energy storage cell is the best solution for 6.25MWh containers in the industry and has taken the lead in achieving stable bulk delivery;
 - 3) The next-generation “ZHIJIU” of 600Ah+ large energy storage cells boast an energy density exceeding 440Wh/L, enabling a discharge capacity of 6.8MWh or above for a standard 20ft container and supporting 2,000V high-voltage systems, which can improve the energy efficiency of power plants by 0.5 percentage point and reduce the levelized cost of energy by 8% over the entire life cycle, significantly improving the return on investment of power plants. The product will achieve mass production in the fourth quarter of 2025; and
 - 4) The new generation “ZHIJIU” of 588Ah large energy storage cells deliver an ultra-long lifespan of 10,000 cycles and maintain energy efficiency above 96.5%, achieving comprehensive improvements in core indicators such as safety and reliability, lifetime degradation, system efficiency and energy density, and greatly improving the overall revenue of power plants. The product will achieve mass production by the end of the fourth quarter of 2025.
- (2) For industrial and commercial energy storage application scenario: we launched a 261KWh liquid-cooled outdoor energy storage cabinet product, with the area energy density increasing from 153KWh/m² to an industry-leading 200KWh/m², significantly saving floor space. The product is equipped with a self-developed energy management system (EMS) that integrates advanced AI algorithms and a big data platform to achieve efficient, safe, and intelligent energy management. It has an ultra-long service life of 15 years, significantly increasing owner returns. The product solution is highly scalable, supporting flexible configurations ranging from 100KWh to 2MWh to meet diverse needs. This series of products has begun mass production and is being deployed in various applications, including enterprises, industrial parks, photovoltaic storage and charging, data centers, airports, and more. It has been expanded to include solutions for complex scenarios such as photovoltaic storage and charging in Europe, and is suitable for industrial and commercial energy storage markets of various scales and application scenarios in markets such as the United States, Europe, and Japan. And

- (3) For household energy storage application scenario: we launched household storage products and complete solutions. The product can achieve 2.7-15KWh full coverage, with an energy density of up to 140Wh/L, saving 40% of installation space, extending battery life by 15%, boasting more than 98% energy conversion efficiency, increasing annual power generation by 5% to 8%, and reducing TCO (Total Cost of Ownership) by more than 20% over 10 years. The product features OTA (Over-The-Air) remote upgrade functionality, reducing the cost of operational and maintenance by 60%. It delivers a new system architecture for household energy storage, offering a DC/DC solution that enables “more efficient power generation, safer operation, more compact deployment, and longer-term benefits”. This solution can provide core foundational support for global home energy management. The product application covers different system architectures, including low-voltage DC systems, high-voltage DC systems, and DC-AC integrated systems. We have formed strategic partnerships with numerous domestic and international clients, and our products are now being shipped in bulk to countries such as the United Kingdom, Turkey, Germany, France, Portugal, and Chile.

Products for ship market

Our products cover a wide range of ship types, from small passenger ships to container ships, and provide power coverage ranging from KWh to MWh. The dedicated battery cells for ships have obtained CCS certification and overseas ABS and RINA certificates. The second-generation marine system has a 40% increase in battery cell capacity, a 10% increase in system energy density, and a 50% increase in lifespan, leading the industry in performance. Considering the extreme application scenarios of ships, we adopt a Lego-type design concept to adapt to the needs of various ship structures, and improve the space utilization rate of ship compartments, in order to meet the needs of more markets and customers, and help to implement our international strategy.

2. Accelerating the implementation of all-scenario business layout

In the first half of 2025, the Group continued to scale up each of its business segments to achieve sustained and rapid development. In the first half of 2025, the Group's installed capacity of EV batteries increased by 22.7% year-on-year to 21.8GWh, ranking fourth globally and third domestically, with monthly installed capacity reaching 4.7GWh. The Group's shipments of energy storage cells in the first half of 2025 achieved a significant growth, ranking fourth globally.

Passenger vehicle market: the Group's domestic market share hit new highs, with a monthly market share reaching 7.4% in June 2025 and 8.25% in July 2025, according to the data from China Automotive Battery Innovation Alliance. In terms of customer development, we have achieved full entry into the top three global automotive groups, secured nominations of multiple international OEM next-generation platform projects, and accelerated our global market deployment.

