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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BRETON TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Breton Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I - 4 to I - 90, which comprises the consolidated statements of financial position of the Group, and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2022, 2023 and 2024 (the "Relevant Periods"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I - 4 to I - 90 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 25 April 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.



Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023 and 2024, and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.



Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I - 4 have been made.

Dividends

We refer to Note 28(e) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

A handwritten signature in black ink, appearing to read 'Gowth'.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

25 April 2025



HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Shanghai Branch (畢馬威華振會計師事務所(特殊普通合夥)上海分所) in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	Note	Year ended 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Revenue	4(a)	360,106,324	463,738,031	635,456,675
Cost of sales		<u>(351,933,806)</u>	<u>(454,459,056)</u>	<u>(598,617,808)</u>
Gross profit		8,172,518	9,278,975	36,838,867
Other net gain	5	120,577	4,500,292	24,617,295
Selling expenses		(46,924,828)	(58,016,399)	(59,720,401)
Administrative expenses		(59,447,075)	(88,443,974)	(109,264,136)
Research and development costs		(44,855,133)	(68,561,547)	(81,706,535)
Impairment loss on trade and other receivables, contract assets and financial guarantee issued	29(a)	<u>(26,862,692)</u>	<u>(38,175,686)</u>	<u>(83,097,852)</u>
Loss from operations		(169,796,633)	(239,418,339)	(272,332,762)
Finance income	6(a)	6,446,942	16,335,180	10,547,318
Finance costs	6(a)	(13,732,638)	(6,919,281)	(9,186,683)
Share of results of associates	16	<u>(388,109)</u>	<u>590,290</u>	<u>(3,485,038)</u>
Loss before taxation	7	(177,470,438)	(229,412,150)	(274,457,165)
Income tax	7(a)	<u>(630,315)</u>	<u>(1,381)</u>	<u>(90,315)</u>
Loss for the year		(178,100,753)	(229,413,531)	(274,547,480)
Other comprehensive income for the year (after tax and reclassification adjustments)				
Items that will not be reclassified to profit or loss:				
Equity investments at fair value through other comprehensive income — net movement in fair value reserves (not recycling)	28(d)	<u>8,231,482</u>	<u>473,649</u>	<u>1,051,297</u>
Total comprehensive income for the year		<u><u>(169,869,271)</u></u>	<u><u>(228,939,882)</u></u>	<u><u>(273,496,183)</u></u>
Loss per share				
— Basic and diluted	10	<u><u>(0.64)</u></u>	<u><u>(0.66)</u></u>	<u><u>(0.78)</u></u>

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	As at 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Non-current assets				
Property, plant and equipment	11	17,562,118	97,300,665	165,302,591
Other investments	12	18,938,509	19,093,387	41,734,716
Right-of-use assets	13	11,478,519	86,095,828	106,559,158
Intangible assets	14	1,031,705	2,043,947	2,960,937
Interest in associates	16	3,716,353	23,259,475	28,482,306
Other non-current assets	17	46,908,046	62,564,890	73,659,816
		<u>99,635,250</u>	<u>290,358,192</u>	<u>418,699,524</u>
Current assets				
Inventories	18	294,544,210	268,674,561	259,023,074
Contract assets	19(a)	860,350	342,400	1,322,200
Trade and other receivables	20	257,817,225	435,089,460	555,832,631
Pledged bank deposits	21(a)	4,700,000	5,278,000	4,208,000
Cash and cash equivalents	21(a)	270,260,321	422,072,291	199,254,000
		<u>828,182,106</u>	<u>1,131,456,712</u>	<u>1,019,639,905</u>
Current liabilities				
Loans and borrowings	22	94,727,178	99,233,327	267,197,051
Financial instruments issued to investors	25	28,869,927	—	—
Trade and other payables	23	156,975,313	294,907,720	374,539,060
Income tax payables		487,875	—	—
Provision	26	7,548,860	12,257,128	16,471,700
Contract liabilities	19(b)	15,196,543	13,740,178	3,655,027
Lease liabilities	24	2,383,426	7,037,225	3,222,155
		<u>306,189,122</u>	<u>427,175,578</u>	<u>665,084,993</u>
Net current assets		<u>521,992,984</u>	<u>704,281,134</u>	<u>354,554,912</u>
Total assets less current liabilities		<u>621,628,234</u>	<u>994,639,326</u>	<u>773,254,436</u>

The accompanying notes form part of the Historical Financial Information.



	<i>Note</i>	As at 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Non-current liabilities				
Loans and borrowings	22	56,648,421	53,994,198	85,115,763
Lease liabilities	24	8,299,710	15,443,878	2,605,537
Deferred tax liabilities		<u>2,743,827</u>	<u>2,901,710</u>	<u>3,252,142</u>
		<u>67,691,958</u>	<u>72,339,786</u>	<u>90,973,442</u>
Net assets		<u>553,936,276</u>	<u>922,299,540</u>	<u>682,280,994</u>
Capital and reserves				
Paid-in capital	28(b)	—	—	—
Share capital	28(c)	326,479,054	366,651,762	366,651,762
Reserves	28(f)	<u>227,457,222</u>	<u>555,647,778</u>	<u>315,629,232</u>
Total equity		<u>553,936,276</u>	<u>922,299,540</u>	<u>682,280,994</u>

The accompanying notes form part of the Historical Financial Information.



STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in Renminbi)

	Note	As at 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Non-current assets				
Property, plant and equipment	11	2,132,365	1,961,580	1,555,098
Other investments	12	16,212,736	15,876,268	40,147,141
Right-of-use assets	13	7,754,129	6,177,018	6,850,280
Intangible assets		1,031,705	2,043,947	2,960,937
Interests in subsidiaries	15	107,511,063	632,801,063	1,017,716,063
Interests in associates	16	2,212,746	21,231,584	26,393,716
Other non-current assets	17	2,473,895	7,401,204	24,062,473
		<u>139,328,639</u>	<u>687,492,664</u>	<u>1,119,685,708</u>
Current assets				
Inventories	18	17,202,811	18,684,007	36,891,286
Contract assets		160,450	—	—
Trade and other receivables	20	485,125,864	609,677,973	516,594,978
Pledged bank deposits	21(a)	4,700,000	5,100,000	4,030,000
Cash and cash equivalents	21(a)	268,612,984	164,643,976	35,799,184
		<u>775,802,109</u>	<u>798,105,956</u>	<u>593,315,448</u>
Current liabilities				
Loans and borrowings	22	91,907,758	99,233,327	243,801,191
Financial instruments issued to investors	25	28,869,927	—	—
Trade and other payables	23	63,466,553	207,248,194	350,144,090
Provisions		749,592	1,215,986	4,477,961
Contract liabilities		3,773,301	86,189	1,172,972
Lease liabilities	24	1,384,710	1,444,253	2,726,437
		<u>190,151,841</u>	<u>309,227,949</u>	<u>602,322,651</u>
Net current assets/(liabilities)		<u>585,650,268</u>	<u>488,878,007</u>	<u>(9,007,203)</u>
Total assets less current liabilities		<u>724,978,907</u>	<u>1,176,370,671</u>	<u>1,110,678,505</u>

The accompanying notes form part of the Historical Financial Information.



		As at 31 December		
	Note	2022	2023	2024
		RMB	RMB	RMB
Non-current liabilities				
Loans and borrowings	22	50,467,842	23,150,398	44,200,000
Lease liabilities	24	6,107,082	4,662,830	8,503,896
Deferred tax liabilities		2,687,384	2,722,431	3,105,249
Total non-current liabilities		<u>59,262,308</u>	<u>30,535,659</u>	<u>55,809,145</u>
Net assets		<u>665,716,599</u>	<u>1,145,835,012</u>	<u>1,054,869,360</u>
Capital and reserves				
Paid-in capital	28(b)	—	—	—
Share capital	28(c)	326,479,054	366,651,762	366,651,762
Reserves	28(f)	<u>339,237,545</u>	<u>779,183,250</u>	<u>688,217,598</u>
Total equity		<u>665,716,599</u>	<u>1,145,835,012</u>	<u>1,054,869,360</u>

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Expressed in Renminbi)

		Attributable to equity shareholders of the Company								
		Shares held for the Restricted					Fair value	Accumulated	Total	
	Note	Paid-in capital	Share capital	Share Scheme	Share premium	Capital reserve	Other reserve	reserve	losses	(deficit)/ equity
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
		(Note 28(b))	(Note 28(c))	(Note 28(f)(iv))	(Note 28(f)(i))	(Note 28(f)(ii))	(Note 28(f)(iii))	(Note 28(f)(v))		
Balance at 1 January 2022		126,663,600	—	—	—	226,655,617	(499,590,000)	—	(236,957,774)	(383,228,557)
Changes in equity for 2022:										
Loss for the year		—	—	—	—	—	—	—	(178,100,753)	(178,100,753)
Other comprehensive income	28(d)	—	—	—	—	—	—	8,231,482	—	8,231,482
Total comprehensive income		—	—	—	—	—	—	8,231,482	(178,100,753)	(169,869,271)
Capital injection by investors	28(b)	10,000,000	—	(11,600,000)	—	6,000,000	—	—	—	4,400,000
Issuance of financial instruments to investors with preferred rights, net of transaction cost	28(b)	8,894,400	—	—	—	187,047,336	—	—	—	195,941,736
Recognition of financial instruments with preferred rights	25(a)	—	—	—	—	—	(394,968,000)	—	—	(394,968,000)
Termination of financial instruments with preferred rights	25(a)	—	—	—	—	—	894,558,000	—	—	894,558,000
Conversion into a joint stock company	28(c)	(145,558,000)	300,000,000	—	13,283,150	(436,047,344)	—	—	268,322,194	—
Issuance of ordinary shares, net of transaction cost	28(c)	—	26,479,054	—	351,569,490	—	—	—	—	378,048,544
Equity-settled share-based payment	27	—	—	—	—	29,053,824	—	—	—	29,053,824
Balance at 31 December 2022		—	326,479,054	(11,600,000)	364,852,640	12,709,433	—	8,231,482	(146,736,333)	553,936,276

The accompanying notes form part of the Historical Financial Information.



Attributable to equity shareholders of the Company							
Note	Share capital	Shares held for the Restricted Share Scheme	Share premium	Capital reserve	Fair value reserve	Accumulated losses	Total equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB
	(Note 28(c))	(Note 28(f)(iv))	(Note 28(f)(i))	(Note 28(f)(ii))	(Note 28(f)(v))		
Balance at 1 January 2023	326,479,054	(11,600,000)	364,852,640	12,709,433	8,231,482	(146,736,333)	553,936,276
Changes in equity for 2023:							
Loss for the year	—	—	—	—	—	(229,413,531)	(229,413,531)
Other comprehensive income	28(d) —	—	—	—	473,649	—	473,649
Total comprehensive income	—	—	—	—	473,649	(229,413,531)	(228,939,882)
Issuance of ordinary shares, net of transaction cost	28(c) 40,172,708	—	527,471,603	—	—	—	567,644,311
Equity-settled share-based payment	27 —	—	—	29,658,835	—	—	29,658,835
Balance at 31 December 2023	366,651,762	(11,600,000)	892,324,243	42,368,268	8,705,131	(376,149,864)	922,299,540

The accompanying notes form part of the Historical Financial Information.



Attributable to equity shareholders of the Company							
Note	Shares held for the Restricted		Share premium RMB (Note 28(f)(i))	Capital reserve RMB (Note 28(f)(ii))	Fair value reserve RMB (Note 28(f)(v))	Accumulated losses RMB	Total equity RMB
	Share capital	Share Scheme					
	RMB (Note 28(c))	RMB (Note 28(f)(iv))					
Balance at 1 January 2024	366,651,762	(11,600,000)	892,324,243	42,368,268	8,705,131	(376,149,864)	922,299,540
Changes in equity for 2024:							
Loss for the year	—	—	—	—	—	(274,547,480)	(274,547,480)
Other comprehensive income	28(d) —	—	—	—	1,051,297	—	1,051,297
Total comprehensive income	—	—	—	—	1,051,297	(274,547,480)	(273,496,183)
Equity-settled share-based payment	27 —	—	—	33,477,637	—	—	33,477,637
Balance at 31 December 2024	366,651,762	(11,600,000)	892,324,243	75,845,905	9,756,428	(650,697,344)	682,280,994

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Renminbi)

	Note	Year ended 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Operating activities:				
Cash used in operations	21(b)	(296,622,508)	(209,662,211)	(280,385,466)
Interest received		6,344,314	16,894,261	10,547,318
Income tax paid		(142,440)	(917,707)	(112,644)
Net cash used in operating activities		(290,420,634)	(193,685,657)	(269,950,792)
Investing activities:				
Payments for purchase of property, plant and equipment, construction in progress and intangible assets		(15,078,385)	(94,875,873)	(80,894,068)
Payments for purchase of land use rights		—	(75,439,025)	(37,385,770)
Proceeds from disposal of property, plant and equipment		—	1,255,872	197,082
Proceeds from disposal of investments in associates		1,300,000	858,222	—
Proceeds from disposal of other investment		—	—	200,000
Payment for investments in associates		(6,186,000)	(18,126,340)	(18,155,375)
Loan repaid by a third party		4,400,000	900,000	—
Payment for purchase of other investments		(7,063,200)	—	—
Dividends received from other investments		—	—	333,000
Net cash used in investing activities		(22,627,585)	(185,427,144)	(135,705,131)

The accompanying notes form part of the Historical Financial Information.



	Note	Year ended 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Financing activities:				
Proceeds from loans and borrowings	21(c)	210,300,000	144,043,800	275,913,369
Repayment of loans and borrowings	21(c)	(210,648,945)	(142,335,600)	(77,033,310)
Settlement for financial instruments to investors	25(b)	(47,124,008)	(29,142,110)	—
Interest paid for interest-bearing borrowing	21(c)	(15,991,550)	(5,620,883)	(9,225,996)
Proceeds from the issuance of financial instruments to investors, net of transaction cost		195,941,736	—	—
Proceeds from the issuance of ordinary shares, net of transaction cost		378,048,544	567,644,311	—
Payment of listing expenses		—	—	(1,081,090)
Capital contributions by investors		16,000,000	—	—
Capital element of lease rentals paid	21(c)	(4,076,625)	(2,782,258)	(5,061,759)
Interest element of lease rentals paid	21(c)	(438,409)	(882,489)	(673,582)
Net cash generated from financing activities		<u>522,010,743</u>	<u>530,924,771</u>	<u>182,837,632</u>
Net increase/(decrease) in cash and cash equivalents		208,962,524	151,811,970	(222,818,291)
Cash and cash equivalents at beginning of the year		<u>61,297,797</u>	<u>270,260,321</u>	<u>422,072,291</u>
Cash and cash equivalents at end of the year	21(a)	<u>270,260,321</u>	<u>422,072,291</u>	<u>199,254,000</u>

The accompanying notes form part of the Historical Financial Information.



NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Breton Technology Co., Ltd. (the “Company”) (博雷頓科技股份公司) was established as a limited liability Company in Shanghai, the People’s Republic of China (the “PRC”) on 28 November 2016. The Company was converted into a joint stock company with a limited liability on 23 November 2022.

During the Relevant Periods, the Company and its subsidiaries (the “Group”) are principally engaged in research, development, manufacturing and sale of new energy industrial vehicles in the PRC.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended 31 December 2022 and 2023 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Gongzheng Tianye Certified Public Accountants (SGP)* (公証天業會計師事務所(特殊普通合夥)上海分所) and Shenzhen Zhongqi Certified Public Accountants (GP)* (深圳中啟會計師事務所(普通合夥)) respectively. The statutory financial statements of the Company for the year ended 31 December 2024 have not been issued as at the date of this report.

