

REPT 瑞浦兰钧  
BATTERO

瑞浦蘭鈞能源股份有限公司  
REPT BATTERO Energy Co., Ltd.

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

Stock Code: 0666

# 2024 INTERIM REPORT



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Dr. Cao Hui (*chairman of the Board, executive Director and president*)  
Dr. Wu Yanjun  
Ms. Huang Jiehua

### Non-executive Directors

Mr. Hu Xiaodong  
Mr. Wang Haijun  
Ms. Xiang Yangyang  
Mr. Wei Yong  
Mr. Yu Xinhua

### Independent Non-executive Directors

Ms. Wong Sze Wing  
Dr. Wang Zhenbo  
Dr. Ren Shenggang  
Dr. Simon Chen

## AUDIT COMMITTEE

Ms. Wong Sze Wing (*chairlady*)  
Dr. Simon Chen  
Dr. Ren Shenggang

## NOMINATION COMMITTEE

Dr. Cao Hui (*chairman*)  
Dr. Wang Zhenbo  
Dr. Ren Shenggang

## REMUNERATION AND APPRAISAL COMMITTEE

Dr. Wang Zhenbo (*chairman*)  
Dr. Cao Hui  
Ms. Wong Sze Wing

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Dr. Cao Hui (*chairman*)  
Ms. Xiang Yangyang  
Ms. Huang Jiehua

## JOINT COMPANY SECRETARIES

Dr. Wu Yanjun  
Ms. Zhang Xiao (*an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

## AUDITOR

Ernst & Young  
Certified Public Accountants  
Registered Public Interest Entity Auditor

## AUTHORISED REPRESENTATIVES

Dr. Wu Yanjun  
Ms. Zhang Xiao (*an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

## PRINCIPAL BANKERS

**China Merchants Bank Co., Ltd.,  
Wenzhou Longwan Sub-branch**  
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Wenzhou, Zhejiang  
PRC

**China CITIC Bank Corporation Limited,  
Wenzhou Branch**  
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PRC

### **China Minsheng Banking Corp., Ltd., Wenzhou Longwan Sub-branch**

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Longwan District  
Wenzhou, Zhejiang  
PRC

### **REGISTERED ADDRESS**

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PRC

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA**

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PRC

### **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

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No. 248 Queen's Road East  
Wanchai  
Hong Kong

### **H SHARE REGISTRAR**

#### **Computershare Hong Kong Investor Services Limited**

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### **COMPLIANCE ADVISOR**

#### **Red Solar Capital Limited**

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### **INVESTOR RELATIONS CONTACT**

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### **COMPANY WEBSITE**

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### **STOCK CODE**

0666



# FINANCIAL SUMMARY

The financial summary of the Group for the six months ended 30 June 2024 is set out as follows:

	Six months ended 30 June		Year-on-Year Change
	2024	2023	
	(in RMB thousands, except for percentages)		
	<b>(Unaudited)</b>		
Revenue	<b>7,596,665</b>	6,594,794	15.2%
Gross profit	<b>272,366</b>	267,234	1.9%
Loss for the period	<b>(658,212)</b>	(919,734)	(28.4)%
Loss per share attributable to ordinary equity holders of the parent			
Basic and diluted			
– For loss for the period (RMB)	<b>(0.19)</b>	(0.33)	(42.4)%



# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY OVERVIEW

### EV Battery Market

In the first half of 2024, with the increasing public concerns over environmental protection and government support, the new energy vehicles (“NEVs”) industry in China has maintained a rapid growth. With the introduction of the “dual-carbon” goals, NEVs has become a key approach to achieving carbon neutrality. The Chinese government has increased the investment in charging infrastructure, ensuring the convenience of recharging NEVs. In addition, the implementation of the “new infrastructure” policy played a crucial role in the development of NEVs. The combined effects of these factors led to an expanding market share of NEVs and accelerated technological innovation, which has made an important contribution to the promotion of green mobility and the transformation of the energy structure.

According to China Association of Automobile Manufacturers, in the first half of 2024, the production and sales volume of NEVs in China were 4,929 thousand units and 4,944 thousand units respectively, representing a year-on-year increase of 30.1% and 32% and achieving a market share of 35.2%. In addition, according to the China Passenger Cars Association, the sales of plug-in hybrid electric vehicles (PHEVs) increased significantly from January to May 2024, representing a year-on-year increase of 70.1%, with sales of plug-in hybrid SUVs and sedans increasing by approximately 80%. Furthermore, according to ChinaTruck.Org, a total of 27,714 units of new energy heavy-duty trucks were sold in the first half of 2024 in China, representing a year-on-year increase of 141%. According to China Automotive Battery Innovation Alliance, in the first half of 2024, the cumulative installed capacity of EV batteries in China was 203.3GWh, representing a year-on-year increase of 33.7%. In particular, the cumulative installed capacity of ternary batteries and LFP batteries were 62.3GWh and 141.0GWh, accounting for 30.6% and 69.3% of the total installed capacity, respectively. The continuous growth in sales volume of NEVs has driven the expanding demand for EV batteries.

In overseas market, despite slower growth rates of NEVs markets in Europe and the United States, the global NEVs market has maintained a stable growth. According to Canalys, a market research institution, the global sales volume of NEVs is expected to reach 17.5 million units in 2024, representing a year-on-year increase of 27%. In addition, according to SNE Research, the global usage of EV batteries in the first half of 2024 was 364.6GWh, representing a year-on-year increase of 22.3%.

According to European Automobile Manufacturers’ Association, in the first half of 2024, the sales volume of new energy passenger vehicles in 31 European countries was 1,442,000 units in total, representing a year-on-year increase of 1.6% and a penetration rate of 21.0%. According to Cox Automotive, in the first half of 2024, the NEVs sales volume in the United States was 599,372 units in total, representing a year-on-year increase of 7.3%. In addition, countries in Southeast Asia, such as Thailand and Indonesia, have introduced policies to support the development of the NEVs industry. For example, the Thai government aims for EV sales of 225,000 units by 2025, and ultimately the 100% vehicle electrification by 2035.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Energy Storage Market

In the first half of 2024, driven by the global acceleration in the transition to clean energy and the development of energy storage system technologies, the global demand for energy storage continued to grow significantly. According to InfoLink, the global shipments of ESS battery cells reached 114.5GWh in the first half of 2024 representing a year-on-year increase of 33.6%, with shipments of large-scale energy storage (including industrial and commercial use) amounting to 101.9GWh, and shipments of small energy storage (including communication use) amounting to 12.6GWh. The installed capacity of energy storage on the grid-side in U.S. market experienced a significant increase. Industrial and commercial demand for energy storage in Europe also maintained stable growth. Benefiting from favorable natural conditions, demand for energy storage products is on the rise in emerging markets such as the Middle East and Southeast Asia.

China's energy storage market maintained steady growth in the first half of 2024. According to data from GGII, the year-on-year growth rate of electrical energy storage reached 43%, and the market share increased to 89%. Meanwhile, according to the Electrical Energy Storage Alliance (EESA), in the first half of 2024, China's grid-connected projects reached 486, the number of user-side projects exceeded 280, and the installed capacity of energy storage projects has reached 69% of the annual installed capacity in 2023. In addition, the installed capacity of wind power and photovoltaic system also maintained a rapid growth in China. According to National Energy Administration of China, the installed capacity of wind power and photovoltaic system increased by 128.3GW in the first half of 2024, representing a year-on-year increase of 26.5%.

## BUSINESS REVIEW

### Principal Business

The Group mainly engages in the design, research and development (“**R&D**”), production and sales of EV and ESS lithium-ion batteries from cell level, battery modules and battery packs to system application. With electrification and intelligence as our core, we drive integrated innovation in market applications. We provide premium solutions and services for global new energy vehicle power and smart electrical energy storage through innovations in material and material portfolio as well as innovations in system structure, environmental limit-pushing manufacturing and business model.

As a high-quality new energy technology enterprise, we adhere to the technology- and innovation-driven development strategy and follow the market trend. With WenDing (“**問頂**”) technology as our cornerstone and cost-efficiency as the main theme, we contribute to the globalization process of new energy vehicle technologies in China, the development of the global new energy power industry and green mobility. We expand application scenarios for new energy storage to promote the widespread adoption of clean energy around the world, facilitating a green and sustainable future.

### Main Products

The Group's main products consist of EV battery products, ESS battery products and battery components.

## Business Achievements

As of 30 June 2024, the total assets of the Group amounted to RMB38,683.1 million, representing a year-on-year increase of approximately 7.4%, and the net assets of the Group amounted to RMB10,959.1 million, representing a year-on-year decrease of approximately 5.1%. During the six months ended 30 June 2024, the Group achieved a revenue of RMB7,596.7 million, representing a year-on-year increase of approximately 15%. During the six months ended 30 June 2024, the sales volume of the Group's lithium battery products was 16.18GWh in total, representing a year-on-year increase of approximately 108%. In particular, the shipment volume of ESS batteries was 8.60GWh, representing a year-on-year increase of approximately 45%. The shipment volume of EV batteries was 7.58GWh, representing a year-on-year increase of approximately 316%. The battery modules sales amounted to RMB1,297.3 million, representing a year-on-year increase of approximately 55.8%. As of 30 June 2024, the Wenzhou Facility was profitable.

In the first half of 2024, the Group's operating performance was steadily improved with a sustained growth in the EV battery and ESS battery markets. According to public information of InfoLink Consulting, the Group ranked third globally in terms of global shipments of ESS battery cells and ranked second globally in terms of shipments of small storage cells during the six months ended 30 June 2024. According to the statistics of China Automotive Battery Innovation Alliance, during the six months ended 30 June 2024, the Group ranked sixth in terms of installed capacity among domestic LFP EV battery manufacturers, sixth in terms of installed capacity on plug-in hybrid electric vehicles and seventh in terms of installed capacity on new energy commercial vehicles. Data released by the Power Battery Application Branch showed that the Group ranks fifth in terms of the installed capacity on new energy heavy-duty truck in China during the six months ended 30 June 2024, representing a significant growth as compared with the corresponding period in 2023.

In the field of passenger vehicle business, in addition to maintaining and deepening existing customer relationships, the Group has been actively seeking to expand and secure new customers to achieve business growth and growing market share through strategic market positioning and customized solutions. In the first half of 2024, the Group acquired new designated cooperation for more than 13 automobile models with several domestic automakers such as SAIC-Passenger Automobile (上汽乘用车), Dongfeng Nissan (東風日產), SAIC-GM-Wuling (上汽通用五菱), FAW (一汽奔騰) and SAIC MAXUS (上汽大通) as well as for models under development of a renowned European automaker. The Group has also built in-depth cooperation with most domestic automakers for technology co-creation and product co-production, which has accelerated the advancement of new energy EV battery technologies and delivered competitive battery cells or battery system products to the market, providing customers with sustainable solutions covering BEVs, PHEVs, EREVs and other new energy power applications. The Group has been delivering bulk orders for Stellantis, Smart, Volvo and a U.S. electric vehicle manufacturer, with which the cooperation are expected to be further expanded. While expanding its global presence, the Group has effectively enhanced its brand value and contributed to the upgrade of global green mobility.