- (1) In the field of pure electric vehicle: for mid and high end vehicles, the 800V high-voltage platform 5C ultra-fast charging battery has achieved monthly sales of more than 20,000 units. For international OEM brands, the Group successfully supported the mass production of Toyota BZ3X, which has smoothly advanced the battery mass production preparations for multiple models from Xpeng, ONVO, Leapmotor, Audi, and BAIC, laying a solid foundation for record-breaking sales in the second half of the year;
- (2) In the hybrid field: our installed capacity continued to experience rapid growth, and we accelerated cooperation with Geely, Leapmotor and Changan on new hybrid projects to further increase penetration rates. The Group successfully supported the mass production of multiple hybrid models for customers such as Chery, Dongfeng, and BAIC, while securing supply agreements for over 10 new hybrid models; and
- (3) International market: the Group achieved full entry into the world's top three automotive groups, namely Volkswagen, Hyundai and Toyota, with the delivery volume steadily increasing and the types of delivered products becoming increasingly diversified.

Commercial vehicle market: according to data from the China Automotive Battery Innovation Alliance, the Group's domestic commercial vehicle installed capacity in the first half of the year increased by 310% year-on-year, with monthly commercial vehicle installed capacity ranking among the top three in the industry, and market share significantly increasing. At the same time, the number of new automotive models that the Group supported increased rapidly, declaring more than 230 new models, a 33% increase as compared with the same period last year, and achieving comprehensive coverage of models in all areas.

- (1) In the light commercial vehicle field: the Group has established in-depth collaborations with customers such as Chery, Geely, Ruichi, Foton, Dongfeng, Changan, and King Long, continuously increasing user penetration. We are the first in the industry to launch a million-kilometer customized product for light trucks, significantly improving the quality assurance of battery systems, effectively enhancing product competitiveness in the market, gaining industry recognition, and improving customer satisfaction.
- (2) In the heavy truck field: the Group has partnered with customers such as Sinotruk, XCMG, SANY, Shaanxi Automobile, Jiefang, Dongfeng, Lingong, and Liugong in terms of tractors, dump trucks, mixer trucks, specialized vehicles, and construction machinery, achieving full-spectrum collaboration. And
- (3) International market: the Group successfully passed the regular qualification review of Volvo in Europe, and was fully recognized by Volvo's global commercial business division (excavators, buses and trucks); became the designated partner of Turkey's largest bus/coach manufacturer; achieved mass production for the world's leading mining transport vehicle projects and France's rail transit projects.

Energy storage market: the Group's shipments in the first half of the year achieved a significant growth. We became a leader in China in terms of power plant operational efficiency and profitability. Overseas, we have successfully partnered with the largest power plant projects in Latin America and South Africa, entering the supplier lists of several leading developers and power grid companies, marking a new breakthrough in our overseas power plant business deployment.

- (1) The Group deepened strategic cooperation with SPIC, CNNP Rich Energy, China Three Gorges Renewables, China Energy Conservation and Environmental Protection Group, China Energy Group, China Resources Group and China Energy Construction. The Group's products were adopted by a number of energy storage power station projects, and they have realized the operation and grid connection.
- (2) We became a leader in China in terms of power plant operational efficiency and profitability. We have established a profit model by integrating the policies and market mechanisms of different provinces, and adopted various cooperative development models to support the growth of our power station business.
- (3) The Group entered into strategic cooperation with leading customers in various fields such as system integrators, wind power and photovoltaic enterprises, and reached equipment framework procurement contracts with multiple system customers, establishing long-term stable supply relationships. Our market share and ranking further improved, making us a core supplier and strategic partner of the leading enterprises in the industry, receiving high recognition from the customers.
- (4) While continuing to maintain the influence in the power storage market segment, the Group completed its market layout in the industrial and commercial energy storage, household energy storage market segment through the launch of full-scenario standardized energy storage products and solutions, which laid a solid foundation for the follow-up rapid growth in the energy storage market. And
- (5) The Group has made significant breakthroughs in the international market, with products covering all dimensions from household storage, commercial and industrial storage to large-scale storage, meeting the multi-dimensional needs of customers. As a supplier of second-generation long-cycle energy storage cells, we have successfully secured orders for long-cycle energy storage batteries from overseas customers. At the same time, as the mainstream products in the market, system products such as 5MWh liquid-cooled containers and outdoor energy storage cabinets have achieved mass production, delivering industry-leading product performance.