At the date of the report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies.

Name of company	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Issued and paid-in capital	Proportion of ownership interest		Principal activities
				Directly held by the Company	Indirectly held by the Company	
Zhejiang Breton Technology Co., Ltd. (浙江博雷頓科技有限 公司), formerly known as Zhejiang Boju Technology Co., Ltd. “浙江博矩科技有 限公司”)*/**	The PRC, limited liability company	12 April 2019	RMB100 million/ RMB60 million	100%	—	Manufacturing, research and sales of new energy vehicles
Breton (Shandong) New Energy Vehicle Co., Ltd. (博雷頓(山東)新能 源汽車有限公司)*/**	The PRC, limited liability company	25 May 2020	RMB330 million/ RMB145 million	100%	—	Manufacturing, research and sales of new energy loaders
Breton (Hunan) Technology Co., Ltd. (博雷頓(湖 南)科技有限公 司)*/**	The PRC, limited liability company	12 October 2022	RMB300 million/ RMB300 million	100%	—	Manufacturing, research and sales of new energy wide-body dump trucks
Breton (Lanxi) New Energy Engineering Machinery Co., Ltd. (博雷頓(蘭 溪)新能 源工程機械有限 公司)*/**	The PRC, limited liability company	28 January 2023	RMB200 million/ RMB200 million	100%	—	Manufacturing, research and sales of new energy loaders
Breton (Wuhan) Technology Co., Ltd. (博雷頓(武 漢)科技有限公 司)*/**	The PRC, limited liability company	01 March 2023	RMB300 million/ RMB300 million	100%	—	Research and sales of new energy loaders
Inner Mongolia Breton Intelligent Technology Co., Ltd. (內蒙古博雷頓智 能科技有限公 司)*/**	The PRC, limited liability company	07 January 2019	RMB20 million/ RMB0.85 million	100%	—	Sales of new energy tractor trucks



Name of company	Place of incorporation/ establishment and kind of legal entity	Date of incorporation/ establishment	Issued and paid-in capital	Proportion of ownership interest		Principal activities
				Directly held by the Company	Indirectly held by the Company	
Baipin (Shanghai) Intelligent Technology Co., Ltd. (佰頻(上海)智能科技有限 公司)*/**	The PRC, limited liability company	02 July 2019	RMB40 million/ RMB40 million	100%	—	Research and development of automotive technology, new energy technology and automation technology
Breton (Shanghai) Intelligent Technology Co., Ltd. (博雷頓(上海)智能科技有 限公司), formerly known as Linju (Shanghai) Power Technology Co., Ltd. 臨矩(上海)動力科技有限 公司)*/**	The PRC, limited liability company	25 June 2019	RMB10 million/ RMB7,4025 million	100%	—	Research and development of automotive technology, new energy technology, and automation technology
Breton (Wuhan) New Energy Equipment Co., Ltd. (博雷頓(武漢)新能源裝備有限 公司)*/**	The PRC, limited liability company	01 March 2023	RMB100 million/ RMB60 million	—	100%	Manufacturing, research and sales of new energy tractor trucks
Breton (Beijing) Technology Co., Ltd. (博雷頓(北京) 科技有限公司)*/**	The PRC, limited liability company	25 November 2024	RMB20 million/ RMB10 million	100%	—	Sales of new energy engineering machinery

* The official names of the above entities are in Chinese. The English names are for identification purpose only.

** No audited financial statements have been prepared for these entities during the Relevant Periods.

*** The statutory financial statements for Baipin (Shanghai) Intelligent Technology Co., Ltd. for the year ended 31 December 2023 was audited by Shanghai Victor Voyage Certified Public Accountants Co., Ltd. (上海錦航會計師事務所有限責任公司). No statutory financial statements were prepared for the years ended 31 December 2022 and 2024.

All companies comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods are set out in Note 33.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi ("RMB").

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Other investments in equity securities (see Note 2(e));
- Derivative financial instruments (see Note 2(s)).

(b) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2 (n), (o) or (t) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(iii)).

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(i)(iii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date consideration excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the period are recognised in the consolidated statements of profit or loss and other comprehensive income, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statements of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the ECL model to such other long-term interests where applicable (see Note 2(i)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statements of financial position, investments in associates are accounted for using the equity method.

(e) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries and associates, are set out below:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value, plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(d). These investments are subsequently accounted for as follows, depending on their classification:

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve



(non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in Note 2(u)(v).

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(i)(iii)).

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is initially recognised at cost. Cost comprises cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(w)). The construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss, as follows:

Buildings	20 years
Machinery and equipment	3–10 years
Office and other equipment	3–5 years
Lease Vehicles	5 years
Leasehold improvement	2–6 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see Note 2(w)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see Note 2(i)(iii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(i)(iii)). Expenditure on internally generated goodwill and brands is recognized as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Software	5 years
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Amortisation methods, and useful lives are reviewed at each reporting date and adjusted if appropriate.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of changes and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily leased apartment for employees. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(iii)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost (see Note 2(i)(i)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(u)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, bank deposits and trade receivables and other receivables, including loans to other investments in equity, which are held for the collection of contractual cash flows which represent solely payments of principal and interest);
- contract assets as defined in IFRS 15 (see Note 2(k)); and
- lease receivables.

Other financial assets measured at fair value, including equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulties of the debtor;
- A breach of contract, such as a default or past due event;
- It is probable that the borrower will enter into bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- The disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, contract asset or lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised. The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in Note 2(i)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) **Inventories and other contract assets**

(i) ***Inventories***

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

A right to recover returned goods is recognised for the right to recover products from customers sold with a right of return. It is measured in accordance with the policy set out in Note 2(u)(i).

(ii) ***Other contract costs***

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfill a contract with a customer which are not capitalized as inventories (see Note 2(u)(i)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalized when incurred if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or to a specially identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocation of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortization and impairment losses. Implementation losses are recognized to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Amortisation of capitalized contract costs is charged to profit or loss when the revenue to which the asset relates is recognized. The accounting policy for revenue recognition is set out in Note 2(u).



(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(i)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(l)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)(iv)).

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration, and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs.

All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see Note 2(i)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(i)(i).

(n) Trade and other payables (other than refund liabilities)

Refund liabilities arising from rights of returns and volume rebates are recognised in accordance with the policy set out in Note 2(u)(i).

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(w)).



(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The fair value of equity-settled share-based payment awards granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the valuation techniques, taking into account the terms and conditions upon which the equity-settled share-based payment awards were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the equity-settled share-based payment awards, the total estimated fair value of the equity-settled share-based payment awards is spread over the vesting period, taking into account the probability that the equity-settled share-based payment awards will vest.

During the vesting period, the number of equity-settled share-based payment award that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year/period of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the equity-settled share-based payment award is exercised (when it is included in the amount recognised in share capital for the shares issued) or the equity-settled share-based payment award expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provision and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(i)(iii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Derivative financial instruments

Derivative financial instruments are recognised at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(t) Financial instruments issued to investors with preferred rights

A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem, the financial instruments issued to investors with preferred rights are recognised as financial liability initially at the present value of the redemption amount and subsequently measured at amortised cost with interest included in finance costs.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The carrying amount of the financial instruments derecognised was credited into the equity.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under lease in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

The Group typically offers customers of new energy engineering equipment, encompassing new energy tractor trucks, new energy loaders and new energy wide-body dump trucks. Revenue is recognised when products are delivered at the customers' premises which is taken to be the point in time when the customer has accepted and taken possession of the goods at the amount of promised consideration to which the Group is expected to be entitled. Revenue excludes value added tax and is after deduction of any trade rebates.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

The Group typically offers customers of new energy engineering equipment that are not made-to-order rights of return for those products with significant quality issues. Such rights of return give rise to variable consideration. The Group uses an expected value approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of new energy engineering equipment, the Group recognises revenue after taking into account adjustment to transaction price arising from returns as mentioned above. A refund liability is recognised for the expected returns and rebates, and is included in trade and other payables (see Note 23). A right to recover returned goods (included in inventories, see Note 18) and corresponding adjustment to cost of sales are also recognised for the right to recover products from customers. This right to recover returned goods is measured at the former carrying amount of the inventory less any expected costs to recover goods (including potential decreases in the value of the returned goods).

(ii) Rental income from operating lease

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(iii) Rendering of services

The Group recognises revenue from rendering of services including maintenance service, trial-drive services etc. over the period of the service.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(i)(i)).

(v) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred revenue and amortised as income in the profit or loss on a straight-line basis over the useful life of the related asset.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditures for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 29 contains information about the assumptions and their risk factors relating to fair value of financial investments. Other significant sources of estimation uncertainty in the process of applying the Group's accounting policies are as follows:

(i) Depreciation and amortisation

Right-of-use assets, property, plant and equipment and intangible assets, are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expenses to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation and amortisation expenses for future periods are adjusted if there are material changes from previous estimates.

(ii) Impairment of contract assets, trade and other receivables

The Group's management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

(iii) Net realizable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses and related taxes. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect the Group's profit or loss and net asset value.

(iv) **Warranty provisions**

As explained in Note 26, the Group makes provisions under the warranties it gives on sale of its vehicles taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models, it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

(a) **Revenue**

The Group is principally engaged in design, development, and commercialization of engineering machinery powered by new energy.

(i) **Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products or service lines			
Battery-electric vehicles			
— Battery-electric tractor trucks	77,940,488	28,550,964	7,034,780
— Battery-electric loaders	183,729,521	281,153,550	224,196,688
— Battery-electric wide-body dump trucks	76,290,027	126,456,394	364,588,475
Spare parts and accessories	15,311,027	19,372,425	25,687,545
Sales of products	353,271,063	455,533,333	621,507,488
Rendering of services	485,486	2,793,670	3,186,676
Subtotal	353,756,549	458,327,003	624,694,164
Revenue from other sources			
Rental income	6,349,775	5,411,028	10,762,511
Total	360,106,324	463,738,031	635,456,675

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Disaggregation by timing of revenue recognition			
— Point in time	353,271,063	455,533,333	621,507,488
— Over time	6,835,261	8,204,698	13,949,187
Total	360,106,324	463,738,031	635,456,675



The Group has applied the practical expedient in paragraph 121 of IFRS 15 such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations for those the Group has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, and the Group may recognise revenue in the amount to which the Group has a right to invoice.

The Group's customer base is diversified and includes Nil, 1 and 2 customers with whom transactions have exceeded 10% of the Group's revenues for the years ended 31 December 2022, 2023 and 2024, respectively. During the years ended 31 December 2023 and 2024, revenue from sales of new energy engineering machinery and rendering of services to the customer, including sales to entities which are known to the Group to be under common control with the customer, amounted to approximately RMB47,445,208 and RMB157,834,911. Details of concentrations of credit risk arising from this customer are set out in Note 29(a).

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 4(b)(i).

(b) Segment reporting

(i) Segment information

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Company's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Company has determined that it only has one operating segment.

Geographic information

For the years ended 31 December 2022, 2023 and 2024, the geographical information on the total revenue based on the location at which new energy engineering machinery are delivered is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Chinese Mainland	360,106,324	454,866,463	635,456,675
United States	—	8,871,568	—
Total	<u>360,106,324</u>	<u>463,738,031</u>	<u>635,456,675</u>

(ii) Non-current asset

The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is provided.



5 OTHER NET GAIN

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Government grants (<i>Note</i>)	2,058,866	5,320,423	8,251,861
Net gain on modification and termination of lease	175,729	—	866,500
Net foreign exchange gain	56,482	—	—
Net (loss)/gain on disposal of property, plant and equipment	(198,812)	61,052	(1,130,216)
Dividends received from other investments	—	—	333,000
(Loss)/gain on disposal or loss of significant influence of associates (<i>Note 16</i>)	(1,397,542)	—	16,276,819
Loss on disposal of subsidiaries	(46,906)	—	—
Compensation	(537,760)	(1,208,333)	—
Others	10,520	327,150	19,331
	<u>120,577</u>	<u>4,500,292</u>	<u>24,617,295</u>

Note: Government grants are not assets related and primarily represent reward and subsidies provided to the Group for its contribution to the local economic growth.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/ (crediting):

(a) Finance (income)/costs:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Finance income			
Interest income on financial assets measured at amortised cost	(140,808)	(8,205,429)	(3,011,483)
Interest income on loans to third parties	(150,238)	(8,109)	—
Interest income on sales under instalment payment	<u>(6,155,896)</u>	<u>(8,121,642)</u>	<u>(7,535,835)</u>
	<u>(6,446,942)</u>	<u>(16,335,180)</u>	<u>(10,547,318)</u>
Finance costs			
Interest expenses on loans and borrowings	5,818,540	5,312,225	9,336,428
Interest expenses on other borrowings (<i>Note 21(c)</i>)	983,750	—	—
Interest expenses on financial instruments issued to investors (<i>Note 25</i>)	6,463,781	272,183	—
Interest expenses on obligations arising from leaseback transactions	28,158	452,384	94,798
Interest expenses on lease liabilities (<i>Note 21(c)</i>)	438,409	882,489	673,582
Less: interest expense capitalised into property, plant and equipment	<u>—</u>	<u>—</u>	<u>(918,125)</u>
	<u>13,732,638</u>	<u>6,919,281</u>	<u>9,186,683</u>



(b) Staff costs:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Salaries, wages and other benefits	68,377,750	90,873,434	98,753,711
Discretionary bonuses	6,358,457	10,627,987	7,815,986
Contributions to retirement schemes (Note)	6,320,766	10,281,132	11,175,293
Equity-settled share-based payment expenses (Note 27)	29,053,824	29,658,835	33,477,637
	<u>110,110,797</u>	<u>141,441,388</u>	<u>151,222,627</u>

Note: Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

(c) Other items:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Depreciation and amortisation			
— Owned property,			
plant and equipment (Note 11)	3,936,900	6,008,465	11,941,462
— Right-of-use assets (Note 13)	3,380,674	5,401,941	6,197,288
— Intangible assets (Note 14)	242,228	383,250	800,103
Impairment losses recognized			
— Trade and other receivables (Note 29(a))	26,793,194	37,775,596	80,495,981
— Contract assets (Note 29(a))	—	—	36,471
— Inventories (Note 18)	25,650,260	20,879,290	17,432,258
— Financial guarantee issued (Note 26)	69,498	400,090	2,565,400
Product warranty costs (Note 26)	10,304,310	13,448,739	18,608,549
Research and development expenses (i)	44,855,133	68,561,547	81,706,535
Auditors' remuneration (ii)	630,000	2,542,522	3,477,261
Listing expense	—	9,686,061	23,463,429
Cost of sales (Note 18(b))(iii)	351,933,806	454,459,056	598,617,808

(i) During the years ended 31 December 2022, 2023 and 2024, research and development costs included staff costs of RMB29,423,417, RMB38,899,940 and RMB45,759,588 and depreciation and amortisation expenses of RMB2,175,170, RMB406,347 and RMB566,933, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) During the year ended 31 December 2023 and 2024, the Group recognised auditors' remuneration in respect of initial public offering of RMB1,442,522 and RMB3,477,261, which are also included in the listing expenses disclosed separately above.