## MANAGEMENT DISCUSSION AND ANALYSIS

In emerging business fields such as commercial vehicles, special vehicles and construction machinery, the Group has achieved full coverage of mainstream products in the market, and our products have been adapted to be compatible with light commercial vehicles, medium- and heavy-duty trucks, heavy-duty trucks, mining trucks, construction machinery, special purpose vehicles and passenger buses and all other vehicle types and have been delivered in bulk. By seizing the development opportunities in the emerging business, the Group has realized the second growth curve of the sales business. The Group has established in-depth cooperation with SANY (三一集團), XCMG Group (徐工集團), Yutong Bus (宇通客車), Farizon Auto (吉利商用車), Dongfeng CV (東風商用車), SHACMAN (陝汽), SINOTRUK (中國重汽), Xiamen King Long (廈門金龍), CRRC (中國中車), ZOOMLION (中聯重科), Liugong Machinery (柳工機械), EP Equipment (中力叉車) and Linde Forklift (林德叉車), etc. In the first half of 2024, the collaborations for 44 new vehicle models were announced. Based on its precise research and judgment on the iterative trend of heavy-duty truck battery technology and the accurate positioning of products, the Group made arrangement in advance on the new energy heavy-duty truck track and achieved the rapid increase in heavy-duty truck battery shipments and market share, securing a leading position in the shipment volume of new energy heavy-duty trucks.

In the field of energy storage business, as a leading player in the industry, the Group has provided customized high-quality ESS products and solutions for a number of large-scale projects worldwide. With WenDing (“問頂”) technology empowering our full product matrix, which extensively covered various ESS application scenarios, such as power, transportation and industry, etc., the Group provides customers with comprehensive solutions from ESS battery cells to ESS systems and gained widespread recognition for innovative advantages in high energy efficiency, high safety and long service life, further demonstrating its expertise and industry-leading product capability in ESS field. In the first half of 2024, the Group entered into a procurement framework agreement with Powin and also won the bidding for annual procurement projects for ESS battery cells of central and state-owned enterprises such as Guoneng I&C (國能信控) and PetroChina. In recognition of our excellent product quality, innovative solutions and professional customer service team, the Group was included in the BNEF Energy Storage Tier 1 List and has won various awards, including “Excellence Quality Award of the Year” by Sungrow, the 2024 “BJX Cup” Energy Storage Influential Battery Supplier and the “Cutting-edge Contribution Award” issued by Midea Industrial Technology Core Suppliers.

### Technological and R&D Achievements

As a result of our long-term dedication in R&D, we have conducted a broad portfolio of key technologies research that are used in our products. Leveraging these advanced technologies and our innovative R&D capabilities, together with our limit-pushing manufacturing capabilities, supply chain management capabilities and experienced and dedicated leadership team, we are able to develop and produce products that meet our customers’ requirements. Notably, we have achieved large-scale mass production of our WenDing (“問頂”) batteries, effectively reducing manufacturing costs. We will continue to increase the production capacity of WenDing (“問頂”) batteries. We are committed to continuously improving R&D capabilities for our technologies, so as to ensure the competitive advantages of our products in various application fields. Our key technologies and R&D achievements also improve the core performance of our products.

## EV Battery Products

- Further enhancing mass energy density. We develop and produce products with high energy density. We achieved mass energy density of 180–200Wh/kg for our mass-produced LFP battery cells and 200–230Wh/kg for our prototype battery cells. We achieved mass energy density of 245–260Wh/kg for our mass-produced ternary lithium battery cells and more than 300–320Wh/kg for our prototype high nickel lithium battery cells. Through material modification and cell design improvements, the mass energy density of lithium manganese-iron phosphate composite battery cells can achieve 205–240Wh/kg. This not only enhances the energy density but also improves fast charging and low-temperature performance.
- Further enhancing volumetric energy density. Our unique WenDing (“問頂”) technology can effectively improve the space utilization of the cell, increase the height of the cathode pole piece by optimizing the internal space of the cell, simplify the coating process, and reduce the production cost. Our green and detachable CTP technology further improves the space utilization of the battery pack by optimizing the design of the cell and module structures, realizing the de-structuring of the battery pack, thereby effectively improves the integration rate of the battery pack. Our products can reach a volumetric energy density of up to 450Wh/L for LFP battery products, and up to 650Wh/L for ternary battery products. Based on the above-mentioned structural innovations, the optimization of electrochemical system was prioritized in the first half of 2024, which led to the further increase of volumetric energy density of pure LFP battery cells to 460Wh/L.
- Fast charging. Through double-layer coating technology and ultra-fast conducting ionic material surface coating technology, our fast charging technology comprehensively improves the low-temperature charging performance and fast-charging performance of battery cells. Mass produced products can realize 10–15 minute fast charging and products on development can realize 9–12 minute fast charging. In the first half of 2024, 5C fast-charging LFP battery cells were sent for sample testing, whose performance indicators have met related fast charging requirements of electric vehicle customers and have been accepted for trial adoption by several customers. Meanwhile, we also made phased progress in the R&D of the fast charging system within 8–10 minutes for ternary lithium battery.
- High-power technology. By integrating WenDing (“問頂”) battery cells with microscopic solid-liquid interface technology, we have improved the power performance without compromising the energy density of the battery cells. The peak discharge rate reaches 10C and fast charging can be completed within 20 minutes. In light of customer needs, we launched series of PHEV battery cell products with width of 148/194/220Ah and have acquired designated cooperation for several renowned domestic and overseas automakers.
- High-safety battery cell technology. We have developed a new generation of semi-solid-state batteries with high nickel and high silicon-carbon systems. Such battery cells feature a mass energy density of 300Wh/kg and significantly improved safety performance as compared with pure liquid battery cells, and have been sent for sample testing to major domestic and overseas automakers.



### Commercial EV and ESS Battery Products

- Electrical energy storage and industrial and commercial energy storage battery cells. Based on the original 280Ah cell size, we have developed the 314/320Ah cell products. Through WenDing (“問頂”) technology, the internal space utilization rate is increased by 4% and the internal impedance is reduced by more than 10%. Meanwhile, through the “double-high” solid-liquid interface design, we have developed the battery cells with a high mass energy density of 180Wh/kg, high energy efficiency of 95% (0.5P), long life (more than 9,000 cycles) and high-safety, which have been delivered in batches to major domestic and overseas customers. We have also developed a higher capacity 345Ah battery cell for the long-duration energy storage market, which further increases the mass energy density to 185Wh/kg, energy efficiency to over 96% (0.25P), and cycle life to over 10,000 times, meeting the requirements of a calendar life of over 25 years. In addition, in response to the market demand for 1P products, we have upgraded and developed 314Ah-1P product, with an industry-leading 1P energy efficiency and cycle life indicators.
- EV battery cells for commercial vehicles. 228Ah battery cells adopt low-attenuation pre-lithiation technology and microscopic solid-liquid interface technology to greatly improve the cycle life, enabling our products featuring “zero attenuation for 1,000 cycles and long life for 10,000 cycles”, which is fully adapted to the long cycle needs of the commercial vehicle. Designed life of products has been increased to 15–20 years. The stability and reliability of the 324Ah battery cells have been improved for poor working conditions such as in mining trucks. With the support of double-high solid-liquid interface technology, it realizes a long life of over 6,000–8,000 cycles, high energy density of 190Wh/kg, and long durability and high safety. In particular, the 324Ah commercial energy storage shared battery system has been delivered in batches to meet the market demand of various application scenarios, such as battery swapping and other commercial energy storage electrification.
- Household ESS battery cells. Through optimization and innovations in electrode structure design and electrolyte, the 72/100Ah battery cells possess an energy density of over 165Wh/kg and a life cycle of over 6,000 times, which can meet the needs of products that can be used for more than 10 years. Meanwhile, the battery cells support fast charging at temperatures as low as minus 10°C, offering more options for applications in extremely cold areas.

## Systems Products

- Integrated fast charging EV batteries system

In terms of high integration, we have self-developed our CTP (Cell-to-Pack) system based on extruded aluminum alloy on the basis of the original double-row large module battery pack solution and have it applied in a number of designated mass production projects. The battery system has an industry-leading energy density integration efficiency of 80%. Meanwhile, we have mastered the roll-formed ultra high strength steel CTP technology through self-development, which has increased the structural performance of the battery system by over 10% and has been recommended to customers in the acquisition of subsequent projects. In addition, we have mastered the die-cutting sampling wire harness solution and the integrated solution technology of BMS (Battery Management System) busbar and sampling wire harness, and applied them to designated projects, reducing the cost of a single package by more than 2% compared with traditional solutions.

In terms of fast charging capability of the battery system, we have developed various thermal management system solutions to fully exploit the fast charging capabilities of our battery cells. In addition to the integrated bottom liquid cooling plate solution that has already been mass-produced and applied, we have completed the development of the dual-sided and triple-sided liquid cooling solutions for battery cells, ensuring that the battery system supports fast charging within 10–15 minutes.

- Direct-current side ESS

Based on the self-developed WenDing (“問頂”) 314/320Ah and 345Ah cells, we successively launched the 5.11MWh and 5.51MWh ESS in the first half of the year. Adopting a standard 20-inch container, these ESS are not only fully upgraded as compared with the previous generation of 3.72MWh ESS, but also reach the highest volumetric energy density in the industry currently. In addition, the system also supports a four-parallel arrangement and incorporated a series of advanced technologies such as parallel cooling channel design, cell valve open detection, internal gas pressure detection of module, modular fire protection system, minimalist structure design, installation and maintenance with coolant inside, external short circuit detection automatically, and connect and disconnect with load for rack level batteries, which have greatly enhanced the system’s service life, improved structural, electrical and thermal safety and reduced space and maintenance costs.

## FUTURE PROSPECTS

### Technology and Product Innovation

Strong R&D capabilities are the key to our success. We have R&D centers in Shanghai, Wenzhou and Jiashan, and a new R&D building in Jiashan which is under construction and expected to be put into operation in the second half of 2024. We had 1,876 R&D personnel involved in R&D functions as of 30 June 2024.

As of 30 June 2024, the Group had 2,245 granted patents, including 189 invention patents, 2,000 utility model patents and 56 design patents. As of 30 June 2024, the Group had 219 registered trademarks. 451 patents were granted during the six months ended 30 June 2024, including 83 invention patents, 363 utility model patents and 5 design patents.





## MANAGEMENT DISCUSSION AND ANALYSIS

All such invention patents were related to lithium-ion battery manufacturing and innovation, covering areas including lithium-ion battery materials and structures, system integration, battery management system, production technologies and equipment and battery recycling. We have a series of technologies with advantages in terms of battery materials, battery design and battery structure, production technique and equipment, which helped us build up a product portfolio that is able to achieve safety, reliability, long driving range and strong performance, while improving production efficiency. We have the following R&D highlights:

- WenDing (“問頂”) technology. Facing the coming era of commercial and industrial battery cells and ESS, we plan to develop the next-generation ESS battery cells with a high capacity of 500~600Ah+ through WenDing (“問頂”) technology to effectively improve the integration efficiency of battery cells and reduce costs. The newly upgraded 6~7MWh battery energy storage containers further provide customers with an all-round ESS products that have three major advantages: economic benefits, safety performance, and cycle life. In the EV batteries field, WenDing (“問頂”) technology is also applicable to LFP battery products as well as ternary lithium battery products, which enables a driving range of LFP batteries to exceed 700km. In terms of ternary batteries, with WenDing (“問頂”) technology, the driving range of medium-nickel ternary batteries could exceed 1,000km while ensuring high safety and long life, and a possible 1,200km for high-nickel ternary EV batteries.
- Semi-solid prismatic batteries. We plan to enhance the fast charging performance of semi-solid battery cells to meet the current demand in the market. Based on the above product directions, we are also actively developing the next generation battery cells with higher energy density, including multi-electron reaction system cells and batteries for low altitude flying vehicles.
- Solid-state battery. We are currently conducting research on the all-solid-state battery electrolyte materials, solid-state electrolyte reaction interface performance and solid-state battery production process. The purpose of developing all-solid-state batteries is to achieve a balance of safety and energy density.
- Lithium manganese-iron phosphate battery system. We have started the development and production of lithium manganese-iron phosphate batteries. Due to the characteristics of high voltage and abundant supply of manganese, lithium manganese-iron phosphate batteries can achieve higher energy density, lower cost per Wh and better performance in low temperature environment compared to LFP batteries, and have better safety performance compared to ternary batteries.
- Recycling technologies. We plan to continue R&D on recycling technologies such as EV battery residual energy testing and secondary use solutions and processes to maximize the cost-effectiveness of EV batteries and improve the safety, stability and cycle life of recycled products. We also aim to reduce the costs of battery restructuring application, qualification testing and production through recycling technologies. On 17 January 2024, we obtained the qualification for echelon use of wasted EV batteries of NEVs.



