

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[44], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN CHENG-TECH TECHNOLOGY CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Shenzhen Cheng-Tech Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[3] to I-[44], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended December 31, 2023, 2024 and 2025 (the “**Track Record Period**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[3] to I-[44] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “**Document**”) 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 the Historical Financial Information

The directors of the Company are responsible for the 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, 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

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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 December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period 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-[3] have been made.

Dividends

We refer to note 24(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince’s Building

10 Chater Road

Central, Hong Kong

[Date]

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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 Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate term of engagement with the Company 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	Years ended December 31,		
		2023 RMB’000	2024 RMB’000	2025 RMB’000
Revenue	4	156,524	348,094	1,122,495
Cost of sales		(108,036)	(229,623)	(952,800)
Gross profit		48,488	118,471	169,695
Other net income	5	1,493	785	708
Reversal/(provision) of loss allowance on trade and other receivables		138	(295)	(5,535)
Selling expenses		(14,339)	(13,681)	(16,931)
General and administrative expenses		(43,443)	(28,323)	(74,927)
Research and development expenses		(64,360)	(61,885)	(60,842)
(Loss)/profit from operations		(72,023)	15,072	12,168
Changes in carrying amounts of redemption liabilities	23	(23,237)	(35,721)	(11,945)
Finance costs		(1,468)	(1,150)	(6,152)
Finance income		130	31	107
Net finance costs	6(a)	(1,338)	(1,119)	(6,045)
Loss before taxation	6	(96,598)	(21,768)	(5,822)
Income tax	7	–	–	–
Loss and total comprehensive income for the year		(96,598)	(21,768)	(5,822)
Loss per share				
Basic and diluted (RMB)	10	(3.40)	(0.74)	(0.19)

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	49,057	58,625	174,789
Right-of-use assets	11	8,286	4,900	15,109
Intangible assets	12	1,159	1,011	4,084
Other non-current assets	15	2,245	29,401	643
		<u>60,747</u>	<u>93,937</u>	<u>194,625</u>
Current assets				
Inventories	16	37,080	57,643	133,436
Trade and other receivables	17	58,814	120,949	368,133
Financial assets measured at fair value through profit or loss (“FVPL”)	14	–	2,191	–
Restricted cash	18(a)	13,849	5,499	12,800
Cash and cash equivalents	18(a)	1,075	15,865	14,592
		<u>110,818</u>	<u>202,147</u>	<u>528,961</u>
Current liabilities				
Trade and other payables	19	43,314	89,496	222,683
Contract liabilities	20	187	–	–
Bank loans	22	26,120	24,000	290,975
Lease liabilities	21	3,224	2,848	3,354
Redemption liabilities	23	332,258	503,673	–
		<u>405,103</u>	<u>620,017</u>	<u>517,012</u>
Net current (liabilities)/assets		<u>(294,285)</u>	<u>(417,870)</u>	<u>11,949</u>
Total assets less current liabilities		<u>(233,538)</u>	<u>(323,933)</u>	<u>206,574</u>
Non-current liability				
Lease liabilities	21	4,976	2,043	12,946
		<u>4,976</u>	<u>2,043</u>	<u>12,946</u>
NET (LIABILITIES)/ASSETS		<u>(238,514)</u>	<u>(325,976)</u>	<u>193,628</u>
CAPITAL AND RESERVES				
Paid-in capital	24(c)	10,813	11,419	–
Share capital	24(d)	–	–	30,000
Reserves		<u>(249,327)</u>	<u>(337,395)</u>	<u>163,628</u>
TOTAL (DEFICIT)/EQUITY		<u>(238,514)</u>	<u>(325,976)</u>	<u>193,628</u>

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in Renminbi)