- (iii) During the years ended 31 December 2022, 2023 and 2024, cost of sales included staff costs of RMB3,093,410, RMB6,643,649 and RMB9,086,600, depreciation and amortisation expenses of RMB3,150,993, RMB6,666,514 and RMB11,367,315 and write-down of inventories, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX

- (a) Taxation in the consolidated statements of profit and loss represents:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Provision for income tax for the year	630,315	1,381	90,315

- (b) Reconciliation between income tax expense and accounting loss at applicable tax rates:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Loss before taxation	(177,470,438)	(229,412,150)	(274,457,165)
Notional tax on loss before taxation, calculated at the rates applicable to profit in the tax jurisdictions concerned (Note (i))	(44,062,286)	(57,067,993)	(68,170,859)
Tax effect of non-deductible expenses	283,191	447,242	429,654
Tax effect of non-taxable income	—	—	(83,250)
Tax losses and temporary differences not recognised	44,328,988	56,759,936	67,006,790
Tax effect in respect of share of results of associates	80,422	(137,804)	907,980
Actual income tax expense	630,315	1,381	90,315

Notes:

- (i) Pursuant to the Enterprise Income Tax (the "EIT"), the Company and its subsidiaries are liable to EIT at a rate of 25%, unless otherwise specified.
- (ii) Certain subsidiaries in the PRC were entitled to a preferential PRC Enterprise Income Tax (the "EIT") rate of 5% as it was accredited as small and micro business.
- (iii) According to the EIT Law and its relevant regulations, entities that qualified as a High and New Technology Enterprises are entitled to a preferential income tax rate of 15%. The Company obtained the High and New Technology Enterprises status in 2019 and had this status renewed in 2022.



(c) **Deferred tax assets not recognised**

In accordance with the accounting policy set out in Note 2(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB245,843,701, RMB395,366,093 and RMB522,477,814 and other deductible temporary differences of RMB94,174,337, RMB171,458,660 and RMB257,986,617 as at 31 December 2022, 2023 and 2024 respectively, as it is not probable that future taxable profits against which the losses and the deductible temporary difference can be utilised will be available in the relevant tax jurisdiction and entity. Tax losses of RMB28,739,624, RMB57,268,151, RMB103,804,948, RMB149,562,690 and RMB183,102,401, if unused, will expire in 2025, 2026, 2027, 2028 and 2029, respectively.

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations are as follows:

Year ended 31 December 2022

	Directors' fees	Salaries allowance and benefits in kind	Discretionary bonuses	Contributions to retirement scheme	Equity-settled share-based payment (Note)	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Directors:						
Mr. Chen Fangming (陳方明) (a)	—	532,666	39,375	62,594	—	634,635
Mr. Zhou Daowu (周道武) (b)	—	242,434	36,250	9,924	—	288,608
Mr. Qiu Debo (邱德波) (f)	—	357,893	29,589	10,940	2,693,918	3,092,340
Mr. Liu Xingyu (劉星宇) (f)	—	175,557	33,750	10,195	214,480	433,982
Mr. Sun Kanghua (孫康華) (g)	—	86,676	37,500	10,940	39,892	175,008
Mr. Yin Junping (尹軍平) (d)	—	—	—	—	—	—
Mr. Zhang Shaobo (張紹波) (c)	—	—	—	—	—	—
Mr. Li Liwei (李立偉) (c)	—	—	—	—	—	—
Independent Non-executive Directors:						
Mr. Jiang Bailing (江百靈) (h)	16,666	—	—	—	—	16,666
Mr. Zhou Yuan (周元) (h)	16,666	—	—	—	—	16,666
Mr. Li Xiaofu (李曉鄂) (h)	16,666	—	—	—	—	16,666
Supervisors:						
Mr. Liu Yudong (劉昱東) (e)	—	—	—	—	—	—
Ms. Wang Yanzhen (王艷渾) (i)	—	79,771	7,582	10,746	33,674	131,773
Ms. Sun Wenxu (孫文旭) (i)	—	23,589	17,500	5,123	11,139	57,351
	<u>49,998</u>	<u>1,498,586</u>	<u>201,546</u>	<u>120,462</u>	<u>2,993,103</u>	<u>4,863,695</u>



Year ended 31 December 2023

	Directors' fees	Salaries allowance and benefits in kind	Discretionary bonuses	Contributions to retirement scheme	Equity-settled share-based payment (Note)	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Directors:						
Mr. Chen Fangming (陳方明) (a)	—	687,079	39,375	67,908	—	794,362
Mr. Qiu Debo (邱德波) (f)	—	926,918	75,000	67,908	9,640,000	10,709,826
Mr. Liu Xingyu (劉星宇) (f)	—	669,904	35,500	53,977	866,886	1,626,267
Mr. Sun Kanghua (孫康華) (g)	—	496,864	37,500	67,908	278,307	880,579
Ms. Yang Hui (楊慧) (j)	—	158,890	35,500	17,544	1,807,500	2,019,434
Mr. Yin Junping (尹軍平) (d)	—	—	—	—	—	—
Mr. Cao Haiyi (曹海毅) (k)	—	—	—	—	—	—
Mr. Wang Zhenkun (王振坤) (l)	—	—	—	—	—	—
Independent Non-executive Directors:						
Mr. Jiang Bailing (江百靈) (h)	100,000	—	—	—	—	100,000
Mr. Zhou Yuan (周元) (h)	100,000	—	—	—	—	100,000
Mr. Li Xiaofu (李曉鄂) (h)	100,000	—	—	—	—	100,000
Supervisors:						
Mr. Liu Yudong (劉昱東) (e)	—	—	—	—	—	—
Ms. Wang Yanzhen (王艷濱) (i)	—	512,481	33,750	66,778	241,000	854,009
Ms. Sun Wenxu (孫文旭) (i)	—	276,330	9,800	33,878	78,518	398,526
	<u>300,000</u>	<u>3,728,466</u>	<u>266,425</u>	<u>375,901</u>	<u>12,912,211</u>	<u>17,583,003</u>



Year ended 31 December 2024

	Directors' fees	Salaries allowance and benefits in kind	Discretionary bonuses	Contributions to retirement scheme	Equity-settled share-based payment (Note)	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Executive Directors:						
Mr. Chen Fangming (陳方明) (a)	—	926,666	187,500	70,531	—	1,184,697
Mr. Qiu Debo (邱德波) (f)	—	852,500	187,500	—	9,640,000	10,680,000
Mr. Sun Kanghua (孫康華) (g)	—	546,683	156,750	70,531	265,837	1,039,801
Ms. Yang Hui (楊慧) (j)	—	922,740	93,750	70,531	7,230,000	8,317,021
Non-Executive Directors:						
Mr. Yin Junping (尹軍平) (d)	—	—	—	—	—	—
Mr. Cao Haiyi (曹海毅) (k)	—	—	—	—	—	—
Mr. Wang Zhenkun (王振坤) (l)	—	—	—	—	—	—
Independent Non-executive Directors:						
Mr. Jiang Bailing (江百靈) (h)	100,000	—	—	—	—	100,000
Mr. Zhou Yuan (周元) (h)	100,000	—	—	—	—	100,000
Mr. Li Xiaofu (李曉邨) (h)	100,000	—	—	—	—	100,000
Mr. YIM Chi Hung Henry (嚴志雄) (m)	206,554	—	—	—	—	206,554
Supervisors:						
Mr. Liu Yudong (劉昱東) (e)	—	—	—	—	—	—
Ms. Wang Yanzhen (王艷濤) (i)	—	469,656	84,375	69,985	241,000	865,016
Ms. Sun Wenxu (孫文旭) (i)	—	339,186	35,000	38,410	76,440	489,036
	<u>506,554</u>	<u>4,057,431</u>	<u>744,875</u>	<u>319,988</u>	<u>17,453,277</u>	<u>23,082,125</u>

- (a) Mr. Chen Fangming (陳方明) was appointed as a Director since November 2016. He was later re-designated as an executive Director in April 2024.
- (b) Mr. Zhou Daowu (周道武) was appointed as a Director of the Company on 31 October 2018. He ceased to act as a Director of the Company because of his resignation on 28 February 2022.
- (c) Mr. Zhang Shaobo (張紹波) and Mr. Li Liwei (李立偉) were former Directors of the Company during the period from 3 August 2021 to 30 August 2022, nominated by Zibo Naying Equity Investment Partnership (Limited Partnership)* (淄博納贏股權投資合夥企業(有限合夥)) (“Zibo Naying”, a shareholder of the Company).
- (d) Mr. Yin Junping (尹軍平) was appointed as a Director of the Company on 16 August 2021, nominated by Zhongding No.5 and Zhongding Qinglan. He ceased to act as a Director in April 2024.
- (e) Mr. Liu Yudong (劉昱東) was appointed as a Supervisor of the Company on August 2021, nominated by Guangzhou Naibixin Phase I Venture Capital Fund Partnership (Limited Partnership)* (廣州耐必信一期創業投資基金合夥企業(有限合夥)).
- (f) Mr. Qiu Debo (邱德波) and Mr. Liu Xingyu (劉星宇) were appointed as Directors of the Company on 30 August 2022. Mr. Qiu was later re-designated as an executive Director in April 2024. Mr. Liu ceased to act as a Director of the Company on 19 October 2023 because of the decision of the Company.
- (g) Mr. Sun Kanghua (孫康華) was appointed as a Director of the Company on 5 November 2022. He was later re-designated as an executive Director in April 2024.
- (h) Dr. Jiang Bailing (江百靈), Mr. Zhou Yuan (周元) and Dr. Li Xiaofu (李曉鄂) were appointed as independent Directors in November 2022 and were redesignated as independent non-executive Directors in April 2024.
- (i) Ms. Wang Yanzhen (王艷滇) and Ms. Sun Wenxu (孫文旭) were appointed as Supervisors of the Company on 5 November 2022.
- (j) Ms. Yang Hui (楊慧) was appointed as a Director of the Company on 19 October 2023. She was later re-designated as an executive Director in April 2024.
- (k) Mr. Cao Haiyi (曹海毅) was appointed as a Director of the Company on 4 February 2023, nominated by Hunan Xiangtan Caixin Chanxing Equity Investment Partnership (Limited Partnership)* 湖南湘潭財信產興股權投資合夥企業(有限合夥). He was later re-designated as a non-executive Director in April 2024.
- (l) Mr. Wang Zhenkun (王振坤) was appointed as a Director of the Company on 19 October 2023, nominated by Hubei Changjiang Automobile Vally Industry Investment Fund Partnership (Limited Partnership)* 湖北長江車谷產業投資基金合夥企業(有限合夥). He was later re-designated as a non-executive Director in April 2024.
- (m) Mr. YIM Chi Hung Henry (嚴志雄) was appointed as independent non-executive Directors in April 2024.

* The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.

Note:

These represent the estimated value of a share award (or share capital before the Company's conversion into a joint stock company (see Note 28(c)(i)) granted to the Directors and the chief executives under the Company's the Restricted Share Scheme. The value of these restricted shares is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 27 and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of share based payment, including the principal terms and number of restricted shares granted, are disclosed in Note 27.

During the Relevant Periods, there were no amounts paid or payable by the Group to the Directors or any of the highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a Director waived or agreed to waive any remuneration during the Relevant Periods.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments for the years ended 31 December 2022, 2023 and 2024, only one, two and two are directors and supervisors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining four, three, and three individuals during the Relevant Periods are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Salaries, allowances and benefits in kind	2,030,897	2,866,730	2,214,903
Discretionary bonuses	52,003	101,200	319,969
Contributions to retirement benefit schemes	144,232	389,319	149,168
Equity-settled share-based payment (Note 27)	13,278,673	5,636,118	5,786,371
	<u>15,505,805</u>	<u>8,993,367</u>	<u>8,470,411</u>

The emoluments of the individuals who are not directors or supervisors and who are amongst the five highest paid individuals of the Group are within the following bands:

	Year ended 31 December		
	2022	2023	2024
HKD			
1,000,001–1,500,000	1	—	—
2,500,001–3,000,000	—	—	1
3,000,001–3,500,000	1	2	2
3,500,001–4,000,000	—	1	—
5,000,001–5,500,000	1	—	—
7,000,001–7,500,000	1	—	—

10 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be issued during the Relevant Periods.

As described in Note 28(c)(i), the Company was converted into a joint stock Company with limited liability. The Company's paid-in capital of RMB145,558,000 was converted into 300,000,000 shares of RMB1.00 each accordingly. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock Company was determined assuming the conversion into joint stock Company had occurred since 1 January 2022, at the exchange ratio established in the conversion in November 2022.

	Year ended 31 December		
	2022	2023	2024
Loss for the year attributable to ordinary equity shareholders of the Company	(148,323,255)	(229,413,531)	(274,547,480)
Weighted average number of ordinary shares deemed to be in issue	231,756,462	347,072,296	351,709,265
Basic and diluted loss per share	(0.64)	(0.66)	(0.78)

(a) Loss of the year attributable to equity shareholders of the Company

	Year ended 31 December		
	2022	2023	2024
Loss of the year attributable to all equity shareholders of the Company	(178,100,753)	(229,413,531)	(274,547,480)
Allocation of loss for the year attributable to ordinary shares with redemption rights issued to investors	29,777,498	—	—
Loss of the year attributable to ordinary equity shareholders of the Company	(148,323,255)	(229,413,531)	(274,547,480)

(b) Weighted average number of ordinary shares deemed to be in issue

	Year ended 31 December		
	2022	2023	2024
Ordinary shares at 1 January deemed to be in issue	261,057,997	311,536,557	351,709,265
Effect of ordinary shares deemed to be in issue	14,832,086	—	—
Effect of ordinary shares with redemption rights issued to investors	(46,527,618)	—	—
Effect of ordinary shares in issue	2,393,997	35,535,739	—
Weighted average number of ordinary shares at the end of the year deemed to be in issue	231,756,462	347,072,296	351,709,265

- (c) Ordinary shares with redemption rights issued to investors (Note 25) and restricted shares granted under the Group's employee restricted share plans (Note 27) were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share during the Relevant Periods.



11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and equipment	Office and other equipment	Lease Vehicles	Leasehold improvement	Construction in progress	Total
	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Cost:							
At 1 January 2022	—	3,825,588	1,319,358	2,479,503	4,354,379	—	11,978,828
Additions	—	2,592,723	900,661	5,210,062	1,522,279	2,796,102	13,021,827
Transfer in/(out) from construction in progress	—	1,100,707	—	—	1,695,395	(2,796,102)	—
Disposals	—	(330,973)	(39,455)	—	—	—	(370,428)
At 31 December 2022 and 1 January 2023	—	7,188,045	2,180,564	7,689,565	7,572,053	—	24,630,227
Additions	—	1,771,204	519,769	18,276,517	697,244	65,450,900	86,715,634
Transfer in/(out) from construction in progress	—	1,783,876	—	—	—	(1,783,876)	—
Disposals	—	(1,100,707)	—	—	—	—	(1,100,707)
At 31 December 2023 and 1 January 2024	—	9,642,418	2,700,333	25,966,082	8,269,297	63,667,024	110,245,154
Additions	149,454	178,633	850,130	12,587,484	1,338,374	68,305,830	83,409,905
Transfer in/(out) from construction in progress	64,614,828	12,017,564	—	—	1,592,266	(78,224,658)	—
Disposals	—	(371,496)	(239,992)	(3,198,749)	(1,695,395)	—	(5,505,632)
At 31 December 2024	<u>64,764,282</u>	<u>21,467,119</u>	<u>3,310,471</u>	<u>35,354,817</u>	<u>9,504,542</u>	<u>53,748,196</u>	<u>188,149,427</u>



The Group

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Office and other equipment</u>	<u>Lease Vehicles</u>	<u>Leasehold improvement</u>	<u>Construction in progress</u>	<u>Total</u>
	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>	<u>RMB</u>
Accumulated depreciation:							
At 1 January 2022	—	(493,859)	(687,780)	(138,963)	(1,900,506)	—	(3,221,108)
Charge for the year	—	(524,389)	(283,826)	(1,052,381)	(2,076,304)	—	(3,936,900)
Written back on disposals	—	68,034	21,865	—	—	—	89,899
At 31 December 2022 and 1 January 2023	—	(950,214)	(949,741)	(1,191,344)	(3,976,810)	—	(7,068,109)
Charge for the year	—	(1,135,531)	(465,269)	(2,527,728)	(1,879,937)	—	(6,008,465)
Written back on disposals	—	132,085	—	—	—	—	132,085
At 31 December 2023 and 1 January 2024	—	(1,953,660)	(1,415,010)	(3,719,072)	(5,856,747)	—	(12,944,489)
Charge for the year	(1,585,175)	(2,412,596)	(723,459)	(5,956,743)	(1,263,489)	—	(11,941,462)
Written back on disposals	—	123,996	108,073	1,059,530	747,516	—	2,039,115
At 31 December 2024	<u>(1,585,175)</u>	<u>(4,242,260)</u>	<u>(2,030,396)</u>	<u>(8,616,285)</u>	<u>(6,372,720)</u>	<u>—</u>	<u>(22,846,836)</u>
Net book value:							
At 31 December 2022	<u>—</u>	<u>6,237,831</u>	<u>1,230,823</u>	<u>6,498,221</u>	<u>3,595,243</u>	<u>—</u>	<u>17,562,118</u>
At 31 December 2023	<u>—</u>	<u>7,688,758</u>	<u>1,285,323</u>	<u>22,247,010</u>	<u>2,412,550</u>	<u>63,667,024</u>	<u>97,300,665</u>
At 31 December 2024	<u>63,179,107</u>	<u>17,224,859</u>	<u>1,280,075</u>	<u>26,738,532</u>	<u>3,131,822</u>	<u>53,748,196</u>	<u>165,302,591</u>

The Group's property, plant and equipment are located in the PRC.