## Synergy Advantages in the Industry Chain

In the near future, leveraging on our unique supply chain advantages from Tsingshan Group's network, we would actively help our suppliers to source feedstock materials, such as lithium carbonate, thereby ensuring sufficient supply of our raw materials at competitive prices. Being part of the Tsingshan Group ecosystems facilitates the process of building trusts and business relationships with various raw material suppliers. We will also be able to capitalize on Tsingshan's various strategic endeavors in the upstream of the industry value chain and have opportunities to make strategic investment in upstream raw material suppliers and secure supplies of important raw materials.

On 26 March 2024, the Company entered into the Supplemental Agreement of the Product Sales Framework Agreement with Tsingshan Group, its Controlling Shareholder, which had been approved by the 2023 annual general meeting of the Company. As the industrial parks under construction and in operation by Tsingshan Group and its associates in China and abroad have further transformed into green energy supply and green power transportation mode, constructing an integrated solution around photovoltaic power generation and green power transportation, etc., so as to promote the eco-friendly development of the mining industry and to reduce the transportation cost, the Company, in addition to supplying ESS battery products to Tsingshan Group and/or its associates, supplies EV battery products for the use of engineering transportation equipment such as electric heavy-duty trucks of Tsingshan Group and/or its associates from 2024 to 2026. For details, please refer to the circular of the Company dated 26 March 2024.

## Globalization Strategy

We plan to establish production facilities in regions such as Southeast Asia, Europe and South America. Such initiatives will allow us to enhance our presence worldwide, have closer access to local customers and raw material and diversify our geopolitical risk exposure.

Following the establishment of a German subsidiary in 2023, the Company has established another U.S. subsidiary in the first half of 2024, responsible for sales in the American markets. In the meantime, the Company has also set up a Southeast Asian subsidiary to work on the preliminary research and preparation of the manufacturing facilities in Southeast Asia.

## OPERATING RESULTS AND ANALYSIS

The table below is extracted from the Group's interim condensed consolidated statement of profit or loss and other comprehensive income, which presents the absolute amount and as a percentage of the Group's total revenue for the periods indicated, together with year-on-year changes (expressed in percentage) from the six months ended 30 June 2023 to the six months ended 30 June 2024.

### Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 30 June				Year-on-Year Change
	2024		2023		
	(in RMB thousands, except for percentages)				
	<b>(Unaudited)</b>				
<b>Revenue</b>	<b>7,596,665</b>	<b>100.0%</b>	6,594,794	100.0%	15.2%
Cost of sales	<b>(7,324,299)</b>	<b>(96.4)%</b>	(6,327,560)	(95.9)%	15.8%
<b>Gross profit</b>	<b>272,366</b>	<b>3.6%</b>	267,234	4.1%	1.9%
Other income and gains	<b>280,589</b>	<b>3.7%</b>	85,990	1.3%	226.3%
Selling and distribution expenses	<b>(224,285)</b>	<b>(3.0)%</b>	(157,715)	(2.4)%	42.2%
Administrative expenses	<b>(300,737)</b>	<b>(4.0)%</b>	(239,655)	(3.6)%	25.5%
Research and development expenses	<b>(406,280)</b>	<b>(5.3)%</b>	(505,246)	(7.7)%	(19.6)%
Impairment losses on financial and contract assets, net	<b>(103,649)</b>	<b>(1.4)%</b>	(249,102)	(3.8)%	(58.4)%
Other expenses	<b>(990)</b>	<b>(0.0)%</b>	(5,817)	(0.1)%	(83.0)%
Finance costs	<b>(170,413)</b>	<b>(2.2)%</b>	(113,114)	(1.7)%	50.7%
Share of profits and losses of:					
Joint ventures	<b>(2,873)</b>	<b>(0.0)%</b>	(681)	(0.0)%	321.9%
An associate	<b>(1,908)</b>	<b>(0.0)%</b>	–	–	N/A
<b>Loss before tax</b>	<b>(658,180)</b>	<b>(8.7)%</b>	(918,106)	(13.9)%	(28.3)%
Income tax expenses	<b>(32)</b>	<b>(0.0)%</b>	(1,628)	(0.0)%	(98.0)%
<b>Loss for the period</b>	<b>(658,212)</b>	<b>(8.7)%</b>	(919,734)	(13.9)%	(28.4)%

# MANAGEMENT DISCUSSION AND ANALYSIS

	Six months ended 30 June				Year-on-Year Change
	2024		2023		
(in RMB thousands, except for percentages)					
<b>(Unaudited)</b>					
Attributable to:					
Owners of the parent	<b>(442,973)</b>	<b>(5.8)%</b>	(710,215)	(10.8)%	(37.6)%
Non-controlling interests	<b>(215,239)</b>	<b>(2.8)%</b>	(209,519)	(3.2)%	2.7%
	<b>(658,212)</b>	<b>(8.7)%</b>	(919,734)	(13.9)%	(28.4)%
<b>Other comprehensive income</b>					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	<b>(18)</b>	<b>(0.0)%</b>	–	–	N/A
<b>Total comprehensive loss for the period</b>	<b>(658,230)</b>	<b>(8.7)%</b>	(919,734)	(13.9)%	(28.4)%
Attributable to:					
Owners of the parent	<b>(442,991)</b>	<b>(5.8)%</b>	(710,215)	(10.8)%	(37.6)%
Non-controlling interests	<b>(215,239)</b>	<b>(2.8)%</b>	(209,519)	(3.2)%	2.7%
	<b>(658,230)</b>	<b>(8.7)%</b>	(919,734)	(13.9)%	(28.4)%
<b>Loss per share attributable to ordinary equity holders of the parent</b>					
Basic and diluted					
– For loss for the period (RMB)	<b>(0.19)</b>		(0.33)		(42.4)%

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

The Group's revenue increased by 15.2% from RMB6,594.8 million for the six months ended 30 June 2023 to RMB7,596.7 million for the six months ended 30 June 2024, primarily due to the steady growth of the sales volume of EV and ESS battery products.

The table below sets forth a breakdown of the Group's revenue by product usage for the periods indicated:

	Six months ended 30 June				Year-on-Year Change
	2024	2023			
	(in RMB thousands, except for percentages)				
	<b>(Unaudited)</b>				
EV battery products	<b>2,858,421</b>	<b>37.6%</b>	1,247,794	18.9%	129.1%
ESS battery products	<b>3,207,787</b>	<b>42.2%</b>	4,320,526	65.5%	(25.8)%
Other businesses					
Sales of wastes	<b>193,182</b>	<b>2.5%</b>	165,218	2.5%	16.9%
R&D services	<b>15,717</b>	<b>0.2%</b>	12,316	0.2%	27.6%
Others	<b>1,321,558</b>	<b>17.4%</b>	848,940	12.9%	55.7%
Subtotal	<b>1,530,457</b>	<b>20.1%</b>	1,026,474	15.6%	49.1%
Total	<b>7,596,665</b>	<b>100.0%</b>	6,594,794	100.0%	15.2%

Sales volume of both EV batteries and ESS batteries of the Group for the six months ended 30 June 2024 exceeded that of the six months ended 30 June 2023. In particular, the installed capacity of EV batteries and shipments of ESS batteries were 7.58GWh and 8.60GWh, representing a year-on-year increase of 316.5% and 44.5%, respectively. However, due to the decrease in prices of raw materials, the selling prices of the Group's battery products dropped accordingly. The Group's revenue from sales of EV battery products increased by 129.1% from RMB1,247.8 million for the six months ended 30 June 2023 to RMB2,858.4 million for the six months ended 30 June 2024, and revenue from sales of ESS battery products decreased by 25.8% from RMB4,320.5 million for the six months ended 30 June 2023 to RMB3,207.8 million for the six months ended 30 June 2024.

The Group's revenue from other businesses increased by 49.1% from RMB1,026.5 million for the six months ended 30 June 2023 to RMB1,530.5 million for the six months ended 30 June 2024, primarily due to the increasing sales volume of the Group's battery components as they obtained customer recognition.

### Cost of Sales

The Group's cost of sales increased by 15.8% from RMB6,327.6 million for the six months ended 30 June 2023 to RMB7,324.3 million for the six months ended 30 June 2024, primarily due to increased sales of battery products.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross Profit and Gross Profit Margin

The table below sets forth a breakdown of the Group's gross profit/(loss) and gross profit margin by product usage for the periods indicated:

	Six months ended 30 June				Year-on-Year Change
	2024		2023		
	Gross Profit/ (Loss)	Gross Profit Margin	Gross Profit/ (Loss)	Gross Profit Margin	
	(in RMB thousands, except for percentages)				
	<b>(Unaudited)</b>				
EV battery products	<b>30,986</b>	<b>1.1%</b>	(32,083)	(2.6)%	196.6%
ESS battery products	<b>101,709</b>	<b>3.2%</b>	280,129	6.5%	(63.7)%
Other businesses	<b>139,671</b>	<b>9.2%</b>	19,188	1.9%	627.9%
Total	<b>272,366</b>	<b>3.6%</b>	267,234	4.1%	1.9%

As a result of the expansion of sales scale, the Group's gross profit increased by 1.9% from RMB267.2 million for the six months ended 30 June 2023 to RMB272.4 million for the six months ended 30 June 2024 and its gross profit margin decreased from 4.1% for the six months ended 30 June 2023 to 3.6% for the six months ended 30 June 2024.

Specifically, the Group recorded a gross profit of RMB31.0 million for EV batteries for the six months ended 30 June 2024, as compared to a gross loss of RMB32.1 million for the six months ended 30 June 2023, which was mainly because the scale effect appears in line with the increased orders of EV batteries. The gross profit of ESS battery products decreased by 63.7% from RMB280.1 million for the six months ended 30 June 2023 to RMB101.7 million for the six months ended 30 June 2024, and its gross profit margin decreased from 6.5% for the six months ended 30 June 2023 to 3.2% for the six months ended 30 June 2024, primarily due to the intensified competition in the energy storage market.

The gross profit of other businesses increased by 627.9% from RMB19.2 million for the six months ended 30 June 2023 to RMB139.7 million for the six months ended 30 June 2024, and its gross profit margin increased from 1.9% for the six months ended 30 June 2023 to 9.2% for the six months ended 30 June 2024, mainly due to the economies of scale brought by the expanded production volume of battery components.