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	12,750	24,207	132,847
Right-of-use assets	11	5,389	3,120	14,362
Intangible assets	12	430	366	3,379
Investments in subsidiaries	13	31,000	31,000	41,000
Other non-current assets	15	1,826	22,752	609
		<u>51,395</u>	<u>81,445</u>	<u>192,197</u>
Current assets				
Inventories	16	37,582	10,762	135,502
Trade and other receivables	17	138,380	194,567	435,339
Financial assets measured at FVPL	14	–	2,191	–
Restricted cash	18(a)	13,849	5,075	12,800
Cash and cash equivalents	18(a)	943	15,854	9,241
		<u>190,754</u>	<u>228,449</u>	<u>592,882</u>
Current liabilities				
Trade and other payables	19	34,822	59,313	241,079
Contract liabilities	20	187	–	–
Bank loans	22	26,120	24,000	270,975
Lease liabilities	21	1,929	1,745	2,783
Redemption liabilities	23	332,258	503,673	–
		<u>395,316</u>	<u>588,731</u>	<u>514,837</u>
Net current (liabilities)/ assets		<u>(204,562)</u>	<u>(360,282)</u>	<u>78,045</u>
Total assets less current liabilities		<u>(153,167)</u>	<u>(278,837)</u>	<u>270,242</u>
Non-current liability				
Lease liabilities	21	3,472	1,531	12,946
		<u>3,472</u>	<u>1,531</u>	<u>12,946</u>
NET (LIABILITIES)/ ASSETS		<u>(156,639)</u>	<u>(280,368)</u>	<u>257,296</u>
CAPITAL AND RESERVES				
Paid-in capital	24(c)	10,813	11,419	–
Share capital	24(d)	–	–	30,000
Reserves		<u>(167,452)</u>	<u>(291,787)</u>	<u>227,296</u>
TOTAL (DEFICIT)/ EQUITY		<u>(156,639)</u>	<u>(280,368)</u>	<u>257,296</u>

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

Attributable to equity shareholders of the Company								
		Share Capital	Paid-in Capital	Share premium	Capital reserve	Share-based payments reserve	Accumulated losses	Total (deficit)/ equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				note 24 (e)(ii)	note 24 (e)(i)	note 24 (e)(iii)		
Balance at January 1, 2023		–	10,813	–	14,787	26,467	(204,386)	(152,319)
Changes in equity for 2023:								
Loss and total comprehensive income for the year		–	–	–	–	–	(96,598)	(96,598)
Equity settled share-based transactions	24(e)(iii)	–	–	–	–	10,403	–	10,403
Balance at December 31, 2023 and at January 1, 2024		–	10,813	–	14,787	36,870	(300,984)	(238,514)
Changes in equity for 2024:								
Loss and total comprehensive income for the year		–	–	–	–	–	(21,768)	(21,768)
Capital contribution by investors	24(c)	–	606	–	69,394	–	–	70,000
Redemption rights granted upon share issuance	23	–	–	–	(70,000)	–	–	(70,000)
Redemption rights granted subsequent to share issuance	23	–	–	–	(65,694)	–	–	(65,694)
Balance at December 31, 2024 and at January 1, 2025		–	11,419	–	(51,513)	36,870	(322,752)	(325,976)
Changes in equity for 2025:								
Loss and total comprehensive income for the year		–	–	–	–	–	(5,822)	(5,822)
Termination of redemption liabilities	23	–	–	–	515,618	–	–	515,618
Conversion into a joint stock company	24(d)	30,000	(11,419)	136,757	(353,781)	–	198,443	–
Equity settled share-based transactions	24(e)(iii)	–	–	–	–	9,808	–	9,808
Balance at December 31, 2025		30,000	–	136,757	110,324	46,678	(130,131)	193,628

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CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in Renminbi)