The Company

	Machinery and equipment RMB	Office and other equipment RMB	Lease Vehicles RMB	Leasehold improvement RMB	Total RMB
Cost:					
At 1 January 2022	104,633	1,253,209	—	1,024,397	2,382,239
Additions	314,513	828,633	—	696,375	1,839,521
At 31 December 2022 and 1 January 2023	419,146	2,081,842	—	1,720,772	4,221,760
Additions	—	486,817	—	80,429	567,246
At 31 December 2023 and 1 January 2024	419,146	2,568,659	—	1,801,201	4,789,006
Additions	—	80,564	614,644	—	695,208
Disposal	(171,850)	(239,992)	—	—	(411,842)
At 31 December 2024	247,296	2,409,231	614,644	1,801,201	5,072,372
Accumulated depreciation:					
At 1 January 2022	(20,865)	(668,357)	—	(507,357)	(1,196,579)
Charge for the year	(56,349)	(253,051)	—	(583,416)	(892,816)
At 31 December 2022 and 1 January 2023	(77,214)	(921,408)	—	(1,090,773)	(2,089,395)
Charge for the year	(138,470)	(367,041)	—	(232,520)	(738,031)
At 31 December 2023 and 1 January 2024	(215,684)	(1,288,449)	—	(1,323,293)	(2,827,426)
Charge for the year	(70,511)	(492,458)	(82,977)	(247,872)	(893,818)
Written back on disposals	95,897	108,073	—	—	203,970
At 31 December 2024	(190,298)	(1,672,834)	(82,977)	(1,571,165)	(3,517,274)
Net book value:					
At 31 December 2022	341,932	1,160,434	—	629,999	2,132,365
At 31 December 2023	203,462	1,280,210	—	477,908	1,961,580
At 31 December 2024	56,998	736,397	531,667	230,036	1,555,098



12 OTHER INVESTMENTS

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Financial assets measured at FVOCI			
Unlisted equity investment (Note 29(d))	18,938,509	19,093,387	41,734,716

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Financial assets measured at FVOCI			
Unlisted equity investment (Note 29(d))	16,212,736	15,876,268	40,147,141

As at 31 December 2022, 2023 and 2024, other equity investments mainly represented the Group's equity investment in unlisted Companies and are initially recognized as financial assets at FVOCI.

In December 2021 and 2022, the Group invested 10.0% of the equity interest in the private company A, which is incorporated in the PRC and principally engaged in sales of new energy vehicles, for a consideration of RMB300,000 and RMB700,000 in cash, respectively.

In January 2022, the Group invested 4.5% of the equity interest in the private company C, which is incorporated in the PRC and principally engaged in the research and sales of new energy controllers, for a consideration of RMB2,563,200 in cash.

In March 2022, the Group invested 1.7% of the equity interest in the private company B, which is incorporated in the PRC and principally engaged in automatic driving and intelligent operation, for a consideration of RMB2,400,000 in cash.

In July 2022, the Group invested 15.0% of the equity interest in the private company D, which is incorporated in the PRC and principally engaged in sales of new energy vehicles, for a consideration of RMB1,500,000 in cash. In June 2024, these equity interest has been fully withdrawn and the Group has recognised a loss of RMB215,619 in "Other comprehensive income" for the year ended 31 December 2024.

In December 2022, the Group invested 4.2% of the equity interest in the private company E, which is incorporated in the PRC and principally engaged in the sales of new energy vehicles and provision of unmanned driving solutions, for a consideration of RMB500,000 in cash. In December 2023, the Group further acquired 23.2% of the equity interest in the private company E for a consideration of RMB1,876,340 in cash and it was transferred to associates since then.

Till September 2024, the Group invested 11.4% of the equity interest in a private company F, which is incorporated in the PRC and principally engaged in operation and sales of new energy vehicles and provision of unmanned driving solutions. In September 2024, this investment was transferred from interest in associates to other investments at its fair value of RMB22,739,600 when the Group ceased to have its significant influence over this company (Note 16).

The Group designated the above investments in unlisted equity securities at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were declared from these investments during the Relevant Periods, except for a dividend received from the private company C with an amount of RMB333,000 in July 2024.



For the years ended 31 December 2022, 2023 and 2024, the Group recognised RMB10,975,309, RMB631,532 and RMB1,401,729 in the changes in fair value of financial assets measured at FVOCI.

The analysis on the fair value measurement of the above financial assets was disclosed in Note 29(d).

13 RIGHT-OF-USE ASSETS

The Group

	Properties leased for own use carried at cost RMB	Land use-rights RMB	Total RMB
Cost:			
At 1 January 2022	12,920,263	—	12,920,263
Additions	7,885,555	—	7,885,555
Lease termination	(4,888,746)	—	(4,888,746)
At 31 December 2022 and 1 January 2023	15,917,072	—	15,917,072
Additions	14,580,225	65,439,025	80,019,250
At 31 December 2023 and 1 January 2024	30,497,297	65,439,025	95,936,322
Additions	—	37,385,770	37,385,770
Lease termination	(15,393,485)	—	(15,393,485)
At 31 December 2024	15,103,812	102,824,795	117,928,607
Accumulated depreciation:			
At 1 January 2022	(3,473,285)	—	(3,473,285)
Charge for the year	(3,380,674)	—	(3,380,674)
Lease termination	2,415,406	—	2,415,406
At 31 December 2022 and 1 January 2023	(4,438,553)	—	(4,438,553)
Charge for the year	(4,800,876)	(601,065)	(5,401,941)
At 31 December 2023 and 1 January 2024	(9,239,429)	(601,065)	(9,840,494)
Charge for the year	(4,514,650)	(1,682,638)	(6,197,288)
Lease termination	4,668,333	—	4,668,333
At 31 December 2024	(9,085,746)	(2,283,703)	(11,369,449)
Net book value:			
At 31 December 2022	11,478,519	—	11,478,519
At 31 December 2023	21,257,868	64,837,960	86,095,828
At 31 December 2024	6,018,066	100,541,092	106,559,158



The Company

	Properties leased for own use carried at cost RMB
Cost:	
At 1 January 2022	6,017,173
Additions	7,885,555
Lease termination	<u>(3,182,478)</u>
At 31 December 2022, 1 January 2023, 31 December 2023 and 1 January 2024	10,720,250
Additions	2,477,876
Lease termination	<u>(813,260)</u>
At 31 December 2024	 12,384,866
Accumulated depreciation:	
At 1 January 2022	(2,308,608)
Charge for the year	(1,963,145)
Lease termination	<u>1,305,632</u>
At 31 December 2022 and 1 January 2023	(2,966,121)
Charge for the year	<u>(1,577,111)</u>
At 31 December 2023 and 1 January 2024	(4,543,232)
Charge for the year	(1,405,805)
Lease termination	<u>414,451</u>
At 31 December 2024	<u><u>(5,534,586)</u></u>
Net book value:	
At 31 December 2022	<u><u>7,754,129</u></u>
At 31 December 2023	<u><u>6,177,018</u></u>
At 31 December 2024	<u><u>6,850,280</u></u>

Notes:

- (i) Land-use-right premiums was paid by the Group for land situated in the PRC. Lump sum payments were made upfront to acquire these land-use-rights, and there are no ongoing payments to be made under the terms of the land lease.
- (ii) The Group has obtained the right to use the properties as its warehouse and offices through tenancy agreements. The leases typically run for an initial period of 2–5 years. None of the leases includes an option to purchase the leased assets at the end of the lease term.



The analysis of expense items in relation to lease recognised in the Group's profit or loss is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Depreciation charge of right-of-use assets by class of underlying asset:			
Leasehold buildings, carried at depreciated cost	3,380,674	4,800,876	4,514,650
Interest on lease liabilities (<i>Note 6(a)</i>)	438,409	882,489	673,582
Expenses relating to short-term leases	33,153	115,158	1,350,934

14 INTANGIBLE ASSETS

	Software RMB
Cost:	
At 1 January 2022	1,144,826
Additions	276,148
At 31 December 2022 and 1 January 2023	1,420,974
Additions	1,395,492
At 31 December 2023 and 1 January 2024	2,816,466
Additions	1,717,093
At 31 December 2024	4,533,559
Accumulated amortisation:	
At 1 January 2022	(147,041)
Charge for the year	(242,228)
At 31 December 2022 and 1 January 2023	(389,269)
Charge for the year	(383,250)
At 31 December 2023 and 1 January 2024	(772,519)
Charge for the year	(800,103)
At 31 December 2024	(1,572,622)
Net book value:	
At 31 December 2022	1,031,705
At 31 December 2023	2,043,947
At 31 December 2024	2,960,937



15 INTEREST IN SUBSIDIARIES

The carrying amounts of investments in subsidiaries of the Company are listed as below:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Interest in subsidiaries	107,511,063	632,801,063	1,017,716,063

Further details of the principal subsidiaries of the Group are set out in Note 1.

16 INTEREST IN ASSOCIATES

(a) The balances recognized in the consolidated balance sheets are as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	3,716,353	23,259,475	28,482,306
Aggregate amounts of the Group's share of those associates' profit or loss from continuing operations and impairment loss	(388,109)	590,290	(3,485,038)
Other comprehensive income	—	—	—
Total comprehensive income	(388,109)	590,290	(3,485,038)

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	2,212,746	21,231,584	26,393,716
Aggregate amounts of the Group's share of those associates' profit or loss from continuing operations and impairment loss	(351,716)	578,980	(2,368,008)
Other comprehensive income	—	—	—
Total comprehensive income	(351,716)	578,980	(2,368,008)

(b) As at 31 December 2022, 2023 and 2024, the Group had interests in the following associates:

Name of associates	Place of incorporation and operation	Particulars of registered and paid-up share capital	Effective interest held by the Group			Principal activities
			As at 31 December			
			2022	2023	2024	
Jiangxi Breton New Energy Technology Co., Ltd. (till 9 December 2022) (Note i) (Note ii)	PRC	RMB5 million/ RMB2 million	/	/	/	sales of new energy tractor trucks and new energy loaders
Shanxi Huanghe Green Energy Technology Co., Ltd. (Note ii)	PRC	RMB10 million/ RMB7.5 million	13%	13%	13%	sales of new energy tractor trucks and new energy loaders
Lituo (Shandong) New Energy Technology Co., Ltd. (Note ii)	PRC	RMB11 million/ RMB11 million	14%	14%	14%	operation of new energy tractor trucks and new energy loaders
Shaanxi Lingbo Operation Technology Co., Ltd. (Note ii)	PRC	RMB10 million/ RMB10 million	10%	10%	10%	sales of new energy tractor trucks and new energy loaders
Shanghai Huansheng New Energy Technology Co., Ltd. (till 26 August 2022) (Note i) (Note ii)	PRC	RMB32.865 million/ RMB30.568 million	/	/	/	sales of new energy tractor trucks and new energy loaders
Breton (Jinhua) New Energy Co., Ltd. (Note ii)	PRC	RMB9.9 million/ RMB9.9 million	/	28%	28%	sales of new energy wide-body dump trucks and new energy loaders
Breton Tianyue (Ningxia) New Energy Co., Ltd. (Note ii)	PRC	RMB10 million/ RMB10 million	/	49%	49%	sales of new energy tractor trucks and new energy loaders
Sichuan Breton Tianyi New Energy Technology Co., Ltd. (Note ii)	PRC	RMB5 million/ RMB3.4 million	/	49%	49%	sales of new energy tractor trucks and new energy loaders
Moudi Smart Technology Co., Ltd. (till 5 September 2024) (Note ii) (Note iv)	PRC	RMB50 million/ RMB44.57 million	/	28%	/	operation and sales of new energy tractor trucks and new energy loaders
Chongqing Changling Technology Co., Ltd. (Note ii)	PRC	RMB10 million/ RMB2.5 million	/	40%	40%	sales of new energy tractor trucks and new energy loaders
Xinjiang Breton New Energy Technology Co., Ltd. (till 20 October 2023) (Note i) (Note ii)	PRC	RMB5 million/ RMB1.48 million	15%	/	/	sales of new energy tractor trucks and new energy loaders
Breton Tianrun (Jiangsu) New Energy Co., Ltd. (Note ii)	PRC	RMB100 million/ RMB33 million	/	49%	49%	sales of new energy tractor trucks and new energy loaders
Henan Breton Construction Machinery Co., Ltd. (Note ii)	PRC	RMB5 million/ RMB5 million	10%	5%	10%	sales of new energy tractor trucks and new energy loaders
Hebei Lvyuan Tiancheng New Energy Technology Co., Ltd. (Note ii)	PRC	RMB10 million/ RMB10 million	/	/	15%	sales of new energy tractor trucks and new energy loaders
Hunan Lydian Breton New Energy Co., Ltd. (Note ii)	PRC	RMB10 million/ RMB10 million	/	/	15%	sales of new energy tractor trucks and new energy loaders
Breton Jungang (Shandong) Energy Technology Co., Ltd. (Note ii)	PRC	RMB5 million/ RMB5 million	/	/	19%	sales of new energy tractor trucks and new energy loaders

- Note i:* In 2022 and 2023, the Group disposed of all equity interests in Shanghai Huansheng New Energy Technology Co., Ltd., Jiangxi Breton New Energy Technology Co., Ltd., and Xinjiang Breton New Energy Technology Co., Ltd., to third parties, respectively.
- Note ii:* According to the Articles of Association of these entities, the Company is empowered to appoint one director with no restriction on the voting right compared with other directors. Therefore, the Company has significant influence but not control or joint control on the associates mentioned above, which are accounted for as investment in associate.
- Note iii:* The English names of certain associates referred to above represent the best effort made by management of the Group in translating the Chinese names as they do not register any official English names.
- Note iv:* In September 2024, the Group ceased to have significant influence over Moudi Smart Technology Co., Ltd. as a result of capital injection from third parties into this company and resignation of the representative of the Group on the board of directors of this company, and a gain of RMB16,276,819 was recognised as a result of the remeasurement of the investment transferred from interest in associates to other investments (Note 12) during the year ended 31 December 2024.
- Note v:* The directors consider none of the associates were significant to the Group during the Relevant Periods.
- Note vi:* Except for financial guarantee issued as disclosed in Note 30, there are no other contingent liabilities or commitments relating to the Group's investments in associates.