Ship and emerging markets: We successfully delivered the first hybrid vessel project for the world’s largest oil company and entered the high-end offshore engineering equipment market in the Middle East. We secured our first international order for a megawatt-level marine battery system and a batch order for the Singapore Port Electric Ship Berthing Project, achieving breakthroughs in multiple new regional markets. We are the first in the industry to pass the eVTOL power battery manufacturing compliance review, achieving large-scale delivery in the low-altitude flight market. Our solid-state battery project developed in collaboration with top humanoid robot enterprises has achieved milestone progress. We continued to explore emerging markets such as rail transit and mining.

III. Future Prospects

With its strategic goal of global leadership, the Group adheres unwaveringly to the strategy of consolidating its leadership in products and technologies. Propelled by a future-oriented R&D layout, we have established a positive feedback loop mechanism consisting of “new technology and product development – multi-market application – scaled delivery – refined operations – iterative technological upgrades”. Focusing on platform-based products, we are building a cross-domain, cross-scenario dynamic storage product matrix to achieve deep synergy in dynamic storage business, creating cutting-edge product capabilities across all scenarios. At the same time, the Group will continuously explore emerging markets such as rail transit, mining, low-altitude flight and humanoid robot by offering high-safety, high-reliability, and high-performance product solutions. The Group will leverage leading technology and exceptional service to earn high recognition from clients, leading the industry to new heights.

In terms of the passenger vehicle market, the Group will complete the deployment and model matching of key products in the market, including plug-in hybrid electric vehicles, extended-range electric vehicles, economical pure electric vehicles, and mid-to-high-end pure electric vehicles, and the development of new platform projects for Xiaomi, Xpeng, Leapmotor, Luxeed, Geely, Changan, Toyota, Volkswagen, Hyundai, etc. is progressing smoothly. The Group will continue to iterate and upgrade, optimize resource allocation, and further deepen its global expansion strategy guided by leading-edge technology.

In terms of the commercial vehicle market, the Group will continue to deepen the full-scenario layout of new energy commercial vehicles and further increase market share under the influence of policy guidance, technological innovation, and market demand. With an aim to ensure stable delivery in the light commercial vehicle sector, we will strengthen joint research and development efforts with leading automakers, deepen cooperation, and ensure delivery. To achieve rapid growth in the heavy-duty truck sector, we are committed to empowering logistics companies with TCO (Total Cost of Ownership), and pioneering new business models. In the engineering field, we will make best efforts to achieve new breakthroughs, focusing on breakthroughs in loading sub-scenarios. We will seize opportunities in the international market and capitalize on the rapidly growing demand for new energy commercial vehicles in the international market. Focusing on the themes of “collaboration, innovation, efficiency, and service”, we will comprehensively promote terminal and regional strategies to increase market share.

In terms of the energy storage market, for the domestic business, the Group will continue to build deeper and long-term strategic cooperation with power groups, system integrators, and leading enterprises in wind power, photovoltaic and other segments, so as to ensure that the shipments of energy storage products will achieve sustained significant growth. The Group will tap deeper into the business chain of new energy power stations and further leverage its advantages in performance, service and cost to build its brand advantage among power groups, and turn it into business increments. In addition, the Group will accurately match the market expansion process and product needs of system integrators, so as to further increase our share in the leading system integrator customers and double our deliveries to them. On the basis of our established power station business capabilities, we will participate in the competitive distribution business of independent power stations to become a leader in China in terms of power station operation efficiency and profitability. In terms of industrial and commercial energy storage, we will explore diversified business models to achieve a rapid growth in shipments. In terms of the international market, we will establish comprehensive connections and multi-dimensional cooperation with leading integrators, developers, and owners in many overseas countries.