### Other Income and Gains

Other income and gains increased by 226.3% from RMB86.0 million for the six months ended 30 June 2023 to RMB280.6 million for the six months ended 30 June 2024, primarily due to an increase in interest income and additional deduction for VAT.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Selling and Distribution Expenses

Selling and distribution expenses increased by 42.2% from RMB157.7 million for the six months ended 30 June 2023 to RMB224.3 million for the six months ended 30 June 2024, primarily due to (i) the expansion of the Company's sales team, and (ii) an increase in the number of global exhibitions attended by the Company.

### Administrative Expenses

Administrative expenses increased by 25.5% from RMB239.7 million for the six months ended 30 June 2023 to RMB300.7 million for the six months ended 30 June 2024, primarily due to the expansion of the Company's management team along with the continuous increase of the scale of the Company.

### Research and Development Expenses

Research and development expenses decreased by 19.6% from RMB505.2 million for the six months ended 30 June 2023 to RMB406.3 million for the six months ended 30 June 2024, mainly because (i) fewer new production lines were put into operation in the first half of 2024 as compared with the first half of 2023, and (ii) expenses on R&D materials decreased in the first half of 2024 as compared with the first half of 2023 due to lower raw material prices.

### Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets, net decreased by 58.4% from RMB249.1 million for the six months ended 30 June 2023 to RMB103.6 million for the six months ended 30 June 2024, primarily due to the decrease in the provision for impairment losses of trade receivables the Group recorded based on the expected credit losses of trade receivables under both collective and individual approach.

### Other Expenses

Other expenses decreased by 83.0% from RMB5.8 million for the six months ended 30 June 2023 to RMB1.0 million for the six months ended 30 June 2024.

### Finance Costs

Finance costs increased by 50.7% from RMB113.1 million for the six months ended 30 June 2023 to RMB170.4 million for the six months ended 30 June 2024, primarily due to an increase in interest-bearing bank borrowings to finance the construction of our production facilities and daily operation.

### Income Tax Expenses

Income tax expenses decreased by 98.0% from RMB1.6 million for the six months ended 30 June 2023 to RMB32,000 for the six months ended 30 June 2024, primarily due to the payment of tax on the asset-related government grants received in respect of a production facility of the Group in accordance with the law in the first half of 2023.

### Loss for the Period

As a result of the foregoing, the Group's loss for the period decreased by 28.4% from RMB919.7 million for the six months ended 30 June 2023 to RMB658.2 million for the six months ended 30 June 2024.

## Liquidity and Capital Resources

During the six months ended 30 June 2024, the Group financed its operations primarily through banking facilities, equity fund raised, cash generated from operating activities, and net proceeds from the global offering of the Company in December 2023. The Group monitors its bank balances on a daily basis and conducts monthly reviews of its cash flows. We also prepare a monthly cash flow plan and forecast, which is submitted for approval by our Chief Financial Officer, to ensure that we are able to maintain an optimum level of liquidity and meet our working capital needs.

In addition, we also used cash to purchase wealth management products. The underlying financial assets of the wealth management products generally are a basket of assets with a combination of money market instruments such as money market funds, inter-bank lending and time deposits, debt, bonds and other assets such as assets in insurance, trust fund plans and letters of credit. We form our portfolio of wealth management products with the view of achieving (i) a relatively low level of risk, (ii) good liquidity and (iii) an enhanced yield. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, including but not limited to our overall financial condition, market and investment conditions, economic developments, investment cost, duration of investment and the expected returns and potential risks of such investment.

The Group has sufficient liquidity to meet its day-to-day liquidity management and capital expenditure requirements and to control its internal operating cash flows.

## Cash and Cash Equivalents

As of 30 June 2024, the Group had cash and cash equivalents of RMB8,370.7 million, which primarily consisted of cash and unrestricted bank balances and time deposits, as compared with RMB8,379.5 million as of 31 December 2023. The Group's cash and cash equivalents are denominated in Renminbi.

## Bank and Other Borrowings

As of 30 June 2024, the Group's interest-bearing bank and other borrowings were approximately RMB9,868.5 million, as compared with RMB9,627.8 million as of 31 December 2023. The Group's bank and other borrowings are denominated in Renminbi. As of 30 June 2024, except for the interest-bearing bank and other borrowings with an aggregate amount of approximately RMB1,438.2 million which were charged at fixed interest rates, the remaining borrowings were charged at floating interest rates. Of the Group's interest-bearing bank and other borrowings as of 30 June 2024, 33.9% will mature within one year and the remaining will mature after one year.

## Net Proceeds from the Global Offering

For net proceeds from the Global Offering, please refer to "Use of Proceeds from the Global Offering" of this interim report.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Capital Structure

As at 30 June 2024, the Group had net assets of RMB10,959.1 million, comprising current assets of RMB21,386.2 million, non-current assets of RMB17,296.9 million, current liabilities of RMB18,629.6 million and non-current liabilities of RMB9,094.4 million.

The Group's gearing ratio, calculated as total liabilities over total assets, was 71.7% as at 30 June 2024, as compared with 68.0% as at 31 December 2023.

## Cash Flows

The Group's net cash flows generated from operating activities was RMB1,258.9 million for the six months ended 30 June 2024, as compared with the net cash flows generated from operating activities of RMB453.5 million for the six months ended 30 June 2023. The Group's net cash flows used in investing activities was RMB1,242.1 million for the six months ended 30 June 2024, as compared with the net cash flows used in investing activities of RMB3,902.8 million for the six months ended 30 June 2023. The Group's net cash flows used in financing activities was RMB32.8 million for the six months ended 30 June 2024, as compared with the net cash flows generated from financing activities of RMB2,570.2 million for the six months ended 30 June 2023.

## Interest Rate Risk and Exchange Rate Risk

The Group's exposure to the risk of changes in fair value relates primarily to its floating rate bank borrowings. During the six months ended 30 June 2024, we have not used any derivatives to hedge interest rate risk.

The Group's exposure to the foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations. We seek to limit our exposure to foreign currency risk by minimizing our net foreign currency position. During the six months ended 30 June 2024, we also engaged in foreign exchange hedging activities by entering into forward foreign exchange contracts and other methods to address our exposure to foreign currency risk.

## Capital Expenditure and Commitments

For the six months ended 30 June 2024, the capital expenditures incurred by the Group was approximately RMB1,650.6 million, primarily relating to purchases of property, plant and equipment and purchases of right-of-use assets and other intangible assets.

For the six months ended 30 June 2024, the capital commitments of the Company was RMB3,237.1 million, which were related to the construction of plants that had been contracted but not yet paid for.

## Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

For the six months ended 30 June 2024, the Group did not have any material acquisitions and disposals of subsidiaries or associated companies.

## Pledge of the Group's Assets

As at 30 June 2024, the total pledged assets of the Group amounted to approximately RMB6,846.6 million, representing an increase of RMB459.5 million as compared with those as at 31 December 2023.

## Future Plans for Material Investments or Capital Assets

Save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus of the Company dated 8 December 2023, the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

## Contingent Liabilities

As at 30 June 2024, we did not have any contingent liabilities.

## Subsequent Events

The Group has no material subsequent events after 30 June 2024 as of the date of this interim report.



# OTHER INFORMATION AND CORPORATE GOVERNANCE

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of maintaining and promoting sound corporate governance. The principles of the Company's corporate governance are to promote effective internal control measures, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to the Company and its Shareholders. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

Save as disclosed below, the Board is of the view that the Company has complied with the applicable code provisions set out in Part 2 of the CG Code during the six months ended 30 June 2024.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Cao Hui is the chairman of the Board and the president of the Company. Our Directors believe that vesting the roles of both chairman of the Board and the president in the same person is conducive to the consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Directors also consider that this structure will not impair the balance of power and responsibilities between the Board and the management of the Company, given that: (i) there is sufficient check and balance in the Board as the decision to be made by the Board requires approval by at least a majority of the Directors and our Board has five non-executive Director as well as four independent non-executive Directors out of the twelve Directors, which is in compliance with the Listing Rules; (ii) Dr. Cao Hui and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interest of the Company and make decisions for the Company accordingly; (iii) the balance of power and responsibilities is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company; and (iv) each of the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Company in order to assess whether separation of the roles of the chairman of the Board and the president of the Company is necessary.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND EMPLOYEES

The Company has developed the Management System for Directors, Supervisors, Senior Management, and Employees to Hold and Trade the Company's Shares (the "**Company Code**") for securities transactions by the Directors, Supervisors, Senior Management and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Following specific enquiry by the Company, all Directors and supervisors have confirmed they have complied with the Company Code and, therefore, with the Model Code during the six months ended 30 June 2024.



## OTHER INFORMATION AND CORPORATE GOVERNANCE

### COMPLIANCE WITH APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules, save as disclosed in this interim report, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not changed significantly from the information disclosed in the Company's 2023 annual report.

### INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) were as follows:

#### Interests/Short Positions in the Shares of the Company

Name	Nature of Interest/Capacity	Class of Shares	Number of Shares held	Approximate Percentage of Shareholding in the Domestic Unlisted Shares <sup>(1)</sup>	Approximate Percentage of Shareholding in the Total Issued Share Capital <sup>(2)</sup>
Dr. Cao Hui	Interest in controlled corporations <sup>(3)</sup>	Domestic Unlisted Shares	360,000,000 (Long position)	18.28%	15.81%

Notes:

- (1) Calculated based on a total of 1,969,495,912 Domestic Unlisted Shares in issue as at 30 June 2024.
- (2) Calculated based on a total of 2,276,874,050 Shares in issue as at 30 June 2024.
- (3) As of 30 June 2024, Dr. Cao Hui was the general partner of Wenzhou Ruili, and held approximately 41.1% limited partnership interests in Shanghai Fuqin Enterprise Development Partnership (Limited Partnership) (上海孚勤企業發展合夥企業(有限合夥), "Shanghai Fuqin"), which held approximately 72.7% limited partnership interests in Wenzhou Jingli. By virtue of the SFO, Dr. Cao Hui is deemed to be interested in the Shares held by Wenzhou Ruili and Wenzhou Jingli.

### Interests/Short Positions in Associated Corporations

Name	Name of Associated Corporation	Nature of Interest/Capacity	Amount of Registered Capital Held	Approximate Percentage of Interest as of 30 June 2024
Dr. Cao Hui	Yongqing Technology	Beneficial owner	RMB5,800,000	1%
Dr. Wu Yanjun	Qingtuo Group Co., Ltd. (青拓集團有限公司) <sup>(1)</sup>	Beneficial owner	RMB4,400,000	0.5%
Mr. Hu Xiaodong	Yongqing Technology	Beneficial owner	RMB8,700,000	1.5%
Mr. Wang Haijun	Zhejiang Yongtuo New Material Technology Co., Ltd. (浙江永拓新材料科技有限公司) <sup>(2)</sup>	Beneficial owner	RMB1,600,000	2%

Notes:

- (1) As of 30 June 2024, Tsingshan Group is the largest shareholder of Qingtuo Group Co., Ltd. with shareholding of 48.85% in Qingtuo Group Co., Ltd.
- (2) As of 30 June 2024, Zhejiang Yongtuo New Material Technology Co., Ltd. is a non-wholly owned subsidiary of Yongqing Technology.