17 OTHER NON-CURRENT ASSETS

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Financial assets measured at amortised cost			
— Trade receivables due from third parties	52,294,667	33,262,685	53,847,362
— Trade receivables due from related parties	89,263	22,023,698	6,382,311
Less: loss allowance on trade and receivables	(8,147,685)	(7,027,077)	(4,194,203)
Trade receivables, net (<i>Note 20</i>)	44,236,245	48,259,306	56,035,470
Prepayment for property, plant and equipment and land use right	—	12,058,783	1,465,966
Contract assets (<i>Note 19</i>)	—	—	7,094,279
Deposits	2,671,801	2,246,801	9,064,101
	46,908,046	62,564,890	73,659,816

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Financial assets measured at amortised cost			
— Trade receivables due from third parties	4,805,097	6,982,784	16,408,709
Less: loss allowance on trade and receivables	(2,789,003)	(39,381)	(66,163)
Trade receivables, net	2,016,094	6,943,403	16,342,546
Deposits	457,801	457,801	7,719,927
	2,473,895	7,401,204	24,062,473

18 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Raw materials	70,098,954	101,890,536	97,001,382
Finished goods	223,861,252	166,281,419	161,582,935
Right to recover returned goods	584,004	502,606	438,757
	294,544,210	268,674,561	259,023,074

Inventories in the statements of financial position of the Company comprise:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Raw materials	10,077,613	14,925,344	31,875,072
Finished goods	7,076,913	3,730,973	4,985,246
Right to recover returned goods	48,285	27,690	30,968
	17,202,811	18,684,007	36,891,286

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Carrying amount of inventories used	326,283,546	433,579,766	581,185,550
Write-down of inventories	25,650,260	20,879,290	17,432,258
	351,933,806	454,459,056	598,617,808

19 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Contract assets			
Arising from performance under contracts with customers	860,350	342,400	8,452,950
Less: loss allowance on contract assets (Note 29(a))	—	—	(36,471)
	860,350	342,400	8,416,479
Less: Contract assets due more than one year (Note 17)	—	—	(7,094,279)
	860,350	342,400	1,322,200
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" (Note 20)	233,417,839	374,089,804	446,327,343

Contract assets represent the Group's rights to consideration from customers for the sales of new energy engineering machinery, which arise when the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 6–60 months (defect liability period) after delivery of new energy engineering machinery. Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional.

(b) Contract liabilities

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Contract liabilities			
Receipts in advance from customers	15,196,543	13,740,178	3,655,027
Movements in contract liabilities			
Balance at 1 January	9,029,990	15,196,543	13,740,178
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(4,485,600)	(9,261,751)	(13,064,716)
Increase in contract liabilities as a result of billing in advance	10,652,153	7,805,386	2,979,565
	15,196,543	13,740,178	3,655,027

The Group receives advance payment from certain customers for sales of new energy engineering machinery and sales of spare parts and accessories. Contract liabilities will be recognised as revenue when control of equipment is transferred to the customer.



20 TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Trade receivables due from			
— third parties	262,552,586	321,762,384	382,988,500
— related parties (<i>Note 32(c)</i>)	15,069,073	129,306,836	220,164,240
Less: loss allowance on trade receivables (<i>Note 29(a)</i>)	(44,203,820)	(76,979,416)	(156,825,397)
	233,417,839	374,089,804	446,327,343
Less: Trade receivables due more than one year	(44,236,245)	(48,259,306)	(56,035,470)
	189,181,594	325,830,498	390,291,873
Bills receivable	9,616,548	47,042,622	56,572,251
Other receivables due from			
— third parties	6,625,341	6,844,359	7,465,528
— related parties (<i>Note 32(c)</i>)	—	—	—
Less: loss allowance on other receivables (<i>Note 29(a)</i>)	(74,716)	(4,774,716)	(5,424,716)
Other receivables, net	6,550,625	2,069,643	2,040,812
Deposits	75,734	10,590,000	5,414,264
Prepayments for purchase of			
raw materials	43,823,225	26,811,087	69,909,123
Prepaid expenses	246,964	2,105,289	2,206,831
Prepayments for listing expenses	—	1,728,881	1,823,009
Taxation recoverable	6,863,454	18,911,440	27,574,468
Loans to third parties	900,000	—	—
Interest receivables	559,081	—	—
	257,817,225	435,089,460	555,832,631



The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Trade receivables due from			
— third parties	34,493,558	35,520,709	50,502,842
— related parties	—	—	24,582,788
— subsidiaries	244,221,685	422,488,510	294,300,805
Less: allowance for trade receivables	(18,758,001)	(10,964,148)	(11,081,734)
	259,957,242	447,045,071	358,304,701
Less: Trade receivables due more than one year	(2,016,094)	(6,943,403)	(16,342,546)
	257,941,148	440,101,668	341,962,155
Bills receivable	100,000	2,857,915	6,896,770
Other receivables due from			
— third parties	5,882,341	4,863,663	4,830,911
— related parties	—	—	—
— subsidiaries	203,725,009	143,479,056	126,159,402
Less: allowance for other receivables	(74,716)	(4,774,716)	(4,774,716)
Other receivables, net	209,532,634	143,568,003	126,215,597
Deposits	—	50,000	737,285
Prepayments for purchase of raw materials	15,476,023	19,135,087	34,117,555
Prepaid expenses	205,933	1,951,281	1,857,437
Prepayments for listing expenses	—	1,728,881	1,823,009
Taxation recoverable	411,045	285,138	2,985,170
Loans to third parties	900,000	—	—
Interest receivable	559,081	—	—
	485,125,864	609,677,973	516,594,978

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.



(a) Ageing analysis

As of the end of the Relevant Periods, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	208,628,522	263,741,046	303,449,728
1–2 years	20,576,380	93,067,727	118,231,393
2–3 years	4,212,937	13,954,731	22,070,084
More than 3 years	—	3,326,300	2,576,138
	<u>233,417,839</u>	<u>374,089,804</u>	<u>446,327,343</u>

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	252,705,511	438,513,826	229,816,488
1–2 years	6,746,305	2,197,624	121,703,891
2–3 years	505,426	6,333,621	1,548,052
More than 3 years	—	—	5,236,270
	<u>259,957,242</u>	<u>447,045,071</u>	<u>358,304,701</u>

Details of the Group's credit policy and credit risk arising from trade receivable and bills receivables are set out in Note 29(a).

(b) Endorsed bank acceptance bills

(i) Endorsed bank acceptance bills that are not derecognised in their entirety

As at 31 December 2022, 2023 and 2024, the Group endorsed certain bank acceptance bills with a carrying amount of RMB8,796,490, RMB12,775,500 and RMB28,248,276 respectively to suppliers for settling trade and other payables of the same amount on a full recourse basis.

In the opinion of the directors, the Group has not transferred the substantial risks and rewards relating to these bank acceptance bills and commercial bills, and accordingly, these bills receivable and the associated trade and other payables were not de-recognized in the consolidated statements of financial position.

(ii) Endorsed bank acceptance bills that are derecognised in their entirety

As at 31 December 2022, 2023 and 2024, the Group endorsed certain bank acceptance bills with a carrying amount of RMB8,463,166, RMB12,762,115 and RMB16,630,257 respectively to suppliers for settling trade and other payables of the same amount on a full recourse basis. The Group derecognised these bills receivable and the payables to suppliers in their entirety in the consolidated statements of financial position.



In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

As at 31 December 2022, 2023 and 2024, the Group's maximum exposure to loss and undiscounted cash outflow, which is the same as the amounts payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB8,463,166, RMB12,762,115 and RMB16,630,257 respectively.

21 CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents and pledged bank deposits

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Cash and cash equivalents	270,260,321	422,072,291	199,254,000
Pledged bank deposits	4,700,000	5,278,000	4,208,000

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Cash and cash equivalents	268,612,984	164,643,976	35,799,184
Pledged bank deposits	4,700,000	5,100,000	4,030,000

As at 31 December 2022, RMB4,700,000 was deposited at banks as guarantee in relation to supplier guarantee.

As at 31 December 2023, RMB4,000,000 was deposited at banks as guarantee in relation to supplier guarantee, RMB1,100,000 was deposited at banks in relation to bill deposit, and RMB178,000 was deposited at banks in relation to quality insurance deposit.

As at 31 December 2024, RMB4,000,000 was deposited at bank as guarantee in relation to supplier guarantee and RMB208,000 was deposited at bank in relation to quality insurance deposit.



(b) Reconciliation of loss before taxation to cash generated from operations:

	Note	Year ended 31 December		
		2022	2023	2024
		RMB	RMB	RMB
Loss before taxation		(177,470,438)	(229,412,150)	(274,457,165)
Adjustments for:				
Depreciation and amortisation	6(c)			
— owned property, plant and equipment		3,936,900	6,008,465	11,941,462
— right-of-use assets		3,380,674	5,401,941	6,197,288
— intangible assets		242,228	383,250	800,103
Finance costs	6(a)	13,732,638	6,919,281	9,186,683
Finance income	6(a)	(6,446,942)	(16,335,180)	(10,547,318)
Net loss/(gain) on disposal of property, plant and equipment	5	198,812	(61,052)	1,130,216
Net gain on modification and termination of lease	5	(175,729)	—	(866,500)
Shares of results of associates, net of downstream transaction		376,666	(888,369)	6,469,763
Equity-settled share-based payment expenses	27	29,053,824	29,658,835	33,477,637
Credit loss on financial guarantee issued	6(c)	69,498	400,090	2,565,400
Dividends from other investments	5	—	—	(333,000)
Loss/(gain) on disposal or loss of significant influence of associates	5	1,397,542	—	(16,276,819)
Loss on disposal of subsidiaries	5	46,906	—	—
Changes in working capital				
(Increase)/decrease in inventories		(76,035,444)	25,869,649	(796,778)
Increase in trade and other receivables		(124,004,841)	(161,564,440)	(131,703,679)
(Increase)/decrease in contract assets		(13,790)	517,950	(979,800)
Increase in trade and other payables		28,793,752	121,165,707	91,173,020
Increase/(decrease) in contract liabilities		6,166,553	(1,456,365)	(10,085,151)
(Increase)/decrease in pledged bank deposits		(2,632,000)	(578,000)	1,070,000
Increase in provisions		2,760,683	4,308,177	1,649,172
Cash used in operations		(296,622,508)	(209,662,211)	(280,385,466)
Interest received		6,344,314	16,894,261	10,547,318
Income tax paid		(142,440)	(917,707)	(112,644)
Net cash used in operating activities		<u>(290,420,634)</u>	<u>(193,685,657)</u>	<u>(269,950,792)</u>



(c) Reconciliation of liabilities arising from financing activities:

	Loans and borrowings	Interest payables	Lease liabilities	Financial instruments issued to investors	Total
	RMB	RMB	RMB	RMB	RMB
	(Note 22)	(Note 23)	(Note 24)	(Note 25)	
At 1 January 2022	151,548,945	9,336,701	9,523,275	569,120,154	739,529,075
Changes from financing cash flows:					
Proceeds from loans and borrowings	210,300,000	—	—	—	210,300,000
Repayments of loans and borrowings	(210,648,945)	—	—	—	(210,648,945)
Repayment of financial instruments to investor of subsidiaries	—	—	—	(47,124,008)	(47,124,008)
Capital element of lease rentals paid	—	—	(4,076,625)	—	(4,076,625)
Interest element of lease rentals paid	—	—	(438,409)	—	(438,409)
Proceeds from the issuance of financial instruments to investors with preferred rights	—	—	—	197,484,000	197,484,000
Interest paid	(5,671,099)	(10,320,451)	—	—	(15,991,550)
Total changes from financing cash flows	(6,020,044)	(10,320,451)	(4,515,034)	150,359,992	129,504,463
Other changes:					
Interest expenses	5,846,698	983,750	438,409	6,463,781	13,732,638
Fair value adjustments on initial carrying amount of financial instruments issued to investors recognised as non-current liabilities	—	—	—	197,484,000	197,484,000
Termination of redemption rights financial instruments issued to investors of the Company with preferred rights	—	—	—	(894,558,000)	(894,558,000)
Increase in lease liabilities from entering into new leases during the year	—	—	7,885,555	—	7,885,555
Termination of lease during the year	—	—	(2,649,069)	—	(2,649,069)
Total other changes	5,846,698	983,750	5,674,895	(690,610,219)	(678,104,876)
At 31 December 2022	151,375,599	—	10,683,136	28,869,927	190,928,662

	Loans and borrowings	Interest payables	Lease liabilities	Financial instruments issued to investors	Total
	RMB	RMB	RMB	RMB	RMB
	(Note 22)	(Note 23)	(Note 24)	(Note 25)	
At 1 January 2023	151,375,599	—	10,683,136	28,869,927	190,928,662
Changes from financing cash flows:					
Proceeds from loans and borrowings	144,043,800	—	—	—	144,043,800
Repayments of loans and borrowings	(142,335,600)	—	—	—	(142,335,600)
Repayment of financial instruments to investor of subsidiaries	—	—	—	(29,142,110)	(29,142,110)
Capital element of lease rentals paid	—	—	(2,782,258)	—	(2,782,258)
Interest element of lease rentals paid	—	—	(882,489)	—	(882,489)
Interest paid	(5,620,883)	—	—	—	(5,620,883)
Total changes from financing cash flows	(3,912,683)	—	(3,664,747)	(29,142,110)	(36,719,540)
Other changes:					
Interest expenses	5,764,609	—	882,489	272,183	6,919,281
Increase in lease liabilities from entering into new leases during the year	—	—	14,580,225	—	14,580,225
Total other changes	5,764,609	—	15,462,714	272,183	21,499,506
At 31 December 2023 and 1 January 2024	<u>153,227,525</u>	<u>—</u>	<u>22,481,103</u>	<u>—</u>	<u>175,708,628</u>
Changes from financing cash flows:					
Proceeds from loans and borrowings	275,913,369	—	—	—	275,913,369
Repayments of loans and borrowings	(77,033,310)	—	—	—	(77,033,310)
Capital element of lease rentals paid	—	—	(5,061,759)	—	(5,061,759)
Interest element of lease rentals paid	—	—	(673,582)	—	(673,582)
Interest paid	(9,225,996)	—	—	—	(9,225,996)
Total changes from financing cash flows	189,654,063	—	(5,735,341)	—	183,918,722
Other changes:					
Decrease in lease liabilities from termination of leases during the year	—	—	(11,591,652)	—	(11,591,652)
Interest expenses	9,431,226	—	673,582	—	10,104,808
Total other changes	9,431,226	—	(10,918,070)	—	(1,486,844)
At 31 December 2024	<u>352,312,814</u>	<u>—</u>	<u>5,827,692</u>	<u>—</u>	<u>358,140,506</u>

Note (i): Interest payable is included in trade and other payables as disclosed in Note 23.