In terms of the ship market, the Group will continue to drive technological innovation and deepen cooperation with domestic mainstream customers. We will accelerate the electrification process in application scenarios such as sightseeing tourism, inland waterway shipping, and port tugboats. This effort aims to promote the green transformation of the domestic ship industry while further expanding into international markets to keep up with the global trend of ship electrification. The Group will provide customized battery system solutions to support the sustainable development of the global shipping industry.

With its strategic goal of internationalization, the Group will continue to accelerate its strategic internationalization process. In terms of production capacity, the Thai base has been successfully completed and put into operation, while construction of the European base officially commenced in the first quarter of 2025. With the steady progress of the European base, the Group's international delivery efficiency and capabilities will be further enhanced, effectively improving the Group's international competitiveness and international reputation. In terms of supply chain, the Group will work closely with its existing partners to make innovation and continuously develop new global cooperation; at the same time, in view of the regional distribution of its global partners, the Group will actively develop and expand local industrial chain system, striving to build a diversified regional industrial synergy to further promote the implementation of the "energy+" strategy.

IV. Financial Review

Overview

During the Reporting Period, the revenue of the Group increased from RMB12,469.24 million for the six months ended 30 June 2024 to RMB16,418.88 million for the six months ended 30 June 2025, representing an increase of 31.7%; the profit for the period of the Group increased from RMB417.31 million for the six months ended 30 June 2024 to RMB752.99 million for the six months ended 30 June 2025, representing an increase of 80.4%; the basic earnings per share of the Group increased from RMB0.1405 for the six months ended 30 June 2024 to RMB0.2629 for the six months ended 30 June 2025, representing an increase of 87.1%.

Financial indicators

The key financial indicators of the Group are set out as follows:

Financial indicator	For the six months ended 30 June (unaudited)	
	2025	2024
Gross profit margin (%)	17.5%	15.6%
Net sales margin (%)	4.6%	3.3%

The gross profit margin of the Group increased by 1.9 percentage points from 15.6% for the six months ended 30 June 2024 to 17.5% for the six months ended 30 June 2025.

The net sales margin of the Group increased by 1.3 percentage points from 3.3% for the six months ended 30 June 2024 to 4.6% for the six months ended 30 June 2025.

Revenue structure

During the Reporting Period, the Group generated revenue from the sales of EV batteries, ESS products and others. The revenue of the Group increased from RMB12,469.24 million for the six months ended 30 June 2024 to RMB16,418.88 million for the six months ended 30 June 2025, representing an increase of 31.7%. The increase was mainly due to the scale-up of leading-edge technology products across business sectors, including passenger vehicles, commercial vehicles, energy storage and marine applications.

1) Revenue by product

Items	For the six months ended 30 June (unaudited)			
	2025	Percentage	2024	Percentage
	Revenue (RMB'000)	of revenue (%)	Revenue (RMB'000)	of revenue (%)
EV batteries	10,662,346	64.9	9,723,980	78.0
ESS products and others	<u>5,756,532</u>	<u>35.1</u>	<u>2,745,257</u>	<u>22.0</u>
Total	<u>16,418,878</u>	<u>100.0</u>	<u>12,469,237</u>	<u>100.0</u>

During the Reporting Period, the revenue generated from the sales of EV batteries of the Group increased by 9.7% from RMB9,723.98 million for the six months ended 30 June 2024 to RMB10,662.35 million for the six months ended 30 June 2025. The year-on-year increase in the revenue generated from the sales of EV batteries was mainly attributable to the rapid growth in sales volume in passenger vehicles and commercial vehicles.

During the Reporting Period, the revenue generated from the ESS products and others of the Group increased by 109.7% from RMB2,745.26 million for the six months ended 30 June 2024 to RMB5,756.53 million for the six months ended 30 June 2025. The strong increase was mainly because the ESS products business grew multifold attributable to the Group's continuous efforts to explore the ESS business sectors.