Save as disclosed above, as at 30 June 2024, none of the Directors, Supervisors or the chief executive of the Company have an interest or short position in the Shares or debentures of the Company or any interests or short positions in the shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which: (i) will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) will be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

## OTHER INFORMATION AND CORPORATE GOVERNANCE

### Interests of Substantial Shareholders

So far as the Directors are aware, as at 30 June 2024, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interest or short positions in the Shares of the Company which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

Name	Nature of Interest/Capacity	Class of Shares	Number of Shares held	Approximate Percentage of Shareholding in the Domestic Unlisted Shares <sup>(1)</sup>	Approximate Percentage of Shareholding in the Total Issued Share Capital <sup>(2)</sup>
Wenzhou Jingli	Beneficial owner	Domestic Unlisted Shares	264,000,000 (Long position)	13.40%	11.59%
Yongqing Technology <sup>(3)</sup>	Beneficial owner	Domestic Unlisted Shares	1,089,419,482 (Long position)	55.31%	47.85%
	Interest in controlled corporations	Domestic Unlisted Shares	264,000,000 (Long position)	13.40%	11.59%
Ruitu Energy <sup>(3)</sup>	Interest in controlled corporations	Domestic Unlisted Shares	264,000,000 (Long position)	13.40%	11.59%
Shanghai Fuqin <sup>(3)</sup>	Interest in controlled corporations	Domestic Unlisted Shares	264,000,000 (Long position)	13.40%	11.59%
Tsingshan Group <sup>(4)</sup>	Interest in controlled corporations	Domestic Unlisted Shares	1,353,419,482 (Long position)	68.72%	59.44%
Shanghai Decent <sup>(4)</sup>	Interest in controlled corporations	Domestic Unlisted Shares	1,353,419,482 (Long position)	68.72%	59.44%
Mr. Xiang <sup>(5)</sup>	Interest in controlled corporations	Domestic Unlisted Shares	1,353,419,482 (Long position)	68.72%	59.44%
Dr. Cao Hui <sup>(3)(6)</sup>	Interest in controlled corporations	Domestic Unlisted Shares	360,000,000 (Long position)	18.28%	15.81%
Jiaying SAIC Qirui Equity Investment Partnership (Limited Partnership) (嘉興上汽頤瑞股權投資合夥企業(有限合夥), "Jiaying SAIC")	Beneficial owner	Domestic Unlisted Shares	187,828,067 (Long position)	9.54%	8.25%

## OTHER INFORMATION AND CORPORATE GOVERNANCE

Name	Nature of Interest/Capacity	Class of Shares	Number of Shares held	Approximate Percentage of Shareholding in the Domestic Unlisted Shares <sup>(1)</sup>	Approximate Percentage of Shareholding in the Total Issued Share Capital <sup>(2)</sup>
Qingdao SAIC Innovation and Upgrade Industry Equity Investment Fund Partnership (L.P.) (青島上汽創新升級產業股權投資基金合夥企業(有限合夥), "Qingdao SAIC") <sup>(7)</sup>	Beneficial owner	Domestic Unlisted Shares	56,285,178 (Long position)	2.86%	2.47%
	Interest in controlled corporations	Domestic Unlisted Shares	187,828,067 (Long position)	9.54%	8.25%

### Notes:

- (1) Calculated based on a total of 1,969,495,912 Domestic Unlisted Shares in issue as at 30 June 2024.
- (2) Calculated based on a total of 2,276,874,050 Shares in issue as at 30 June 2024.
- (3) As of 30 June 2024, Yongqing Technology held 100% equity interests in Ruitu Energy, which was the general partner of Wenzhou Jingli. Shanghai Fuqin held approximately 72.7% limited partnership interests in Wenzhou Jingli. Ruitu Energy was the general partner of Shanghai Fuqin and Dr. Cao Hui held approximately 41.1% limited partnership interests in Shanghai Fuqin. Therefore, each of Yongqing Technology, Ruitu Energy, Shanghai Fuqin and Dr. Cao Hui was deemed to be interested in the 264,000,000 Shares held by Wenzhou Jingli under the SFO.
- (4) As of 30 June 2024, Tsingshan Group and Shanghai Decent held 51% and 43.5% equity interests in Yongqing Technology, respectively. Therefore, each of Tsingshan Group and Shanghai Decent was deemed to be interested in the 1,089,419,482 and 264,000,000 Shares directly held by Yongqing Technology and Wenzhou Jingli, respectively, under the SFO.
- (5) As of 30 June 2024, Mr. Xiang directly held approximately 22.3% equity interests in Tsingshan Group. Mr. Xiang also held indirect equity interests in Tsingshan Group through (a) Shanghai Decent, of which Mr. Xiang was an approximately 71.5%-shareholder, which directly held approximately 23.7% equity interests in Tsingshan Group and (b) Zhejiang Tsingshan, of which Mr. Xiang was an approximately 80%-shareholder, which directly held approximately 11.5% equity interests in Tsingshan Group. Therefore, Mr. Xiang directly and indirectly controlled approximately 57.5% equity interests in Tsingshan Group and was deemed to be interested in the 1,089,419,482 and 264,000,000 Shares directly held by Yongqing Technology and Wenzhou Jingli, respectively, under the SFO.
- (6) As of 30 June 2024, Dr. Cao Hui was the general partner of Wenzhou Ruili. Therefore, Dr. Cao Hui was deemed to be interested in the 96,000,000 Shares held by Wenzhou Ruili under the SFO.

## OTHER INFORMATION AND CORPORATE GOVERNANCE

- (7) As of 30 June 2024, Qingdao SAIC held 49.95% limited partnership interests in Jiaxing SAIC. Therefore, Qingdao SAIC was deemed to be interested in the 187,828,067 Shares held by Jiaxing SAIC under the SFO.

As of 30 June 2024, Shanghai Shangqi Investment Management Partnership (Limited Partnership) (上海尚頤投資管理合夥企業(有限合夥), "Shangqi Capital") was the general partner and fund manager of Jiaxing SAIC and was also one of the general partners and the fund manager of Qingdao SAIC. Jiaxing Qihe Equity Investment Partnership (Limited Partnership) (嘉興頤合股權投資合夥企業(有限合夥), "Jiaxing Qihe") held 45% limited partnership interests in Shangqi Capital. Shanghai Qiyuan Business Consulting Co., Ltd (上海頤元商務諮詢有限公司, "Shanghai Qiyuan") was the general partner of Shangqi Capital. Mr. Feng Ji (馮戟) held 80% equity interests in Shanghai Qiyuan. Shanghai SAIC Hengxu Capital Co., Ltd. (上海上汽恒旭投資管理有限公司, "SAIC Hengxu") was the other general partner of Qingdao SAIC. Shanghai Qijia Business Management Consulting Partnership (Limited Partnership) (上海頤嘉企業管理諮詢合夥企業(有限合夥), "Shanghai Qijia") held 45% equity interests in SAIC Hengxu. Shanghai Shengqi Enterprise Management Consulting Co., Ltd. (上海晟頤企業管理諮詢有限公司, "Shanghai Shengqi") was the general partner of Shanghai Qijia. Mr. Lu Yongtao (陸永濤) held 90% equity interests in Shanghai Shengqi and 68.8% limited partnership interests in Shanghai Qijia. SAIC Motor Financial Holdings Co., Ltd (上海汽車集團金融控股有限公司, "SAIC Financial Holdings") held 40% limited partnership interests in Shangqi Capital and 40% equity interests in SAIC Hengxu. SAIC Motor Corporation Limited (上海汽車集團股份有限公司, "SAIC Motor") directly held approximately 99.63% limited partnership interests in Qingdao SAIC. SAIC Financial Holdings is a wholly-owned subsidiary of SAIC Motor. Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司), "SAIC") held 62.69% equity interests in SAIC Motor.

Therefore, each of Shangqi Capital, Jiaxing Qihe, Shanghai Qiyuan, Mr. Feng Ji, SAIC Hengxu, Shanghai Qijia, Shanghai Shengqi, Mr. Lu Yongtao, SAIC Financial Holdings, SAIC Motor and SAIC was deemed to be interested in the 187,828,067 Shares directly held by Jiaxing SAIC, and the 56,285,178 Shares directly held by Qingdao SAIC under the SFO.

Save as disclosed above, as at 30 June 2024, no other person (other than the Directors, Supervisors and chief executive of the Company) had any interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange.

## EMPLOYEES AND REMUNERATION

As at 30 June 2024, the Group had 12,138 full-time employees. As at 30 June 2024, a substantial majority of the Group's employees are based in China.

In compliance with the CG Code, the Remuneration and Appraisal Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Company offers the Directors, Supervisors and senior management with remuneration in the form of salaries, allowances, contribution to pension schemes, discretionary bonuses, share incentive scheme and other benefits in kind subject to applicable laws, rules and regulations.

The Group believes that its long-term growth depends on the expertise, experience and development of its employees. The Group's human resources department is responsible for recruiting, managing and training employees. The Group recruits employees primarily through referrals, headhunters companies, recruitment websites and on-campus recruitment. The Group provides training programs to employees, including new hire training for new employees and continuing technical training for the Group's production and R&D personnel to enhance their skill and knowledge. The Group takes measures to promote equal opportunities, anti-discrimination, and diversity among employees.



### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including the sale of treasury shares) of the Company. As at 30 June 2024, the Company did not hold any treasury shares.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Stock Exchange on 18 December 2023 and the net proceeds raised from the Global Offering were approximately HK\$2,013.1 million. The proceeds from the Global Offering are and will continue to be utilized in accordance with the plans disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, namely:

Item	Approximate % of the total net proceeds %	Available net proceeds raised from the Global Offering (in HK\$ millions)	Unutilized net amount as at 31 December 2023 (in HK\$ millions)	Actual net amount utilized during the six months ended 30 June 2024 (in HK\$ millions)	Unutilized net amount as at 30 June 2024 (in HK\$ millions)	Expected timeline for the balance of net proceeds raised
For the expansion of our production capacity	80.0%	1,610.5	1,610.5	424.4	1,186.1	31 December 2024
For the R&D of core technologies for advanced lithium-ion batteries, advanced materials and optimized manufacturing processes	10.0%	201.3	201.3	0.8	200.5	31 December 2025
For the working capital and general corporate purpose	10.0%	201.3	201.3	110.0	91.3	31 December 2024
Total	100.0%	2,013.1	2,013.1	535.2	1,477.9	

## OTHER INFORMATION AND CORPORATE GOVERNANCE

### INTERIM DIVIDEND

The Board resolved not to recommend any interim dividend for the six months ended 30 June 2024.

### AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 and Rule 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, namely Ms. Wong Sze Wing, Dr. Simon Chen and Dr. Ren Shenggang. Currently, Ms. Wong Sze Wing is the chairlady of the Audit Committee, and she has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 and has confirmed that it has complied with all applicable accounting principles, standards and requirements and that adequate disclosures have been made. The Audit Committee has also discussed auditing and financial reporting matters. The auditor of the Company has not reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024.

### SHARE OPTION SCHEME

The Company did not adopt any share option scheme.