(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within operating cash flows	33,153	115,158	1,350,934
Within investing cash flows	—	75,439,025	37,385,770
Within financing cash flows	4,515,034	3,664,747	5,735,341
	<u>4,548,187</u>	<u>79,218,930</u>	<u>44,472,045</u>

22 LOANS AND BORROWINGS

(a) The analysis of the carrying amount of borrowings in the consolidated statements of financial position is as follows:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Current			
Short-term bank loans	89,507,758	—	50,024,167
Current portion of long-term bank loans	2,400,000	99,233,327	215,844,788
Obligations arising from sale and leaseback transactions	<u>2,819,420</u>	<u>—</u>	<u>1,328,096</u>
	<u>94,727,178</u>	<u>99,233,327</u>	<u>267,197,051</u>
Non-current			
Obligations arising from sale and leaseback transactions	6,180,580	—	5,891,778
Long-term bank loans	<u>50,467,841</u>	<u>53,994,198</u>	<u>79,223,985</u>
	<u>56,648,421</u>	<u>53,994,198</u>	<u>85,115,763</u>
	<u>151,375,599</u>	<u>153,227,525</u>	<u>352,312,814</u>



The analysis of the carrying amount of borrowings in the statements of financial position of the Company is as follows:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Current			
Short-term bank loans	89,507,758	—	40,014,389
Current portion of long-term bank loans	2,400,000	99,233,327	203,786,802
	91,907,758	99,233,327	243,801,191
Non-current			
Long-term bank loans	50,467,842	23,150,398	44,200,000
	142,375,600	122,383,725	288,001,191

The interest rates per annum of borrowings were:

	As at 31 December		
	2022	2023	2024
	one-year		
	LPR-0.65%	one-year	one-year
	- + 1.00%	LPR-0.65%	LPR-0.65%
	or	- + 0.75%	- + 0.5%
	3.00%-4.70%/	or	or
Current loans	6.20%	3.00%-4.45%	2.8%-5.98%
Non-current loans	4.00%-6.20%	3.00%-4.35%	2.9%-5.98%

Interest rates comprise fixed rates and floating rates based on Loan Prime Rate ("LPR").

(b) The borrowings were repayable as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	94,727,178	99,233,327	267,197,051
After 1 year but within 2 years	56,648,421	23,150,398	44,609,667
After 2 years but within 5 years	—	30,843,800	40,506,096
	151,375,599	153,227,525	352,312,814



The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	91,907,758	99,233,327	243,801,191
After 1 year but within 2 years	50,467,842	23,150,398	27,200,000
After 2 years but within 5 years	—	—	17,000,000
	<u>142,375,600</u>	<u>122,383,725</u>	<u>288,001,191</u>

(c) The borrowings of the Group were secured as follows:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Bank loans			
— Secured (i)	119,575,599	96,683,800	47,081,971
— Unsecured	<u>22,800,000</u>	<u>56,543,725</u>	<u>298,010,969</u>
	<u>142,375,599</u>	<u>153,227,525</u>	<u>345,092,940</u>
Obligations arising from sale and leaseback transactions			
— Secured (ii)	9,000,000	—	—
— Unsecured	<u>—</u>	<u>—</u>	<u>7,219,874</u>
	<u>9,000,000</u>	<u>—</u>	<u>7,219,874</u>
Total	<u>151,375,599</u>	<u>153,227,525</u>	<u>352,312,814</u>

- (i) Mr. Chen Fangming provided guarantees to the Company in respect of certain bank loans totalling RMB119,575,599, RMB65,840,000 and nil as at 31 December 2022, 2023 and 2024, respectively.

As at 31 December 2023 and 2024, certain of the Group's borrowing was secured by the Group's land use rights with the amount of RMB24,790,772.

- (ii) In December 2022, the Company's subsidiary, Breton (Shandong) New Energy Vehicle Co., Ltd., entered into an agreement of sale and leaseback of property, plant and equipment with Zhongguancun Science-Tech Leasing Co., Ltd. ("ZGC TEC") (中關村科技租賃股份有限公司), pursuant to which the lease principals are amounted to RMB9,000,000, with interest accruing at 6.1% per annum. The principals and interests should be repaid monthly within 3 years.

Based on the management assessment of the Group, ZGC TEC Leasing did not obtain control of the assets and the transfer of assets did not satisfy the requirements of IFRS 15 to be accounted for as a sale of the assets. Therefore, the Group continued to recognize the assets and recognized borrowings equal to the transfer proceeds according to IFRS 9.

- (iii) For the years ended 31 December 2023 and 2024, the Group did not fulfil certain non-financial covenants as set out in the bank loan facility agreements with total amount of RMB32,200,000 and RMB149,000,000 as at 31 December 2023 and 2024, respectively, which were classified as current liabilities of the Group. The Group did not receive any demand notice for repayment of any bank loans as a result of the aforementioned breach of certain non-financial covenants during the Relevant Periods.



23 TRADE AND OTHER PAYABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Trade payables due to third-party suppliers	94,377,450	185,980,217	270,526,165
Bills payable	—	11,000,000	10,000,000
Financial liabilities measured at amortised cost	94,377,450	196,980,217	280,526,165
Other payables			
— Deposits	14,434,630	11,888,950	8,571,705
— Government grants payable	4,784,000	4,784,000	1,984,000
— Payables for purchase of property, plant and equipment	378,000	17,566,588	7,011,873
— Commission expenses payable	1,718,928	2,406,339	2,884,699
— Deposit for restricted shares (<i>Note 28(j)(iv)</i>)	11,600,000	11,600,000	11,600,000
— Others	5,053,402	12,867,952	32,430,085
Accrued payroll and other benefits	17,111,778	22,252,903	19,881,447
VAT and sundry taxes payable	2,713,493	8,765,278	4,938,755
Interest payable	—	—	—
Refund liabilities			
— accrual of sales return	574,744	491,138	428,888
— arising from sales rebate	4,228,888	5,304,355	4,281,443
	156,975,313	294,907,720	374,539,060



The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Trade payables due to			
— third parties	26,217,795	117,876,762	105,552,181
— subsidiaries	9,247,156	35,201,493	197,395,734
Bills payable	—	11,000,000	10,000,000
Financial liabilities measured at amortised cost	35,464,951	164,078,255	312,947,915
Other payables			
— Deposits	558,475	530,000	400,000
— Government grants payable	4,284,000	4,284,000	1,484,000
— Payables for purchase of property, plant and equipment	—	—	2,028,802
— Commission expenses payable	188,679	420,000	—
— Others	5,494,329	9,698,484	15,759,766
Accrued payroll and other benefits	15,906,766	20,443,803	15,210,347
VAT and sundry taxes payable	1,519,510	7,764,963	2,281,375
Interest payable	—	—	—
Refund liabilities			
— accrual of sales return	49,843	28,689	31,885
	63,466,553	207,248,194	350,144,090

As of the end of the Relevant Periods, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	93,402,935	179,561,922	265,049,045
1 year to 2 years	974,515	5,773,415	1,489,846
Over 2 years	—	644,880	3,987,274
	94,377,450	185,980,217	270,526,165

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	34,818,366	148,774,144	295,746,558
1 year to 2 years	646,585	3,659,231	3,228,379
Over 2 years	—	644,880	3,972,978
	35,464,951	153,078,255	302,947,915



24 LEASE LIABILITIES

As of the end of the Relevant Periods, the lease liabilities were repayable as follows:

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	2,383,426	7,037,225	3,222,155
After 1 year but within 2 years	2,506,679	5,674,245	1,465,333
After 2 years but within 5 years	5,793,031	9,769,633	1,140,204
	8,299,710	15,443,878	2,605,537
	10,683,136	22,481,103	5,827,692

The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Within 1 year	1,384,710	1,444,253	2,726,437
After 1 year but within 2 years	1,444,252	1,550,055	2,868,015
After 2 years but within 5 years	4,662,830	3,112,775	5,635,881
	6,107,082	4,662,830	8,503,896
	7,491,792	6,107,083	11,230,333

25 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

The Group

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Current			
Financial instruments issued to investors of subsidiaries of the Company (Note 25(b))	28,869,927	—	—
Non-current			
Financial instruments issued to investors of the Company (Note 25(a))	—	—	—
Financial instruments issued to investors of subsidiaries of the Company (Note 25(b))	—	—	—
	28,869,927	—	—



The Company

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Current			
Financial instruments issued to investors the Company (Note 25(b))	28,869,927	—	—
Non-current			
Financial instruments issued to investors of the Company (Note 25(a))	—	—	—
Financial instruments issued to investors of subsidiaries of the Company (Note 25(b))	—	—	—
	<u>28,869,927</u>	<u>—</u>	<u>—</u>

(a) Financial instruments issued to investors of the Company:

Pursuant to the agreements between the Company and its investors, the Company agreed to issue its registered capital to certain investors who were granted the right to require the Company to redeem their paid-in capital for cash upon specified events (the “Preferred Rights”).

The Company recognised its obligation to pay cash to those investors with Preferred Rights as financial liabilities, because not all triggering events are within the control of the Company. The financial liabilities are measured at the present value of the redemption amount.

The movements of the redemption liabilities during the Relevant Periods are as follows:

	As at 31 December		
	2022	2023	2024
At the beginning of the year	499,590,000	—	—
Recognition of financial instruments issued to investors	394,968,000	—	—
Termination of financial instruments issued to investors (Note)	(894,558,000)	—	—
At the end of the year	<u>—</u>	<u>—</u>	<u>—</u>

Note: In August 2022, pursuant to the supplementary agreement signed by the Company and the investors with Preferred Rights, the investors’ Preferred Rights were terminated. Hence, the financial liabilities were derecognised and the carrying amount of the financial liabilities were reclassified to equity thereafter.

(b) Financial instruments issued to investors of subsidiaries of the Company:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Investor A (Note i)	—	—	—
Investor B (Note ii)	28,869,927	—	—
	<u>28,869,927</u>	<u>—</u>	<u>—</u>

The movements of financial instruments issued to investors of subsidiaries during the Relevant Periods were as follows:

	As at 31 December		
	2022	2023	2024
At the beginning of the year	69,530,154	28,869,927	—
Interest charges	6,463,781	272,183	—
Interest paid	—	—	—
Termination of financial instruments issued to investors	<u>(47,124,008)</u>	<u>(29,142,110)</u>	<u>—</u>
At the end of the year	<u>28,869,927</u>	<u>—</u>	<u>—</u>

Note i: In March 2020, the Group and Investor A entered into an agreement of capital injection into a subsidiary of the Company, which the Company held 70% and Investor A held 30% of the subsidiary's equity interest.

Pursuant to the agreement, the Group also granted the Investor A with a put option that Investor A could sell the 30% equity it held at an annual simple interest rate of 8% plus the original amounts paid when repurchase condition reached. Investor A made capital injection of RMB30,000,000 as at 31 December 2021.

In August 2022, Investor A exercised the put option and entered into an equity transfer agreement with the Group. Pursuant to the agreement, the Group shall repurchase all equity interest in the subsidiary held by Investor A at a consideration of RMB36,349,433. The consideration was repaid in December 2022.

Note ii: In March 2020, the Group and Investor B entered into an agreement to establish a Company located in Shandong ("Shandong Company") with the Group held 70% and Investor B held 30% of the Shandong Company's equity interest, respectively.

Pursuant to the agreement, the Group shall repurchase all equity interest held by Investor B at an annual simple interest rate of 6.2% plus the original amounts paid. Investor B made capital injection of RMB35,000,000 as at 31 December 2021.

In March 2022, the Group entered into an equity transfer agreement with Investor B to acquire 10% equity interest in Shandong Company held by Investor B at a consideration of RMB10,774,575, which has been repaid in 2022.

In August 2022, the Group entered into an equity transfer agreement with Investor B to acquire the remaining 20% equity interest in Shandong Company held by Investor B. The consideration of RMB25,000,000 plus interest of RMB4,142,110 was paid in early 2023.

26 PROVISIONS

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Product warranty provision	7,456,812	11,764,990	12,538,572
Financial guarantee issued (Note 30)	92,048	492,138	3,057,538
Onerous contracts	—	—	875,590
	<u>7,548,860</u>	<u>12,257,128</u>	<u>16,471,700</u>

Product warranty provision:

	RMB
At 1 January 2022	4,696,130
Provision for the year	10,304,310
Utilisation during the year	<u>(7,543,628)</u>
At 31 December 2022	7,456,812
Provision for the year	13,448,739
Utilisation during the year	<u>(9,140,561)</u>
At 31 December 2023	11,764,990
Provision for the year	18,608,549
Utilisation during the year	<u>(17,834,967)</u>
At 31 December 2024	<u>12,538,572</u>

A provision for warranties is recognised when the underlying products are sold. Under the terms of the Group's sales agreements, the Group will rectify any product defects arising within predominantly 6 to 60 months from the date of sale. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of products sold which are still within the warranty period. The amount of provision takes into account the Group's recent claim experience, historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous contracts

The Group was in contracts with certain customers to whom the Group provides repairment services that were operating at a loss. The obligation for the future payments of these customers, net of expected service income, has been provided for.



27 EQUITY-SETTLED SHARE-BASED PAYMENT

The Company has adopted a Restricted Share Scheme, whereby the directors of the Company may, at their discretion, offer to grant a share award to subscribe shares (or share capital before the Company's conversion into a joint stock Company (see Note 28(c)(i))), to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees (the "Grantees"), for long-term development of the Company. Pursuant to the Restricted Share Scheme, the Company has granted certain restricted shares to the Grantees at a fixed subscription price. All the restricted shares granted shall be vested at the date of 36 months from the date of grant or the date of completion of a qualified listing, whichever is later. The restricted shares are subject to certain transfer and disposal restrictions until the completion of the vesting. Upon the occurrence of certain events within the vesting period, including an employee ceased employment with the Group, the restricted shares would be forfeited and redeemed at the price of subscription price plus simple interest.

(a) The details of the grants are as follows:

	Number of restricted shares [#]	Subscription price [#] RMB
Restricted shares granted to directors:		
— on 1 February 2020*	—	NA
— on 1 March 2022	3,091,551	0.78
— on 3 March 2023	—	NA
— on 22 September 2023	—	NA
— on 20 December 2023	—	NA
Restricted shares granted to employees:		
— on 1 February 2020*	9,923,879	0.49
— on 1 March 2022	17,518,790	0.78
— on 3 March 2023	393,500	0.78
— on 22 September 2023	487,500	0.97
— on 20 December 2023	380,000	0.97

* The restricted shares granted on 1 February 2020 are settled by Shanghai Fangao Business Consulting partnership (Limited Partnership)*上海方翺商務諮詢合夥企業(有限合夥)("Shanghai Fangao"), a limited partnership controlled by Mr. Chen Fangming, as its general partner.

[#] The number of restricted shares and subscription price before the Company's conversion into a joint stock Company were adjusted for the exchange ratio established in the conversion in November 2022.



- (b) Set out below is the movement in number of the underlying shares of the Company under the Restricted Shares Scheme (after taking into account of the Company's conversion into a joint stock company as disclosed in Note 28(c)(i), assuming the conversion had been effective on 1 January 2021):

	As at 31 December					
	2022		2023		2024	
	Weighted average fair value	Number of restricted shares	Weighted average fair value	Number of restricted shares	Weighted average fair value	Number of restricted shares
	RMB		RMB		RMB	
Outstanding at the beginning of the year	0.76	9,521,977	4.08	29,143,022	4.96	25,977,951
Granted during the year	5.45	20,610,341	15.48	1,261,000	—	—
Forfeited during the year	0.76	(989,296)	2.18	(4,426,071)	12.10	(191,526)
Outstanding at the end of the year	4.08	<u>29,143,022</u>	4.96	<u>25,977,951</u>	4.90	<u>25,786,425</u>

- (c) Expenses for the share-based compensation have been charged to the consolidated statements of profit or loss and other comprehensive income as follow:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Cost of sales	48,491	57,840	57,840
Selling expenses	6,129,972	5,376,844	6,472,116
Administrative expenses	20,907,534	22,876,160	24,168,278
Research and development costs	1,967,827	1,347,991	2,779,403
	<u>29,053,824</u>	<u>29,658,835</u>	<u>33,477,637</u>

- (d) **Valuation**

(i) The restricted shares granted in 2020 and 2022

The fair value of share-based compensation in respect of restricted shares granted to the Grantees on 1 February 2020 and the Grantees on 3 March 2022 was estimated to be RMB1.57 and RMB11.24, respectively. The fair value of services received in return for restricted shares granted is measured by reference to the fair value of restricted shares granted. Equity allocation model method was used to determine the underlying equity fair value of the Company, based on which, the fair value of per underlying share was calculated considering total number of shares.