2) Revenue by geographical location of product delivery

Items	For the six months ended 30 June (unaudited)			
	2025	Percentage	2024	Percentage
	Revenue (RMB'000)	of revenue (%)	Revenue (RMB'000)	of revenue (%)
Mainland China	16,092,451	98.0	12,238,046	98.1
Overseas regions	326,427	2.0	231,191	1.9
Total	16,418,878	100.0	12,469,237	100.0

During the Reporting Period, the Group's revenue from Mainland China increased by 31.5% from RMB12,238.05 million for the six months ended 30 June 2024 to RMB16,092.45 million for the six months ended 30 June 2025. During the Reporting Period, the Group's revenue from overseas regions increased by 41.2% from RMB231.19 million for the six months ended 30 June 2024 to RMB326.43 million for the six months ended 30 June 2025. The overall increase of revenue from Mainland China and overseas regions was mainly due to the scale-up of leading-edge technology products across business sectors, including passenger vehicles, commercial vehicles, energy storage and marine applications.

Financial position

1) Assets

The total assets of the Group increased from RMB122,473.38 million as at 31 December 2024 to RMB130,540.14 million as at 30 June 2025, representing an increase of 6.6%, among which, non-current assets increased from RMB86,868.00 million as at 31 December 2024 to RMB91,887.81 million at 30 June 2025, representing an increase of 5.8%. Such increase was mainly due to the additional property, plant and equipment as the Group continued to invest in the projects under construction in existing production bases. Current assets increased from RMB35,605.39 million as at 31 December 2024 to RMB38,652.33 million as at 30 June 2025, representing an increase of 8.6%. Such growth was mainly due to an increase in trade receivables and inventories as the Company's business scale continued to increase.

2) Liabilities

The total liabilities of the Group increased from RMB74,419.46 million as at 31 December 2024 to RMB81,728.93 million as at 30 June 2025, representing an increase of 9.8%, among which, current liabilities increased from RMB45,584.30 million as at 31 December 2024 to RMB50,012.91 million as at 30 June 2025, representing an increase of 9.7%. Such increase was mainly due to the increase in trade and bills payables, trade financing, etc., as the Company continued to grow its business scale. Non-current liabilities increased from RMB28,835.16 million as at 31 December 2024 to RMB31,716.02 million as at 30 June 2025, representing an increase of 10.0%. Such increase was mainly due to the increase in syndicated borrowings for projects and bond payables to meet capital requirements for significant projects.

LIQUIDITY AND FINANCIAL RESOURCES

The operating cash inflow of the Group for the six months ended 30 June 2025 amounted to RMB2,557.99 million, representing an increase of RMB1,303.02 million as compared to RMB1,254.97 million for the six months ended 30 June 2024, which was mainly attributable to the sustained business growth and increase in profit of the Group.

The bank and cash balances (including pledged and restricted bank deposits) of the Group as at 30 June 2025 were approximately RMB10,977.72 million (31 December 2024: RMB12,435.96 million).

The total borrowings of the Group as at 30 June 2025, including all bank loans and bond payables, amounted to approximately RMB52,437.29 million (31 December 2024: RMB46,116.38 million). The repayment terms of the bank loans and bond payables are as follows: approximately RMB22,631.42 million are due within one year and approximately RMB29,805.87 million are due after one year.

The Group had sufficient liquidity to meet the requirements of its daily liquidity management, repayment of debts due and capital expenditure.

Capital structure

The financial management department under the Group is responsible for its financial risk management, aiming to ensure that the liquidity structure of the assets, liabilities and other commitments of the Group could meet its funding needs on an ongoing basis.

The borrowings of the Group were mainly settled in Renminbi, while its cash and cash equivalents were mainly held in Renminbi, Euro, U.S. dollars, Hong Kong dollars and Thailand baht. The Group planned to maintain an appropriate portfolio of equity and debt during the period to ensure an effective capital structure. As at 30 June 2025, the outstanding loans of the Group were RMB-denominated loans with approximately 7.6% of these outstanding loans bearing interest at fixed rates and the remainder at floating rates.

The Group monitored the capital structure by using the liability-to-asset ratio (i.e. total liabilities divided by total assets) and the debt-to-equity ratio (i.e. net debt divided by equity), with its policies to maintain financial stability and support the sustainable, healthy and rapid development of the Group's business. Net debt includes bond payables, lease liabilities, interest-bearing bank and other borrowings and financial guarantee and is net of cash and cash equivalents, with equity being total equity. The liability-to-asset ratio of the Group as at 30 June 2025 was 62.6% (31 December 2024: 60.8%), and the debt-to-equity ratio was 90.7% (31 December 2024: 77.5%). The increase in the liability-to-asset ratio and the debt-to-equity ratio was mainly due to the increased bank borrowings to address the funding needs for the Company's sustainable business growth and investment in significant projects. The Group has maintained its financial stability amidst rapid business development.