### SHARE INCENTIVE SCHEME

The Company approved and adopted the 2021 Share Incentive Scheme of the Company in August 2021 and the 2022 Share Incentive Scheme of the Company in March 2022 (collectively, the “**Share Incentive Schemes of the Company**”). BatteroTech Shanghai approved and adopted the 2022 Share Incentive Scheme in November 2022 (the “**Share Incentive Scheme of BatteroTech Shanghai**”). Neither the Share Incentive Schemes of the Company nor the Share Incentive Scheme of BatteroTech Shanghai (collectively, the “**Share Incentive Schemes**”) constitute a share scheme under Chapter 17 of the Listing Rules, as these plans are implemented through certain employee shareholding platforms in the form of limited partnerships, which do not involve the direct issuance of new shares of the Company or any of its subsidiaries by the Company or any of its subsidiaries, or the grant of existing shares of the Company or any of its subsidiaries to participants of the Share Incentive Schemes. Participants become partners of the corresponding employee shareholding platform upon being granted the partnership interests. Participants hold indirect interests in the Company or its subsidiary through their partnership interests in the employee shareholding platform. Interests equivalent to a total of 360,600,000 Shares may be granted under the Share Incentive Schemes of the Company. As of the date of this interim report, interests that correspond to 326,215,500 Shares have been granted to participants of the 2021 Share Incentive Scheme of the Company, interests that correspond to 18,130,761 Shares have been granted to participants of the 2022 Share Incentive Scheme of the Company, and the remaining interests that correspond to 16,253,739 Shares have been transferred to Ruitu Energy and Ruizhou Energy Co., Ltd. in accordance with the terms of the Share Incentive Schemes of the Company and are not re-granted due to reasons such as the cessation of employment of the relevant participants. Interests that correspond to the capital contribution of RMB24,342,434 to Wenzhou Chenshan Enterprise Management Partnership (Limited Partnership) (溫州辰杉企業管理合夥企業(有限合夥)) may be granted under the Share Incentive Scheme of BatteroTech Shanghai. As of the date of this interim report, all such interests have been granted to participants of the Share Incentive Scheme of BatteroTech Shanghai.

For further details of the Share Incentive Schemes and the employee shareholding platforms, please refer to the section headed “Statutory and General Information – The Share Incentive Schemes” in the Prospectus.

### CHANGES TO BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Since the date of the 2023 annual report and up to the date of this interim report, there has been no change in the information of Directors, Supervisors and senior management that is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
REVENUE	4	<b>7,596,665</b>	6,594,794
Cost of sales		<b>(7,324,299)</b>	(6,327,560)
Gross profit		<b>272,366</b>	267,234
Other income and gains	4	<b>280,589</b>	85,990
Selling and distribution expenses		<b>(224,285)</b>	(157,715)
Administrative expenses		<b>(300,737)</b>	(239,655)
Research and development expenses		<b>(406,280)</b>	(505,246)
Impairment losses on financial and contract assets, net		<b>(103,649)</b>	(249,102)
Other expenses		<b>(990)</b>	(5,817)
Finance costs		<b>(170,413)</b>	(113,114)
Share of profits and losses of:			
Joint ventures		<b>(2,873)</b>	(681)
Associates		<b>(1,908)</b>	–
LOSS BEFORE TAX	5	<b>(658,180)</b>	(918,106)
Income tax expenses	6	<b>(32)</b>	(1,628)
LOSS FOR THE PERIOD		<b>(658,212)</b>	(919,734)
Attributable to:			
Owners of the parent		<b>(442,973)</b>	(710,215)
Non-controlling interests		<b>(215,239)</b>	(209,519)
		<b>(658,212)</b>	(919,734)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(18)	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(658,230)	(919,734)
Attributable to:			
Owners of the parent		(442,991)	(710,215)
Non-controlling interests		(215,239)	(209,519)
		(658,230)	(919,734)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For loss for the period (RMB)	7	(0.19)	(0.33)



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<b>15,817,393</b>	15,293,043
Right-of-use assets		<b>1,066,699</b>	957,893
Other intangible assets		<b>42,058</b>	41,379
Investments in joint ventures		<b>170,367</b>	173,240
Investment in an associate		<b>6,824</b>	1,482
Prepayments, other receivables and other assets		<b>178,871</b>	232,779
Equity investment designated at fair value through other comprehensive income		<b>10,361</b>	10,361
Due from related parties		<b>4,332</b>	2,222
Total non-current assets		<b>17,296,905</b>	16,712,399
<b>CURRENT ASSETS</b>			
Inventories		<b>3,734,581</b>	3,181,177
Trade and bills receivables	10	<b>4,789,030</b>	3,808,957
Contract assets		<b>145,456</b>	154,449
Prepayments, other receivables and other assets		<b>791,281</b>	735,800
Financial assets at fair value through profit or loss		<b>270,985</b>	564,505
Due from related parties		<b>1,184,234</b>	1,383,895
Restricted cash		<b>2,099,886</b>	1,100,130
Cash and cash equivalents		<b>8,370,717</b>	8,379,470
Total current assets		<b>21,386,170</b>	19,308,383
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	<b>10,491,137</b>	7,252,393
Other payables and accruals		<b>4,446,780</b>	4,835,893
Contract liabilities		<b>126,693</b>	127,330
Interest-bearing bank and other borrowings		<b>3,341,429</b>	2,590,930
Lease liabilities		<b>14,492</b>	13,137
Deferred government grants		<b>42,559</b>	73,851
Due to related parties		<b>80,576</b>	79,307
Provisions		<b>85,911</b>	72,206
Total current liabilities		<b>18,629,577</b>	15,045,047

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
	Notes	
NET CURRENT ASSETS	<b>2,756,593</b>	4,263,336
TOTAL ASSETS LESS CURRENT LIABILITIES	<b>20,053,498</b>	20,975,735
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	<b>6,527,079</b>	7,036,910
Lease liabilities	<b>22,412</b>	23,582
Deferred government grants	<b>2,064,389</b>	1,965,098
Provisions	<b>441,515</b>	371,698
Due to related parties	<b>39,020</b>	36,000
Total non-current liabilities	<b>9,094,415</b>	9,433,288
Net assets	<b>10,959,083</b>	11,542,447
EQUITY		
Equity attributable to owners of the parent		
Share capital	<b>2,276,874</b>	2,276,874
Reserves	<b>8,666,320</b>	9,034,445
	<b>10,943,194</b>	11,311,319
Non-controlling interests	<b>15,889</b>	231,128
Total equity	<b>10,959,083</b>	11,542,447

Approved on behalf of the Board of Directors:

**Mr. Cao Hui**  
Director

**Ms. Huang Jiehua**  
Director

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Notes	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000	Capital reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Share incentive reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2024 (audited)	2,276,874	10,706,105	361	(9)	324,237	(1,996,249)	11,311,319	231,128	11,542,447
Loss for the period	-	-	-	-	-	(442,973)	(442,973)	(215,239)	(658,212)
Exchange differences on translation of foreign operations	-	-	-	(18)	-	-	(18)	-	(18)
Total comprehensive loss for the period	-	-	-	(18)	-	(442,973)	(442,991)	(215,239)	(658,230)
Share incentive plan expense	-	-	-	-	74,866	-	74,866	-	74,866
At 30 June 2024 (unaudited)	2,276,874	10,706,105	361	(27)	399,103	(2,439,222)	10,943,194	15,889	10,959,083

Notes	Attributable to owners of the parent					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Capital reserve* RMB'000	Share incentive reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000		
At 1 January 2023 (audited)	2,160,804	8,936,345	176,245	(524,447)	10,748,947	702,626	11,451,573
Loss for the period	-	-	-	(710,215)	(710,215)	(209,519)	(919,734)
Total comprehensive income for the period	-	-	-	(710,215)	(710,215)	(209,519)	(919,734)
Share incentive plan expense	-	-	77,127	-	77,127	-	77,127
At 30 June 2023 (audited)	2,160,804	8,936,345	253,372	(1,234,662)	10,115,859	493,107	10,608,966

\* These reserve accounts comprise the reserves of RMB8,666,320,000 (31 December 2023: RMB9,034,445,000) in the statement of financial position.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	<b>(658,180)</b>	(918,106)
Adjustments for reconcile loss before tax to net cash flows:		
Finance costs	<b>170,413</b>	113,114
Share of profits and losses of joint ventures and associates	<b>4,781</b>	681
Interest income	<b>(120,753)</b>	(67,166)
Loss on disposal of items of property, plant and equipment	<b>859</b>	92
Fair value (gain)/loss on financial assets at fair value through profit or loss	<b>(2,468)</b>	3,515
Depreciation of property, plant and equipment	<b>680,178</b>	405,303
Depreciation of right-of-use assets	<b>17,816</b>	10,526
Amortisation of other intangible assets	<b>7,461</b>	4,690
Amortisation of deferred government grants	<b>(19,764)</b>	(8,745)
Provision for impairment of trade receivables and contract assets, net	<b>103,649</b>	249,102
(Reversal of)/provision for impairment of inventories	<b>(131,764)</b>	264,692
Exchange gain, net	<b>(29,400)</b>	(2,397)
Share incentive expense	<b>74,866</b>	77,127
	<b>97,694</b>	132,428
(Increase)/decrease in trade and bills receivables	<b>(1,029,638)</b>	338,272
(Increase)/decrease in prepayments and other receivables and other assets	<b>(55,481)</b>	67,557
Decrease in amounts due from related parties	<b>175,726</b>	641,635
Increase/(decrease) in amounts due to related parties	<b>1,269</b>	(14,670)
Increase in inventories	<b>(421,640)</b>	(44,720)
Increase/(decrease) in trade and bills payables	<b>3,320,302</b>	(870,377)
Decrease in other payables and accruals	<b>(33,146)</b>	(36,643)
Increase in provision for product warranties	<b>83,522</b>	68,206
(Decrease)/increase in contract liabilities	<b>(637)</b>	119,003
Increase in restricted cash	<b>(999,756)</b>	(14,360)
Cash flows generated from operating activities	<b>1,138,215</b>	386,331
Interest received	<b>120,753</b>	67,166
Income tax paid	<b>(32)</b>	–
Net cash flows generated from operating activities	<b>1,258,936</b>	453,497

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Audited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	<b>(1,650,649)</b>	(3,615,029)
Purchase of right-of-use assets	–	(256,124)
Purchase of other intangible assets	<b>(3,169)</b>	(10,739)
Receipt of government grants for property, plant and equipment	<b>119,999</b>	131,308
Investments in joint ventures	<b>(1,320)</b>	(48,930)
Investments in associates	<b>(2,910)</b>	–
Purchase of financial assets at fair value through profit or loss	<b>(270,000)</b>	(115,000)
Proceeds from disposal of financial assets at fair value through profit or loss	<b>565,988</b>	11,712
Net cash flows used in investing activities	<b>(1,242,061)</b>	(3,902,802)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contribution from non-controlling interests	–	218,000
New bank loans	<b>2,110,635</b>	2,808,146
Repayment of bank loans	<b>(1,977,532)</b>	(325,560)
Repayment of loans from related parties	–	(2,599)
Interest paid	<b>(158,417)</b>	(111,152)
Payment of listing expenses	<b>(1,995)</b>	(10,713)
Principal portion of lease payments	<b>(4,728)</b>	(5,146)
Interest paid for lease payment	<b>(759)</b>	(810)
Net cash flows used in/generated from financing activities	<b>(32,796)</b>	2,570,166
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the period	<b>8,379,470</b>	4,901,062
Effect of foreign exchange rate changes, net	<b>7,168</b>	(471)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<b>8,370,717</b>	4,021,452
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as stated in the statement of financial position	<b>8,370,717</b>	4,021,452
Cash and cash equivalents as stated in the statement of cash flows	<b>8,370,717</b>	4,021,452





# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 1. CORPORATE INFORMATION

REPT BATTERO Energy Co., Ltd. (the “**Company**”) was a limited liability company established in the People’s Republic of China (the “**PRC**”) on 25 October 2017. Upon approval by the shareholders’ general meeting held on 31 March 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from “REPT Energy Co., Ltd.\* (瑞浦能源有限公司)” to “REPT BATTERO Energy Co., Ltd.\* (瑞浦蘭鈞能源股份有限公司)”. The registered office of the Company is located at Room A205, Building C, No. 205, Binhai 6th Road, Jinhai 2nd Road, Konggang New District, Longwan District, Wenzhou, Zhejiang Province.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the research and development, and manufacture and sales of lithium-ion battery products.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 December 2023.