Key assumptions adopted in determining the fair value are as follows:

	1 February 2020	1 March 2022
Risk-free interest rate	3.20%	2.90%
Volatility	37.00%	37.30%



(ii) *The restricted shares granted in 2023*

The fair value of share-based compensation in respect of restricted shares granted to the Grantees on 3 March 2023 was estimated to be RMB14.31. The fair value is estimated based on the difference between the recent financing price and the proceeds received from the Grantees.

The fair value of share-based compensation in respect restricted shares granted to the Grantees on 22 September 2023 and 20 December 2023 was estimated to be RMB16.01. The fair value is estimated based on the difference between the adjusted recent financing price and the proceeds received from the Grantees.

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the Relevant Periods are set out below:

	Note	Paid-in capital RMB	Share capital RMB	Share premium RMB	Capital Reserve RMB	Other reserve RMB	Fair value reserve RMB	Accumulated losses RMB	Total (deficit)/equity RMB
Balance at 1 January 2022		126,663,600	—	—	226,655,617	(499,590,000)	—	(198,689,004)	(344,959,787)
Loss for the year		—	—	—	—	—	—	(116,019,870)	(116,019,870)
Other comprehensive income		—	—	—	—	—	8,062,152	—	8,062,152
Total comprehensive income		—	—	—	—	—	8,062,152	(116,019,870)	(107,957,718)
Capital contribution by investors	28(b)	10,000,000	—	—	6,000,000	—	—	—	16,000,000
Issuance of financial instruments to investors, with preferred rights net of transaction cost	28(b)	8,894,400	—	—	187,047,336	—	—	—	195,941,736
Recognition of financial instruments with preferred rights	25(a)	—	—	—	—	(394,968,000)	—	—	(394,968,000)
Termination of financial instruments with preferred rights	25(a)	—	—	—	—	894,558,000	—	—	894,558,000
Conversion into a joint stock company	28(c)	(145,558,000)	300,000,000	13,283,150	(436,047,344)	—	—	268,322,194	—
Issuance of ordinary shares, net of transaction cost	28(c)	—	26,479,054	351,569,490	—	—	—	—	378,048,544
Equity settled share-based payment	27	—	—	—	29,053,824	—	—	—	29,053,824
Balance at 31 December 2022		—	326,479,054	364,852,640	12,709,433	—	8,062,152	(46,386,680)	665,716,599
Loss for the year		—	—	—	—	—	—	(117,289,872)	(117,289,872)
Other comprehensive income		—	—	—	—	—	105,139	—	105,139
Total comprehensive income		—	—	—	—	—	105,139	(117,289,872)	(117,184,733)
Issuance of ordinary shares, net of transaction cost	28(c)	—	40,172,708	527,471,603	—	—	—	—	567,644,311
Equity settled share-based payment	27	—	—	—	29,658,835	—	—	—	29,658,835
Balance at 31 December 2023		—	366,651,762	892,324,243	42,368,268	—	8,167,291	(163,676,552)	1,145,835,012
Loss for the year		—	—	—	—	—	—	(125,591,744)	(125,591,744)
Other comprehensive income		—	—	—	—	—	1,148,455	—	1,148,455
Total comprehensive income		—	—	—	—	—	1,148,455	(125,591,744)	(124,443,289)
Equity settled share-based payment	27	—	—	—	33,477,637	—	—	—	33,477,637
Balance at 31 December 2024		—	366,651,762	892,324,243	75,845,905	—	9,315,746	(289,268,296)	1,054,869,360



(b) Paid-in capital

	<u>Paid-in capital</u> <u>RMB</u>
Balance at 1 January 2022	126,663,600
Capital contribution by investors (i)	10,000,000
Issuance of financial instruments to investors (ii)	8,894,400
Conversion into a joint stock limited company (<i>Note 28(c)</i>)	<u>(145,558,000)</u>
Balance at 31 December 2022, 2023 and 2024	<u><u>—</u></u>

Notes:

- (i) Shanghai Jifang Business Consulting Partnership (Limited Partnership) (上海驥方商務諮詢合夥企業(有限合夥)) (“Shanghai Jifang”), an employee shareholding platform, as well as Mr. Qiu Debo and Ms. Yanghui, the senior management of the Company completed the injections totaling RMB16,000,000 in the Company for the subscription of the Company’s newly issued paid-in capital of RMB10,000,000.
- (ii) For the year ended 31 December 2022, the Series B and Series C Investors completed the injections totaling RMB197,484,000 in the Company for the subscription of the Company’s newly issued paid-in capital of RMB8,894,400. The excess of the aggregate consideration of RMB197,484,000 over the increase in the paid-in capital of RMB8,894,400, net of transaction cost of RMB1,542,264, amounting to RMB187,047,336 was credited to the capital reserve.

(c) Share capital

Details of the movement of the issued and fully paid share capital of the Company are as follows:

	<u>Ordinary share</u>	
	<u>Number of</u> <u>shares</u>	<u>Amount</u> <u>RMB</u>
Ordinary shares, issued and fully paid:		
Balance at 1 January 2022	—	—
Share issued upon conversion into a joint stock company (i)	300,000,000	300,000,000
Capital contributions by investors (ii)	<u>26,479,054</u>	<u>26,479,054</u>
Balance at 31 December 2022	326,479,054	326,479,054
Capital contributions by investors (iii)	<u>40,172,708</u>	<u>40,172,708</u>
Balance at 31 December 2023 and 2024	<u><u>366,651,762</u></u>	<u><u>366,651,762</u></u>

- (i) Pursuant to the shareholders' resolutions and the promoters' agreement dated 5 November 2022, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as of the conversion base date, which is 31 August 2022, including paid-in capital, capital reserve and accumulated loss were converted into 300,000,000 ordinary shares at RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium. Upon the completion of registration with the Shanghai Administration for Industry and Commerce on 23 November 2022, the Company was converted into a joint stock limited liability company under PRC Company Law, and renamed to Breton Technology Co., Ltd.* (博雷頓科技股份有限公司).
- (ii) In December 2022, the Company entered into an investment agreement with Hunan Xiangtan Caixin Chanxing Equity Investment Partnership Enterprise (Limited Partnership)* (湖南湘潭財信產興股權投資合夥企業(有限合夥)) ("Xiangtan Caixin"), Tianjin Xingyue Puyu Technology Co., Ltd.* (天津星月璞瑜科技有限責任公司) ("Tianjin Puyu") and Jiaying Xuying Equity Investment Partnership (Limited Partnership)* (嘉興序盈股權投資合夥企業(有限合夥)) ("Jiaying Xuying"), pursuant to which, the investors subscribed for 26,479,054 ordinary shares of the Company at a consideration of RMB379,000,000. The excess of the consideration of RMB379,000,000, over the increase in the share capital of RMB26,479,054, net of transaction cost of RMB951,456, amounting to RMB351,569,490 was credited to share premium.
- (iii) In December 2022, the Company entered into an investment agreement with Jinhua Boleidun Talent Equity Investment Partnership (Limited Partnership)* (金華市博雷頓人才股權投資合夥企業(有限合夥)) ("Jinhua Boleidun"), pursuant to which, the investor subscribed for 13,973,116 ordinary shares at a consideration of RMB200,000,000. The excess of the consideration of RMB200,000,000, over the increase in the share capital of RMB13,973,116, net of transaction cost of RMB1,415,094, amounting to RMB184,611,790, was credited to the Company's share premium. The consideration has been fully paid in January 2023.

In February 2023, the Company entered into an investment agreement with Hubei Changjiang Automobile Valley Industry Investment Fund Partnership (Limited Partnership)* (湖北長江車谷產業投資基金合夥企業(有限合夥)) ("Changjiang Automobile Valley") and Shandong Province New and Old Kinetic Energy Conversion Cross-Border Venture Capital FOF Fund Partnership (Limited Partnership)* (山東新舊動能轉換跨境創投母基金合夥企業(有限合夥)) ("Shandong Kinetic Energy"), pursuant to which, the investors subscribed for 26,199,592 ordinary shares of the Company at a consideration of RMB375,000,000. The excess of the consideration RMB375,000,000, over the increase in the share capital of RMB26,199,592, net of transaction cost of RMB5,940,595, amounting to RMB342,859,813, was credited to the Company's share premium. The consideration was fully paid from February to March 2023.

* The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.



(d) **Other comprehensive income**

Tax effects relating to each component of other comprehensive income:

	2022		
	Before-tax	Tax (expense)/	Net-of-tax
	amount	benefit	amount
	RMB	RMB	RMB
Equity investments at fair value through other comprehensive income — net movement in fair value reserves (not recycling)	10,975,309	(2,743,827)	8,231,482
	2023		
	Before-tax	Tax (expense)/	Net-of-tax
	amount	benefit	amount
	RMB	RMB	RMB
Equity investments at fair value through other comprehensive income — net movement in fair value reserves (not recycling)	631,532	(157,883)	473,649
	2024		
	Before-tax	Tax (expense)/	Net-of-tax
	amount	benefit	amount
	RMB	RMB	RMB
Equity investments at fair value through other comprehensive income — net movement in fair value reserves (not recycling)	1,401,729	(350,432)	1,051,297

(e) **Dividends**

No dividends were paid or declared by the Company during the Relevant Periods.

(f) **Nature and purpose of reserves**

(i) **Share premium**

Under PRC rules and regulations, share premium is non-distributable other than in liquidation and may be utilised for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders.

(ii) **Capital reserve**

The capital reserve primarily represents the excess of the net contributions from the shareholders of the Company over the total paid-in capital, and equity-settled share based payment (see Note 27).

(iii) **Other reserve**

The other reserve primarily comprises the recognition of financial instruments issued to investors as stipulated in Note 25.



(iv) Shares held for Restricted Shares Scheme

In March 2022, the Company issued 7,250,000 registered capital (14,942,497 shares after the conversion into a joint stock company. See Note 28(c)) to Shanghai Jifang, which held the shares under the Restricted Shares Scheme (See Note 27), at RMB1.6 per registered capital. The total consideration the Company received is RMB11,600,000, which were credited to other reserve.

As the Company has the power to govern the relevant activities of Shanghai Jifang and can derive benefits from the contributions of the employees who were awarded with the shares under Restricted Shares Scheme, Shanghai Jifang was consolidated.

(v) Fair value reserve

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of other investments designated at FVOCI under IFRS 9 that are held at the end of the reporting date.

(g) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, contract assets and financial guarantees. The Group's exposure to credit risk arising from cash and cash equivalents and bills receivable is limited because the counterparties are banks and financial institutions with low credit risk confirmed by the Group.

Except for the financial guarantee provided by the Group as set out in Note 30, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of this financial guarantee at the end of the reporting period is disclosed in Note 30.

Impairment losses on trade and other receivables and contract assets recognised in profit or loss are RMB26,793,194, RMB37,775,596 and RMB80,532,452 during the years ended 31 December 2022, 2023 and 2024 respectively.



Trade receivables

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's background and financial strengths, past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as the economic environment in which the customer operates. Trade receivables under credit sales arrangement are normally due within 1 to 6 months from the date of billing. Sales under instalment payment method that has instalment payment periods is generally ranging from 6 to 60 months.

The Group measures loss allowances for trade receivables and lease receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. According to the past experience of the Group, the loss patterns of different customer groups are significantly different. The Group classifies customers into customer groups based on a number of factors including their ownership background and financial strength, and the industries in which they operate, etc. The Group estimates loss allowance for trade receivables for each of the customer groups with similar loss patterns.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As of 31 December 2022, 2023 and 2024, 11%, 9% and 11% of the total trade receivables was due from the Group's largest customer, respectively, and 33%, 32% and 34% of the total trade receivables, respectively, were due from the Group's five largest customers.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at 31 December 2022		
	Expected loss	Gross carrying	Loss
	rate	amount	allowance
	%	RMB	RMB
Current (not past due)	14.71%	172,914,426	(25,440,293)
Overdue less than 1 year	15.52%	97,645,594	(15,153,860)
Overdue 1–2 years	43.16%	6,007,864	(2,592,890)
Overdue 2–3 years	96.49%	1,053,775	(1,016,777)
		<u>277,621,659</u>	<u>(44,203,820)</u>
	As at 31 December 2023		
	Expected loss	Gross carrying	Loss
	rate	amount	allowance
	%	RMB	RMB
Current (not past due)	8.94%	261,888,588	(23,401,968)
Overdue less than 1 year	20.88%	153,163,554	(31,979,864)
Overdue 1–2 years	53.51%	30,629,428	(16,389,096)
Overdue 2–3 years	96.67%	5,387,650	(5,208,488)
		<u>451,069,220</u>	<u>(76,979,416)</u>

As at 31 December 2024			
	Expected loss	Gross carrying	Loss
	rate	amount	allowance
	%	RMB	RMB
Current (not past due)	9.69%	251,597,872	(24,372,816)
Overdue less than 1 year	24.77%	230,885,137	(57,179,521)
Overdue 1–2 years	52.99%	96,215,846	(50,985,241)
Overdue 2–3 years	99.32%	24,453,885	(24,287,819)
		<u>603,152,740</u>	<u>(156,825,397)</u>

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

As at 31 December			
	2022	2023	2024
	RMB	RMB	RMB
At the beginning of the year	17,485,342	44,203,820	76,979,416
Impairment losses recognised	26,718,478	33,075,596	79,845,981
Uncollectable amounts written off	—	(300,000)	—
At the end of the year	<u>44,203,820</u>	<u>76,979,416</u>	<u>156,825,397</u>

Movement in the loss allowance account in respect of other receivables during the year is as follows:

As at 31 December			
	2022	2023	2024
	RMB	RMB	RMB
At the beginning of the year	—	74,716	4,774,716
Impairment losses recognised	74,716	4,700,000	650,000
At the end of the year	<u>74,716</u>	<u>4,774,716</u>	<u>5,424,716</u>

Movement in the loss allowance account in respect of contract assets during the year is as follows:

As at 31 December			
	2022	2023	2024
	RMB	RMB	RMB
At the beginning of the year	—	—	—
Impairment losses recognised	—	—	36,471
At the end of the year	<u>—</u>	<u>—</u>	<u>36,471</u>



(b) Liquidity risk

The Group's policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and can be required to pay:

As at 31 December 2022					
Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB	RMB	RMB	RMB	RMB
Loans and borrowings	96,398,528	59,693,830	—	156,092,358	151,375,599
Trade and other payables	156,975,313	—	—	156,975,313	156,975,313
Lease liabilities	2,857,774	2,857,774	6,147,379	11,862,927	10,683,136
Financial instrument issued to investors	28,869,927	—	—	28,869,927	28,869,927
	<u>285,101,542</u>	<u>62,551,604</u>	<u>6,147,379</u>	<u>353,800,525</u>	<u>347,903,975</u>
Financial guarantees issued and payment commitments maximum exposure (Note 30)	<u>8,630,320</u>	<u>5,818,017</u>	<u>2,930,233</u>	<u>17,384,570</u>	<u>92,048</u>
As at 31 December 2023					
Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB	RMB	RMB	RMB	RMB
Loans and borrowings	100,869,223	27,125,812	35,354,706	163,349,741	153,227,525
Trade and other payables	294,907,720	—	—	294,907,720	294,907,720
Lease liabilities	7,433,739	6,239,457	9,921,874	23,595,070	22,481,103
	<u>403,210,682</u>	<u>33,365,269</u>	<u>45,276,580</u>	<u>481,852,531</u>	<u>470,616,348</u>
Financial guarantees issued and payment commitments maximum exposure (Note 30)	<u>56,801,758</u>	<u>48,301,766</u>	<u>16,009,219</u>	<u>121,112,743</u>	<u>492,138</u>

As at 31 December 2024					
Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB	RMB	RMB	RMB	RMB
Loans and borrowings	275,710,225	45,850,731	42,717,227	364,278,183	352,312,814
Trade and other payables	374,539,060	—	—	374,539,060	374,539,060
Lease liabilities	3,417,358	1,552,556	1,164,417	6,134,331	5,827,692
	<u>653,666,643</u>	<u>47,403,287</u>	<u>43,881,644</u>	<u>744,951,574</u>	<u>732,679,566</u>
Financial guarantees issued and payment commitments maximum exposure (Note 30)	<u>162,477,907</u>	<u>120,793,908</u>	<u>60,808,033</u>	<u>344,079,848</u>	<u>3,057,538</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from cash at bank, pledged bank deposits and interest-bearing borrowings. The Group's interest-bearing financial instruments at variable rates as at 31 December 2022, 2023 and 2024 are primarily the cash at bank and borrowings, and the cash flow interest rate risk arising from the change of market interest rate on these balances is not considered significant.