Foreign exchange risk

The business operations of our Group are principally located in Mainland China and most of its transactions are conducted in Renminbi. Except for certain bank balances which are denominated in Euro, U.S. dollars, Hong Kong dollars, Thailand baht and other foreign currencies, most of the assets and liabilities are denominated in Renminbi. During the Reporting Period, the Group did not experience any material difficulties or impact on its operations or liquidity as a result of fluctuations in currency exchange rates. The Group believes that the Group will have sufficient foreign currencies to meet its foreign exchange needs and will take effective measures to prevent foreign exchange risks.

Capital expenditure

During the Reporting Period, the capital expenditures of the Group for the six months ended 30 June 2025 amounted to RMB7,417.70 million (for the six months ended 30 June 2024: RMB7,815.55 million), which were mainly used for the construction of production facilities and the upgrade of existing machinery and equipment. The capital expenditures of the Group were mainly funded by the Group's own funds, bank borrowings, issuance of bonds as well as cash inflow from the operating activities of the Group.

Capital commitments

During the Reporting Period, the capital commitments of the Group were mainly related to the acquisition of property, plant and equipment. The total of capital expenditures contracted but not incurred as at 30 June 2025 was RMB10,715.73 million (31 December 2024: RMB14,620.08 million).

Restricted assets

As at 30 June 2025, the Group had restricted assets with a total carrying amount of RMB15,618.45 million for obtaining bank loans and other bank facilities. These assets include pledged and restricted bank deposits of RMB2,680.18 million, other financial assets of RMB1,300.00 million, property, plant and equipment of RMB10,768.67 million and right-of-use assets of RMB869.60 million.

Significant investments held

As of 30 June 2025, the Group did not hold any significant investments.

Future plans for significant investments and capital assets

As of 30 June 2025, the Group did not have any plans for significant external investments and capital assets.

Material acquisitions and disposals of subsidiaries and associates

On 6 May 2025, the Company entered into the Share Transfer Agreement and the Voting Rights Waiver Agreement with Mr. Li Hongqing (the “**Vendor**”), the de facto controller of Jiangsu Olive Sensors High-tech Corporation Limited* (江蘇奧力威傳感高科股份有限公司) (“**Olive Sensors**” or the “**Target Company**”), pursuant to which the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, 87,620,380 A shares of the Target Company (the “**Acquisition**”). The price of the Target Shares for the Acquisition was RMB5.83 per Target Share. The consideration for the Acquisition shall be RMB510,826,815.40 in total. Concurrently, the Vendor has agreed to give up its voting rights attached to a portion of shares held by him in the Target Company, totaling 155,725,311 A shares, during the Waiver Period. Immediately after the completion of the Acquisition and the voting rights waiver, and the adjustment to the composition of the board of directors of the Target Company as stipulated in the Share Transfer Agreement, the Target Company will become a subsidiary of the Company, and the financial results of the Target Company will be consolidated into the Company’s consolidated financial statements.

On 6 May 2025, the Company entered into the Placement Subscription Agreement with the Target Company, pursuant to which the Company has conditionally agreed to subscribe for, and the Target Company has conditionally agreed to allot and issue to the Company, up to 119,482,337 Placement A Shares (the “**Subscription**”) at the subscription price of RMB5.63 per Placement A Share. The total amount of the Subscription shall not exceed RMB672,685,557.31.

The Acquisition and the voting rights waiver constitute an indivisible whole and are not conditional upon the Subscription, while the Subscription is subject to and conditional upon the implementation of the Acquisition and the voting rights waiver. For further details regarding the Acquisition and the Subscription, please refer to the Company’s announcement dated 6 May 2025 and the circular dated 18 June 2025.

Save as disclosed above, during the Reporting Period, the Group had no material acquisitions and disposals of subsidiaries and associates.