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “<b>2020 Amendments</b>”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “<b>2022 Amendments</b>”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the Reporting Period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the Reporting Period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim Reporting Period during the first annual Reporting Period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

## 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of EV battery products, ESS battery products, wastes, battery components, and research and development services. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 4. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
<i>Revenue from contracts with customers</i>	<b>7,592,003</b>	6,592,230
<i>Revenue from other sources</i>		
Gross rental income from operating leases:		
Other lease income, including fixed income	<b>4,662</b>	2,564
Total	<b>7,596,665</b>	6,594,794

### Revenue from contracts with customers

#### Disaggregated revenue information

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
<b>Revenue from contracts with customers</b>		
Sales of EV battery products-as specified by the industries of the customers	<b>2,858,421</b>	1,247,794
Sales of ESS battery products-as specified by the industries of the customers	<b>3,207,787</b>	4,320,526
Sales of battery components	<b>1,297,342</b>	832,737
Sales of wastes	<b>193,182</b>	165,218
Research and development services	<b>15,717</b>	12,316
Others	<b>19,554</b>	13,639
Total	<b>7,592,003</b>	6,592,230
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>7,576,286</b>	6,579,914
Services satisfied at a point in time	<b>15,717</b>	12,316
Total	<b>7,592,003</b>	6,592,230

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 4. REVENUE AND OTHER INCOME AND GAINS *(Continued)*

### Other income and gains

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Other income and gains		
Government grants related to		
– Assets (i)	19,764	8,745
– Income	11,931	1,967
Interest income	120,753	67,166
Additional VAT deduction (ii)	86,651	–
Foreign exchange gains, net	29,400	2,397
Changes in fair value		
– Financial assets at fair value through profit or loss	2,468	–
Others	9,622	5,715
<b>Total</b>	<b>280,589</b>	<b>85,990</b>

- (i) The Group has received certain government grants related to assets for investment in equipment and plant. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.
- (ii) According to the regulations of the State Taxation Administration, group can deduct an additional 5% of the deductible input tax amount from the payable value-added tax(VAT) amount for the current period. The amount of additional deduction were recognised in profit or loss when the group's payable VAT amount is greater than zero. The amount of additional deduction is calculated by taking the smaller of the payable VAT amount and the deductible additional amount that can be added to the deduction.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

### 5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cost of inventories sold and cost of service	<b>6,168,749</b>	5,551,990
Provision for impairment of trade receivables and contract assets, net	<b>103,649</b>	249,102
(Reversal of)/provision for impairment of inventories	<b>(131,764)</b>	264,692
Foreign exchange gains, net	<b>(29,400)</b>	(2,397)

### 6. INCOME TAX

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

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

The Company was renewed as a High and New Technology Enterprise in 2023, and therefore, the Company was entitled to a preferential CIT rate of 15% (six months ended 30 June 2023: 15%). This qualification is subject to review by the relevant tax authority in the PRC every three years.

REPT Qingchuang was qualified as High and New Technology Enterprises in 2021 and is entitled to a preferential tax rate of 15% from 2021 to 2023. This qualification is subject to review by the relevant tax authority in the PRC every three years. As of 30 June 2024, REPT Qingchuang is currently in the process of renewal of the qualification. The management believes that a preferential tax rate of 15% remains applicable for REPT Qingchuang for the six months ended 30 June 2024.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 6. INCOME TAX *(Continued)*

BatteroTech Jiashan was qualified as a High and New Technology Enterprise in 2023 and was entitled to a preferential tax rate of 15% from 2023 to 2025.

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Current income tax	32	1,628
Deferred	–	–
Total tax charge for the period	<b>32</b>	1,628

## 7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The basic loss per share is calculated based on the loss attributable to the owners of the parent and the weighted average number of ordinary shares of 2,276,874,000 (six months ended 30 June 2023: 2,160,804,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months period ended 30 June 2024 and 2023.

The calculations of basic and diluted loss per share is based on:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	<b>(442,973)</b>	(710,215)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<b>2,276,874,000</b>	2,160,804,000

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 8. DIVIDENDS

The Directors did not recommend the declaration of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## 9. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2024 and 31 December 2023, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB3,566,544,000 and RMB3,736,054,000, respectively, were pledged to secure certain interest-bearing bank and other borrowings of the Group.

During the six months ended 30 June 2024, the Group acquired assets at a cost of RMB1,211,727,000 (30 June 2023: RMB3,584,404,000).

Assets (other than those classified as held for sale) with a net book value of RMB2,201,000 were disposed by the Group during the six months ended 30 June 2024 (30 June 2023: RMB92,000), resulting in a net loss on disposal of RMB859,000 (30 June 2023: RMB92,000).

## 10. TRADE AND BILLS RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	3,399,336	2,587,256
Bills receivable	1,821,293	1,571,650
Impairment	(431,599)	(349,949)
Net carrying amount	4,789,030	3,808,957
Denominated in RMB	4,306,622	3,769,765
Denominated in USD	481,552	35,718
Denominated in EUR	856	3,474
Total	4,789,030	3,808,957

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 10. TRADE AND BILLS RECEIVABLES *(Continued)*

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

The Group's bills receivables were all bank acceptances that aged within six months and were neither past due nor impaired.

As at 30 June 2024, certain of the bills receivables with a net carrying amount of RMB617,404,000 (31 December 2023: RMB726,233,000) were pledged to secure certain of interest-bearing bank borrowings of the Group.

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 3 months	<b>2,461,687</b>	1,789,016
3 to 6 months	<b>95,818</b>	166,005
6 to 12 months	<b>227,065</b>	82,619
1 to 2 years	<b>183,167</b>	199,667
	<hr/>	<hr/>
Total	<b>2,967,737</b>	2,237,307
	<hr/>	<hr/>



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

### 11. TRADE AND BILLS PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	10,484,890	7,251,201
1 to 2 years	6,247	1,192
Total	10,491,137	7,252,393

### 12. SHARE CAPITAL

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Issued and fully paid: Ordinary shares	2,276,874	2,276,874

### 13. COMMITMENTS

The Group had the following contractual commitments at the end of the Reporting Period:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Purchase of items of property, plant and equipment	3,237,149	3,240,662

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 14. RELATED PARTY TRANSACTIONS

### (a) Name and relationship

Name of related party	Relationship with the Company
Mr. Xiang Guangda	Ultimate shareholder of Tsingshan
Yongqing Technology	Controlling shareholder
Tsingshan Holding Group Co., Ltd.* 青山控股集團有限公司 (“ <b>Tsingshan</b> ”)	Controlling shareholder of Yongqing Technology
SAIC Motor Corporation Limited 上海汽車集團股份有限公司 (“ <b>SAIC Motor</b> ”)	Controlling company of the Company's non-controlling interest holder
Irestal (Shanghai) Stainless Steel Pipe Co., Ltd. 瑞思拓(上海)不銹鋼管有限公司, (“ <b>Irestal</b> ”)	Company controlled by Mr. Xiang Guangda
Shanghai Ruipu Special Steel Co., Ltd.* 上海瑞浦特鋼有限公司 (“ <b>Ruipu Special Steel</b> ”)	Company controlled by Mr. Xiang Guangda
Shanghai Tsingshan Trading Co., Ltd.* 上海青山貿易有限公司 (“ <b>Tsingshan Trading</b> ”)	Company controlled by Mr. Xiang Guangda
Zhejiang Tsingshan Education Technology Co., Ltd.* 浙江青山教育科技有限公司 (“ <b>Tsingshan Education</b> ”)	Company controlled by Mr. Xiang Guangda
PT. GUANG CHING DE METAL ROLLING	Company controlled by Mr. Xiang Guangda
PT.Indonesia Ruipu Nickel and Chrome Alloy	Company controlled by Mr. Xiang Guangda
Wenzhou Longwan Jincheng Hotel (Limited Partnership)* 溫州市龍灣金城大酒店(有限合夥) (“ <b>Wenzhou Longwan</b> ”)	Associate of Mr. Xiang Guangda
Zhejiang Dinson Holding Co., Ltd.* 浙江鼎森控股有限公司 (“ <b>Zhejiang Dinson</b> ”)	Associate of Mr. Xiang Guangda
Shanghai Qingshan Intelligent Manufacturing Energy Technology Co. Ltd.* 上海青山智造能源科技有限公司 (“ <b>Qingshan Intelligent Manufacturing</b> ”)	Company controlled by Mr. Xiang Guangda
Shanghai Xinzhen Precision Metal Products Co. Ltd.* 上海信震精密金屬製品有限公司 (“ <b>Shanghai Xinzhen Precision Metal</b> ”)	Company controlled by Mr. Xiang Guangda



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 14. RELATED PARTY TRANSACTIONS *(Continued)*

### (a) Name and relationship *(Continued)*

Name of related party	Relationship with the Company
Tsingshan Stainless Steel Co., Ltd.* 青山不銹鋼有限公司 ("Tsingshan Stainless Steel")	Company controlled by Tsingshan
Fujian Qingtuo Heavy Industry Co., Ltd.* 福建青拓重工有限公司 ("Qingtuo Heavy Industry")	Company controlled by Tsingshan
Fuan Qingtuo Trading Co. Ltd.* 福安市青拓商貿有限公司 ("Fuan Qingtuo Trading")	Company controlled by Tsingshan
Fujian Qingtuo Transportation Co. Ltd.* 福建青拓運輸有限公司 ("Fujian Qingtuo Transportation")	Company controlled by Tsingshan
FuanQingmei Energy Materials Co., Ltd.* 福安青美能源材料有限公司 ("FuanQingmei")	Associate of Yongqing Technology
FOXESS Co., Ltd.* 麥田能源股份有限公司 ("FOXESS")	Associate of Yongqing Technology
Wuhu Yunyi New Material Technology Co., Ltd.* 安徽新永拓新材料有限公司 ("Yunyi New Material")	Associate of Yongqing Technology
Fu'an Guolong Nanomaterials Co. Ltd. 福安國隆納米材料有限公司 ("Fu'an Guolong Nanomaterials")	Associate of Yongqing Technology
SAIC MAXUS Automobile Co., Ltd.* 上汽大通汽車有限公司 ("SAIC MAXUS Automobile")	Company controlled by SAIC Motor
SAIC MAXUS Automotive RV Technology Co., Ltd.* 上汽大通房車科技有限公司 ("SAIC MAXUS Automotive RV")	Company controlled by SAIC Motor
Nanjing Automobile (Group) Corporation 南京汽車集團有限公司 ("NAC")	Company controlled by SAIC Motor

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 14. RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship (Continued)