(i) The Group's interest rate profile as monitored by management is set out below.

As at 31 December						
2022		2023		2024		
Interest rate		Interest rate		Interest rate		
%	RMB	%	RMB	%	RMB	
Fixed rate:						
Lease liabilities	4.18%	10,683,136	3.39%	22,481,103	4.3%–6.2%	5,827,692
Short-term loans and borrowings	3.00%–4.70%	91,907,758	3.00%–4.35%	99,233,327	3.2%–3.7%	265,868,955
Long-term loans and borrowings	4.00%–4.35%	50,467,841	3.85%–4.90%	53,994,198	2.8%–3.9%	79,223,985
Other borrowings	9.52%	9,000,000	/	—	5.98%	7,219,874
Financial instruments issued to investors	6.20%–8.00%	28,869,927	/	—	/	—
		<u>190,928,662</u>		<u>175,708,628</u>		<u>358,140,506</u>
Variable rate:						
Cash and cash equivalents	0.25%	270,260,321	0.25%	422,072,291	0.25%	199,254,000
Pledged bank deposits	0.25%	4,700,000	0.25%	5,278,000	0.25%	4,208,000
		<u>274,960,321</u>		<u>427,350,291</u>		<u>203,462,000</u>

(ii) *Sensitivity analysis*

At 31 December 2022, 2023 and 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax by approximately RMB1,909,287, RMB1,757,086 and RMB3,581,405 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss after tax (and accumulated losses) and other components of consolidated equity is estimated as an annualised impact on interest expenses or income of such changes in interest rates.

(d) **Fair value measurement**

(i) *Financial assets and liabilities measured at fair value*

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 31 December 2022 RMB	Fair value measurements as at 31 December 2022 categorised into		
		Level 1 RMB	Level 2 RMB	Level 3 RMB
Recurring fair value measurement				
Financial assets measured at FVOCI				
— Unlisted equity securities	18,938,509	—	—	18,938,509

	Fair value at 31 December	Fair value measurements as at 31 December 2023 categorised into		
	2023	Level 1	Level 2	Level 3
	RMB	RMB	RMB	RMB
Recurring fair value measurement				
Financial assets measured at FVOCI				
— Unlisted equity securities	19,093,387	—	—	19,093,387
	Fair value at 31 December	Fair value measurements as at 31 December 2024 categorised into		
	2024	Level 1	Level 2	Level 3
	RMB	RMB	RMB	RMB
Recurring fair value measurement				
Financial assets measured at FVOCI				
— Unlisted equity securities	41,734,716	—	—	41,734,716

During the years ended 31 December 2022, 2023 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Relevant Periods in which they occur.

Information about Level 3 fair value measurements

The fair value of unlisted equity securities is determined based on medium market multiples (e.g. price-to-earnings ratio, price-to-sales ratio) of comparable companies or comparable transactions with a discount for lack of marketability as appropriate.

As at 31 December 2022, 2023 and 2024, it is estimated that with all other variables held constant, a decrease/increase in discount for lack marketability by 1% would have decrease/increase the Group's loss by RMB25,091, RMB24,839 and RMB239,891 respectively.

The movement during the year in balance of Level 3 fair value measurement is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Unlisted equity securities:			
At 1 January	300,000	18,938,509	19,093,387
Additional securities acquired	7,663,200	—	—
Transferred from an associate (Note 12)	—	—	22,739,600
Transferred to associates	—	(476,654)	—
Disposals	—	—	(1,500,000)
Changes in fair value	10,975,309	631,532	1,401,729
At 31 December	18,938,509	19,093,387	41,734,716

The net gains arising from remeasurement of unlisted equity securities are presented in the “Other comprehensive income” line item in the consolidated statements of profit or loss and other comprehensive income.

(ii) *Fair values of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group’s financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2022, 2023 and 2024.

30 FINANCIAL GUARANTEE ISSUED

Certain customers of the Group finance their purchase of the Group’s products through finance leases provided by third-party leasing companies. The Group undertakes the joint liability guarantee for these customers. In the event of customer default, the Group is required to make payments to the third-party leasing companies for the outstanding amounts due from the customers. At the same time, the Group is entitled to repossess and purchase the leased products, and retain any net proceeds in excess of the guarantee payments made to the leasing companies. The terms of these guarantees coincide with the tenure of the lease contracts which generally range from 1 to 4 years.

The initial fair value of the financial guarantees upon the initial recognition was immaterial, which was measured based on the future net cash outflow. Subsequently, the financial guarantee contract was measured at the higher of the initial recognised amount and the expected credit loss allowance. As at 31 December 2022, 2023 and 2024, the Group’s maximum exposure to such guarantees was RMB17,384,570, RMB121,112,743 and RMB344,079,848, respectively. During the Relevant Periods, no customer default incurred.

31 COMMITMENTS

Purchase and capital commitments

Capital commitments outstanding as at 31 December 2022, 2023 and 2024 not provided for in the consolidated financial statements were as follows:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Contracted for	—	101,313,086	36,017,574

32 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationship of the related parties that had material transactions with the Group during the Relevant Periods

Name of related parties	Relationship
Mr. Chen Fangming	One of the Controlling Shareholders*
Shanghai Huansheng New Energy Technology Co., Ltd.	Associate (till August 2022)
Jiangxi Breton New Energy Technology Co., Ltd.	Associate (till December 2022)
Breton (Jinhua) New Energy Co., Ltd.	Associate
Breton Tianrun (Jiangsu) New Energy Co., Ltd.	Associate
Breton Tianyue (Ningxia) New Energy Co., Ltd.	Associate
Sichuan Breton Tianyi New Energy Technology Co., Ltd.	Associate
Moudi Smart Technology Co., Ltd.	Associate (till September 2024)
Shanxi Huanghe Green Energy Technology Co., Ltd.	Associate
Shaanxi Lingbo Operation Technology Co., Ltd.	Associate
Lituo (Shandong) New Energy Technology Co., Ltd.	Associate
Chongqing Changling Technology Co., Ltd.	Associate
Henan Breton Construction Machinery Co., Ltd.	Associate
Breton Jungang (Shandong) Energy Technology Co., Ltd.	Associate
Hebei Lvyuan Tiancheng New Energy Technology Co., Ltd.	Associate
Hunan Lvbian Breton New Energy Co., Ltd.	Associate
Xinjiang Breton New Energy Technology Co., Ltd.	Associate (till October 2023)
Shanghai Yijin Investment Co., Ltd. ("Shanghai Yijin")	One of the Controlling Shareholders*
Suzhou Zhongding No. 5 Equity Investment Fund Partnership (Limited Partnership)	Shareholder
Suzhou Zhongding No.5 Qinglan Equity Investment Fund Partnership (Limited Partnership)	Shareholder

* The controlling shareholders comprise Mr. Chen Fangming, Shanghai Fangao, Shanghai Cloud Tribe Yijin Venture Capital Center (limited Partnership) (上海雲部落易津創業投資中心(有限合夥)), Shanghai Cloud Tribe Yijin Venture Capital Management Co., Ltd. (上海雲部落易津創業投資管理有限公司), Shanghai Yijin, Shanghai Yijin Venture Capital Management Co., Ltd. (上海易津創業投資管理有限公司), and Shanghai Yijin Investment Management Firm (Limited Partnership) (上海易津投資管理事務所(有限合夥)) ("the Controlling Shareholders").



(b) Transactions with related parties

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Sales of products and rental income			
Breton (Jinhua) New Energy Co., Ltd.	—	7,058,337	4,068,510
Breton Tianrun (Jiangsu) New Energy Co., Ltd.	—	31,679,227	38,275,794
Breton Tianyue (Ningxia) New Energy Co., Ltd.	—	5,948,496	3,287,018
Breton Jungang (Shandong) Energy Technology Co., Ltd.	—	—	4,177,893
Moudi Smart Technology Co., Ltd.	—	3,851,097	294,478
Shanxi Huanghe Green Energy Technology Co., Ltd.	17,727,487	36,637,359	42,707,258
Shaanxi Lingbo Operation Technology Co., Ltd.	5,814,159	36,071,593	2,718,179
Sichuan Breton Tianyi New Energy Technology Co., Ltd.	—	—	7,259,987
Chongqing Changling Technology Co., Ltd.	—	2,745,133	1,045,712
Henan Breton Construction Machinery Co., Ltd.	901,988	22,036,966	6,928,543
Hebei Lvyuan Tiancheng New Energy Technology Co., Ltd.	—	—	70,899,022
Hunan Lvdian Breton New Energy Co., Ltd.	—	—	86,935,889
Xinjiang Breton New Energy Technology Co., Ltd.	4,781,915	28,231,946	—
	<u>29,225,549</u>	<u>174,260,154</u>	<u>268,598,283</u>
	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Interest expense			
Suzhou Zhongding No. 5 Equity Investment Fund Partnership (Limited Partnership)	530,882	—	—
Suzhou Zhongding No.5 Qinglan Equity Investment Fund Partnership (Limited Partnership)	45,940	—	—
Shanghai Yijin Investment Co., Ltd.	333,073	—	—
	<u>909,895</u>	<u>—</u>	<u>—</u>
	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Repayment of loans and borrowings			
Suzhou Zhongding No. 5 Equity Investment Fund Partnership (Limited Partnership)	7,362,857	—	—
Suzhou Zhongding No.5 Qinglan Equity Investment Fund Partnership (Limited Partnership)	637,143	—	—
Shanghai Yijin Investment Co., Ltd.	19,000,000	—	—
	<u>27,000,000</u>	<u>—</u>	<u>—</u>



(c) Balance with related parties

Trade and other receivables

Trade in nature:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Breton (Jinhua) New Energy Co., Ltd.	—	6,744,500	3,312,000
Breton Jungang (Shandong) Energy Technology Co., Ltd.	—	—	1,975,275
Breton Tianrun (Jiangsu) New Energy Co., Ltd.	—	19,861,295	33,273,188
Breton Tianyue (Ningxia) New Energy Co., Ltd.	—	5,850,000	1,015,598
Moudi Smart Technology Co., Ltd.	—	4,209,099	—
Shanxi Huanghe Green Energy Technology Co., Ltd.	7,439,000	31,694,812	36,464,590
Shaanxi Lingbo Operation Technology Co., Ltd.	3,120,000	39,079,565	37,087,136
Sichuan Breton Tianyi New Energy Technology Co., Ltd.	—	—	5,358,757
Chongqing Changling Technology Co., Ltd.	—	4,136,000	1,376,000
Henan Breton Construction Machinery Co., Ltd.	1,019,246	17,731,565	10,259,109
Hebei Lvyuan Tiancheng New Energy Technology Co., Ltd.	—	—	25,953,141
Hunan Lvodian Breton New Energy Co., Ltd.	—	—	64,089,446
Xinjiang Breton New Energy Technology Co., Ltd.	3,490,827	—	—
	<u>15,069,073</u>	<u>129,306,836</u>	<u>220,164,240</u>

Trade and other payables

Trade in nature:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Breton (Jinhua) New Energy Co., Ltd.	—	—	50,000
Breton Tianrun (Jiangsu) New Energy Co., Ltd.	—	20,000	70,619
Shaanxi Lingbo Operation Technology Co., Ltd.	442,478	707,965	707,965
Henan Breton Construction Machinery Co., Ltd.	340,910	1,175,912	454,737
Shanxi Huanghe Green Energy Technology Co., Ltd.	1,265,310	1,726,089	456,827
Xinjiang Breton New Energy Technology Co., Ltd.	542,705	—	—
Hunan Lvodian Breton New Energy Co., Ltd.	—	—	1,336,585
Hebei Lvyuan Tiancheng New Energy Technology Co., Ltd.	—	—	10,197,171
Breton Jungang (Shandong) Energy Technology Co., Ltd.	—	—	290,000
	<u>2,591,403</u>	<u>3,629,966</u>	<u>13,563,904</u>



Non-trade in nature:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Xinjiang Breton New Energy Technology Co., Ltd.	227,650	—	—

Contract liabilities

Trade in nature:

	As at 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Sichuan Breton Tianyi New Energy Technology Co., Ltd.	—	1,139,823	13,274
Breton (Jinhua) New Energy Co., Ltd.	—	—	75,221
Breton Tianyue (Ningxia) New Energy Co., Ltd.	—	—	2,075
Henan Breton Construction Machinery Co., Ltd.	—	752,212	—
Shanxi Huanghe Green Energy Technology Co., Ltd.	2,402,302	77,892	48,693
Breton Tianrun (Jiangsu) New Energy Co., Ltd.	—	1,915	115,990
Shaanxi Lingbo Operation Technology Co., Ltd.	—	7,522	—
Xinjiang Breton New Energy Technology Co., Ltd.	382,567	—	—
	<u>2,784,869</u>	<u>1,979,364</u>	<u>255,253</u>

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8, is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB	RMB	RMB
Salaries, allowances and benefits in kind	2,193,793	4,028,466	4,563,985
Discretionary bonuses	201,546	266,425	744,875
Contributions to retirement benefit schemes	172,116	375,901	319,988
Equity-settled share-based payment	8,380,938	12,912,211	17,453,277
	<u>10,948,393</u>	<u>17,583,003</u>	<u>23,082,125</u>

(e) Guarantee provided by related parties

As disclosed in Note 22, the bank loans and other borrowings of RMB119,575,599, RMB65,840,000 and nil as at 31 December 2022, 2023 and 2024, respectively, were guaranteed by one of the Controlling Shareholders.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Relevant Periods, and which have not been adopted in preparing the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements Basis for conclusions on IFRS 18 Illustrative examples on IFRS 18</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

34 SUBSEQUENT EVENTS

There was no material non-adjusting event after reporting period up to the date of this report.

Subsequent financial statements

No audited financial statements have been prepared by the Company and its subsidiaries that comprise the Group in respect of any period subsequent to 31 December 2024.