Contingent liabilities

In July 2024, the Company received a civil indictment (Case No.: (2024) Min 01 Min Chu No.543) served by the Fuzhou Intermediate Court. The claim was petitioned by Contemporary Amperex Technology Co., Limited (“**CATL**”) brought against the Company and Fuzhou Cangshan Aion Automobile Sales Service Co., Ltd. (福州倉山埃安汽車銷售服務有限公司) (“**Fuzhou Cangshan Aion**”, an automobile seller independent of the Company) in respect of an infringement claim on intellectual property rights of No. ZL201720968992.6 utility model patent (“**Patent VII**”). Details are set out in the Company’s announcement dated 26 July 2024.

In January 2025, the Company received a civil indictment (Case No.: (2025) Zhe Zhi Min Chu No. 1 (Original Case No.: (2024) Zhe 01 Zhi Min Chu No. 138)) from the Intermediate People’s Court of Hangzhou City. The claim was petitioned by CATL brought against the Company and Hangzhou Pengxing Automobile Sales and Service Co., Ltd. (杭州鵬行汽車銷售服務有限公司) (“**Hangzhou Pengxing**”, an automobile seller independent of the Company) in respect of an infringement claim on intellectual property rights of No. ZL202210514746.9 invention patent (“**Patent VIII**”). Details are set out in the Company’s announcement dated 3 January 2025.

In January 2025, the Company received a civil indictment (Case No.: (2025) Min 05 Min Chu No. 2) from the Intermediate People’s Court of Quanzhou City. CATL has filed intellectual property infringement claims against the Company and the other defendants (third parties independent of the Company and its connected persons) regarding the utility model patent No. ZL201621122034.9 (“**Patent IX**”). Details are set out in the Company’s announcement dated 17 January 2025.

In January 2025, the Company received a civil indictment (Case No.: (2024) Xiang Zhi Min Chu No. 1) from the Higher People’s Court of Hunan Province. Intellectual property infringement claims were filed by CATL against the Company and the other defendants (third parties independent of the Company and its connected persons) in respect of invention patent number ZL202011086325.8 (“**Patent X**”). Details are set out in the Company’s announcement dated 28 January 2025.

After assessing the analysis and views of the Company’s internal legal counsel and external legal counsel, the Directors are of the view that the claims relating to Patent VII, Patent VIII, Patent IX, and Patent X are lacking in merit, and it is not probable that an out-flow of economic benefits will be required to settle the claims related to them.

In summary, as at 30 June 2025, the contingent liabilities of the Group were as follows:

	Damages claimed by CATL RMB'000	Reasonable expenses claimed by CATL RMB'000
Claims related to:		
Patent VII relates to injection structure of a secondary battery	92,000	300
Patent VIII relates to top cover component of secondary battery and secondary battery	90,000	1,000
Patent IX relates to a battery module	60,000	1,000
Patent X relates to top cover component of secondary battery and secondary battery	110,000	1,000

With the rapid technological advancement and product iteration in the field of EV batteries, the Company's products have adopted more advanced technologies and the Company has the complete independent intellectual property rights layout for its products. The Company believes that there is no infringement associated with Patent VII, Patent VIII, Patent IX and Patent X. There is no court decision in respect of the litigations involved, and the Company has submitted a request to the China National Intellectual Property Administration for the invalidation of the rights of the patents involved in the litigations.

Save as disclosed above, the Group had no other material contingent liabilities as at 30 June 2025.

OTHER INFORMATION

Employees and Remuneration Policy

The Company implements the “Culture and Talent Strategy”, advocates the core values of sincerity, efficiency and win-win cooperation, respects and cultivates people, provides a development platform for willing and capable employees, and earnestly performs social responsibilities. The Company has established a comprehensive remuneration and benefit management system, and implemented a remuneration and benefit system featuring both external competitiveness and internal fairness. The Company has established a fair and transparent promotion platform for employees, which comprehensively analyses employees’ values, performance, competency and potential for promotion, and assesses their comprehensive abilities and development potential to match the Company’s development needs. The Company has established a salary adjustment system that is externally competitive, internally fair, and individually balanced to maximize the potential of the team and individuals. The Company comprehensively evaluates the achievement of the operational targets on the company level and the performance targets on the department level as well as the achievement of the labor cost targets of each system, then distributes the bonuses according to the employees’ performance contributions. The Company continues to optimize and promote the talent incentive plan, and establishes a hierarchical and classified incentive system for different employee categories, further enhancing their sense of belonging, accomplishment and honor and achieving mutual growth of the employees and the Company. As at 30 June 2025, the total number of employees of the Group was 12,286.