Name of related party	Relationship with the Company
Liuzhou Saik Technology Development Co., Ltd.* 柳州賽克科技發展有限公司 (“ <b>Liuzhou SAIC</b> ”)	Company controlled by SAIC Motor
Shanghai New Power Automotive Technology Company Limited 上海新動力汽車科技股份有限公司 (“ <b>Shanghai New Power Automotive</b> ”)	Company controlled by SAIC Motor
Shanghai Advanced Traction Battery Systems Co., Ltd.* 上海捷新動力電池系統有限公司 (“ <b>Shanghai Advanced Traction</b> ”)	Company controlled by SAIC Motor
SAIC GM Wuling AUTOMOBILE Company Limited 上汽通用五菱汽車股份有限公司 (“ <b>SAIC GM Wuling</b> ”)	Company controlled by SAIC Motor
上海汽車集團股份有限公司乘用車鄭州分公司 (“ <b>SAIC Motor Zhengzhou Branch</b> ”)	Company controlled by SAIC Motor
SAIC MAXUS Automobile Wuxi Branch 上汽大通汽車有限公司無錫分公司 (“ <b>SAIC MAXUS Automobile Wuxi Branch</b> ”)	Company controlled by SAIC Motor
SAIC MAXUS Automobile Nanjing Branch 上汽大通汽車有限公司南京分公司 (“ <b>SAIC MAXUS Automobile Nanjing Branch</b> ”)	Company controlled by SAIC Motor
SAIC REPT EV Battery System Co., Ltd.* 賽克瑞浦動力電池系統有限公司 (“ <b>SAIC REPT</b> ”)	Joint venture of REPT BATTERO
Wenzhou Xinke Technology Co., Ltd.* 溫州芯殼科技有限公司 (“ <b>Wenzhou Xinke</b> ”)	Associate of REPT BATTERO
Jiaxing BatteroTech Huafu New Energy Technology Co. Ltd. 嘉興蘭鈞華富新能源科技有限公司 (“ <b>Jiaxing BatteroTech Huafu</b> ”)	Associate of REPT BATTERO
Shanghai Huangneng BatteroTech New Energy Technology Co. Ltd. 上海煌能蘭鈞新能源科技有限公司 (“ <b>Shanghai Huangneng BatteroTech</b> ”)	Associate of REPT BATTERO

\* The English names of these companies registered in the PRC represent the translated names of these companies as no English names have been registered.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 14. RELATED PARTY TRANSACTIONS *(Continued)*

(b) The Group had the following material related party transactions during the period:

	Notes	For the six months ended 30 June	
		2024	2023
		RMB'000 (Unaudited)	RMB'000 (Audited)
Sales of goods to			
SAIC GM Wuling	(i)	775,226	148,420
Yongqing Technology	(i)	379,569	832,737
FOXESS	(i)	175,341	182,630
SAIC Motor Zhengzhou Branch	(i)	165,206	–
Qingtuo Heavy Industry	(i)	114,506	–
SAIC REPT	(i)	70,288	–
Jiaxing BatteroTech Huafu	(i)	59,447	–
PT. GUANG CHING DE METAL ROLLING	(i)	35,263	–
NAC	(i)	35,035	152
SAIC MAXUS Automobile Wuxi Branch	(i)	8,743	–
SAIC Motor	(i)	7,703	20,626
Shanghai Huangneng BatteroTech	(i)	5,590	–
PT.Indonesia RuiPu Nickel and Chrome Alloy	(i)	4,191	–
SAIC MAXUS Automotive RV	(i)	2,895	4,423
Fujian Qingtuo Transportation	(i)	2,171	–
SAIC MAXUS Automobile Nanjing Branch	(i)	1,758	–
Qingshan Intelligent Manufacturing	(i)	1,042	–
Wenzhou Xinke	(i)	355	–
Shanghai Advanced Traction	(i)	317	314
Shanghai Xinzhen Precision Metal	(i)	313	–
SAIC MAXUS Automobile	(i)	35	302
Shanghai New Power Automotive	(i)	–	1,788
Liuzhou SAIC	(i)	–	78
Total		1,844,994	1,191,470

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 14. RELATED PARTY TRANSACTIONS *(Continued)*

(b) The Group had the following material related party transactions during the period: *(Continued)*

	Notes	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Purchases of products/services from			
Zhejiang Dinson	(i)	<b>34,009</b>	–
Fu'an Guolong Nanomaterials	(i)	<b>13,891</b>	–
Wenzhou Xinke	(i)	<b>6,194</b>	–
Ruipu Special Steel	(i)	<b>1,525</b>	1,214
Fuan Qingtuo Trading	(i)	<b>546</b>	–
Shanghai Advanced Traction	(i)	<b>439</b>	–
Wenzhou Longwan	(i)	<b>330</b>	12
Tsingshan Education	(i)	<b>165</b>	212
Yunyi New Material	(i)	<b>146</b>	–
Tsingshan Trading	(i)	–	32
Tsingshan	(i)	–	1,115
FuanQingmei	(i)	–	487
Total		<b>57,245</b>	3,072
Rental expenses to related parties			
Irestal	(ii)	<b>4,178</b>	4,109
Ruipu Special Steel	(iii)	<b>466</b>	466
Total		<b>4,644</b>	4,575
Rental revenue from related parties			
Tsingshan Stainless Steel		<b>2,564</b>	2,564
Wenzhou Xinke		<b>186</b>	–
Total		<b>2,750</b>	2,564
Interest income from related parties			
Wenzhou Xinke		<b>234</b>	–

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 14. RELATED PARTY TRANSACTIONS *(Continued)*

### (b) The Group had the following material related party transactions during the period: *(Continued)*

Notes:

- (i) The prices are mutually agreed after taking the prevailing market prices into consideration.
- (ii) The Group has entered into lease agreements in respect of buildings from Irestal. The rental fees under the lease were RMB4,178,000 and RMB4,109,000 for the six months ended 30 June 2024 and 2023, respectively. The transactions were made according to the prices and terms agreed with the related parties.
- (iii) The Group has entered into lease agreements in respect of buildings from Ruipu Special Steel. The rental fees under the lease were RMB466,000 and RMB466,000 for the six months ended 30 June 2024 and 2023, respectively. The transactions were made according to the prices and terms agreed with the related parties.

### (c) Outstanding balances with a related party:

The amounts due from/to related parties as at the end of the Reporting Period are unsecured, interest-free and settled in accordance with the terms agreed with the related parties except for the amount due from Wenzhou Xinke of RMB7,700,000, which bore an interest rate of 6.36%.

### (d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Salaries, allowances and benefits in kind	1,909	1,807
Performance related bonuses	3,850	3,330
Pension scheme contributions	169	169
Share incentive plan expense	39,414	39,414
	<b>45,342</b>	<b>44,720</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, financial assets included in prepayments and other receivables, trade and bills receivables, contract assets, due from related parties, trade and bills payables, financial liabilities included in other payables and accruals, due to related parties and current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Reporting Period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2024 were assessed to be insignificant.

The fair values of unlisted equity investments and bills receivables designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the Reporting Period.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair values have been assessed to be approximate to their carrying amounts.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

**30 June 2024**

	Fair value measurement categorised into			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Bills receivables	–	<b>388,650</b>	–	<b>388,650</b>
Financial assets at fair value through profit or loss	–	<b>270,985</b>	–	<b>270,985</b>
Equity investments designated at fair value through other comprehensive income	–	–	<b>10,361</b>	<b>10,361</b>
Total	–	<b>659,635</b>	<b>10,361</b>	<b>669,996</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

### Fair value hierarchy *(Continued)*

31 December 2023

	Fair value measurement categorised into			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Bills receivables	–	366,286	–	366,286
Financial assets at fair value through profit or loss	–	564,505	–	564,505
Equity investments designated at fair value through other comprehensive income	–	–	10,361	10,361
<b>Total</b>	<b>–</b>	<b>930,791</b>	<b>10,361</b>	<b>941,152</b>

The Group did not have any financial liabilities measured at fair value at the end of the Reporting Period.

During the six months ended 30 June 2024,, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

## 16. EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 June 2024.

## 17. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the Board of Directors on 23 August 2024.



## DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meaning:

“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“BatteroTech Shanghai”	BatteroTech Corporation Limited (上海蘭鈞新能源科技有限公司), a limited liability company established under the laws of the PRC on 23 July 2020, which is a subsidiary of the Company
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules in force during the Reporting Period
“China” or “PRC”	the People’s Republic of China, and for the purposes of this interim report for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong
“Company” or “REPT BATTERO”	REPT BATTERO Energy Co., Ltd. (瑞浦蘭鈞能源股份有限公司), a limited liability company established in the PRC in October 2017, whose Shares are listed on the main board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed under the Listing Rules and in this interim report, refers to Mr. Xiang, Zhejiang Tsingshan, Shanghai Decent, Tsingshan Group, Yongqing Technology, Ruitu Energy and Wenzhou Jingli
“Director(s)”	director(s) of the Company
“Domestic Unlisted Share(s)”	ordinary Share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is/are not listed on any stock exchange
“ESG Committee” or “Environmental, Social and Governance Committee”	the environmental, social and governance (ESG) committee of the Board
“Global Offering”	the offer of the Shares for subscription as described in the section headed “Structure of the Global Offering” in the Prospectus
“Group” or “we” or “our” or “us”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Share(s) with a nominal value of RMB1.00 each in the share capital of the Company

“HK\$” or “HKD”	Hong Kong dollars, the lawful currency for Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	3 September 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
“Listing”	the listing of the Shares on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Mr. Xiang”	Mr. Xiang Guangda (項光達), a Controlling Shareholder of the Company
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated 8 December 2023
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the period commencing from 1 January 2024 and ending on 30 June 2024
“Ruitu Energy”	Ruitu Energy Co., Ltd. (瑞途能源有限公司), a limited liability company established under the laws of the PRC on 27 August 2019, which is a subsidiary of Yongqing Technology as of the Latest Practicable Date and is a Controlling Shareholder of the Company
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shanghai Decent”	Shanghai Decent Investment (Group) Co., Ltd. (上海鼎信投資(集團)有限公司), a limited liability company established under the laws of the PRC on 1 February 2007, which is an associate of Mr. Xiang and is a Controlling Shareholder of the Company

“Share(s)”	ordinary Share(s) of the Company with a nominal value of RMB1.00 each, comprising H Share(s) and Domestic Unlisted Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Subsidiary(ies)”	has the meaning ascribed to it in Schedule 1 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Company
“Tsingshan Group”	Tsingshan Holding Group Company Limited (青山控股集團有限公司), a limited liability company established under the laws of the PRC on 12 June 2003, which is a Controlling Shareholder of the Company
“United States” or “U.S.”	the United States of America and its territories
“Wenzhou Jingli”	Wenzhou Jingli Business Service Partnership (Limited Partnership) (溫州景鋰商務服務合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 21 July 2021, which is an employee shareholding platform of the Company and is a Controlling Shareholder of the Company
“Wenzhou Ruili”	Wenzhou Ruili Enterprise Development Partnership (Limited Partnership) (溫州瑞鋰企業發展合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 5 August 2021, which is an employee shareholding platform of the Company
“Yongqing Technology”	Yongqing Technology Group Co., Ltd. (永青科技集團有限公司), a limited liability company established under the laws of the PRC on 24 January 2018, which is a Controlling Shareholder of the Company and a non-wholly-owned subsidiary of Tsingshan Group
“Zhejiang Tsingshan”	Zhejiang Tsingshan Enterprise Management Co., Ltd. (浙江青山企業管理有限公司), a limited liability company established under the laws of the PRC on 17 April 2007, which is controlled by Mr. Xiang as to 80% of its equity interests as of the Latest Practicable Date and is a Controlling Shareholder of the Company
“%”	per cent