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). As of the end of the Reporting Period, the Company did not hold treasury shares.

Interim Dividend

The Board has resolved neither to recommend the payment of an interim dividend for the six months ended 30 June 2025, nor to convert capital reserve to share capital or make other forms of distribution.

Events After the Period

Proposed implementation of H Share full circulation by the Company

On 14 April 2025, the Board of the Company has considered and approved the proposed implementation of the conversion of 149,831,290 domestic shares of the Company held by certain shareholders of the Company into H Share of the Company (the “**H Share Full Circulation**”). As of the date of this announcement, the Company has obtained all the relevant approvals, including the filing notice from the CSRC for the implementation of the H Share Full Circulation and the listing approval from the Stock Exchange in respect of the conversion of H Share. The Company shall complete the relevant conversion and trading procedures in respect of the Converted H Share and will make further announcement(s) on the progress of the Conversion and the Listing in compliance with the requirements under the Listing Rules and applicable laws, as and when appropriate. For details, please refer to the announcements of the Company dated 14 April 2025, 14 August 2025 and 19 August 2025.

After due and careful consideration, our Directors confirm that, save for the above disclosures, there has been no material adverse change in financial or trading position or prospects of the Company since 30 June 2025 to the date of this announcement.

Compliance with the Corporate Governance Code

The Group is committed to maintaining a high standard of corporate governance and strives to comply with the code provisions (the “**Code Provisions**”) as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Listing Rules.

For the six months ended 30 June 2025, the Company had complied with all applicable Code Provisions of the CG Code, save for the deviation from Code Provision C.2.1 of the CG Code, which stipulates that the roles of chairman and general manager should be separate and should not be performed by the same individual.

Ms. Liu Jingyu is the chairwoman and general manager of the Company. The Directors believe that vesting the roles of both chairwoman and general manager in the same person is beneficial to ensure consistent leadership within the Group and enable the Group to formulate overall strategic planning more effectively and efficiently. The Directors also believe that the current arrangement will not impair the balance of duties and authorities and the structure will enable the Company to make decisions and implement them in a timely and effective manner. Under the leadership of Ms. Liu Jingyu, the Board works effectively and performs its responsibilities to discuss all important and appropriate issues in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and the relevant Board committees, and there are three independent non-executive Directors on the Board offering independent views, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.

The Board will continue to review the effectiveness of the Company’s governance structure to assess whether it is necessary to separate the responsibilities of the chairman and general manager.

Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions of the Company by the Directors and supervisors. Having made specific enquiries to all the Directors and supervisors, the Directors and supervisors confirmed that they have complied with the Model Code during the Reporting Period.

Audit Committee Reviews Interim Results

The Company has established the Audit Committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and Code Provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors including Mr. Wang Susheng, Mr. Wu Guangquan and Mr. Chen Zetong, and is currently chaired by Mr. Wang Susheng with appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

During the Reporting Period, the Audit Committee has reviewed the accounting policies adopted by the Group together with the management. The Audit Committee has also discussed matters relating to risk management, internal control, review of the appointment of auditors, auditors’ remuneration and financial reporting. The Audit Committee has reviewed and agreed on the unaudited interim condensed consolidated financial information for the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.calb-tech.com). The interim report of the Company for the six months ended 30 June 2025, containing all the information required by the Listing Rules, will be made available on the above websites in due course, and will be despatched to the shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

By order of the Board
CALB Group Co., Ltd.
Liu Jingyu
*Chairwoman of the Board,
executive Director and General Manager*

Changzhou, PRC
27 August 2025

As at the date of this announcement, the Board comprises Ms. Liu Jingyu and Mr. Dai Ying as executive Directors; Ms. Hu Jing, Mr. Li Jiancun and Ms. Xie Jieping as non-executive Directors; Mr. Wu Guangquan, Mr. Wang Susheng and Mr. Chen Zetong as independent non-executive Directors.