	Note	Years ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash used in operations	18(b)	(61,886)	(6,981)	(137,926)
Income tax paid		—	—	—
Net cash used in operating activities		(61,886)	(6,981)	(137,926)
Investing activities				
Payment for purchases of property, plant and equipment		(12,095)	(53,766)	(117,926)
Payment for purchases of intangible assets		(504)	—	(3,335)
Proceeds from disposal of property, plant and equipment		60	—	—
Payment for purchases of financial assets measured at FVPL		(49,800)	(65,000)	—
Proceeds from disposal of financial assets measured at FVPL		133,033	63,110	2,196
Net cash generated from/(used in) investing activities		70,694	(55,656)	(119,065)
Financing activities				
Payment of capital element of lease liabilities	18(d)	(5,177)	(3,152)	(3,551)
Payment of interest element of lease liabilities	18(d)	(251)	(267)	(699)
Capital contributions by investors	24(c)	—	70,000	—
Interest of bank loans paid	18(d)	(1,217)	(883)	(5,248)
Decrease in restricted cash		—	13,849	—
Increase in restricted cash		(13,849)	—	—
Proceeds from bank loans	18(d)	40,000	59,000	357,990
Repayment of bank loans	18(d)	(31,480)	(61,120)	(91,220)
Payment for listing fees		—	—	(1,554)
Net cash (used in)/generated from financing activities		(11,974)	77,427	255,718
Net (decrease)/increase in cash and cash equivalents		(3,166)	14,790	(1,273)
Cash and cash equivalents at January 1,		4,241	1,075	15,865
Cash and cash equivalents at December 31	18(a)	1,075	15,865	14,592

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shenzhen Cheng-Tech Technology Co., Ltd. (the “**Company**”) was established in Shenzhen, Guangdong Province, the People’s Republic of China (the “**PRC**”) on September 21, 2016 as a limited liability company. The Company was converted into a joint stock limited liability company in May 23, 2025.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the development, manufacturing and sales of millimeter-wave radar products in the PRC. Details of the Group’s principal subsidiaries are set out in note 13.

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

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on January 1, 2025 are set out in note 28.

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 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**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that financial assets measure at FVPL stated at their fair value as explained note 2(d).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards 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 IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries

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 Historical Financial Information 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.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary. 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.

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In the Company’s statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Other investments in securities

The Group’s policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in 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 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. These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(r)(ii)), foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses (see note 2(h)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The estimated useful lives are as follows:

Leasehold improvements	Over the lease term
Machinery and equipment	10 years
Electronic equipment and others	3–5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(f) Intangible assets

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.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(h)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

Software	10 years
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Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

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(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case 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 leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss 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 recognised 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 are charged to profit or loss as 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 adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(e) and 2(h)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 2(d)(i), 2(r)(ii) and 2(h)(i)). Any excess of the nominal value over the initial fair 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, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will 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 lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification 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.

In the consolidated statements 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.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“ECL’s”) on:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted cash, trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, 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 rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof.

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at each reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor 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); or
- the financial asset is 90 days past due.

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.

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;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; 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 or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise 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.

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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) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories 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.

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”).

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 is 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 reduced the carrying amounts of the assets in the CGU on a pro rata basis.

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.

(i) Inventories

Inventories are measured 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.

(j) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(r)). 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 latter cases, a corresponding receivable would also be recognised (see note 2(k)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(r)(i)).

(k) 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 (see note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and other 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.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

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(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(s).

(o) Employee benefits

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

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(ii) *Share-based payments*

The grant-date fair value of equity-settled share-based payments granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the share-based payments reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option 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.

(p) 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 other comprehensive income (“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 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; 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, provisions 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.

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The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(q) Provisions 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.

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.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services.

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

(i) Revenue from contracts with customers

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 or services.

Revenue is recognised when control over a product or service is transferred to the customer 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.

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.

(a) Sale of goods and provision of services

Sales of the Group’s products are recognised as follows:

- Sale of millimeter-wave radar products

Revenue is recognised when the customer takes possession of and accepts the products.

(ii) Interest income

Interest income is recognised using the effective interest method. The “effective interest rate” is 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.

(iii) Government grants

Government grants are recognised in the statements 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.

(s) 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.

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(t) 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 entity.
 - (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.

(u) Redemption liabilities

A contract that contains an obligation for the Company to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability even if the Company’s obligation to purchase is conditional on the counterparty exercising its right to redeem. The redemption liability is initially measured at the present value of the redemption amount and subsequently measured at amortised cost.

The then carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty’s redemption right.

(v) 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 25 contain information about the assumptions and their risk factors relating to fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

(a) Net realisable value of inventories

Net realisable value of inventories 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. Special consideration is given to estimate the selling price of those technically obsolete and/or slow-moving inventory items.

Management reassesses these estimations at the end of reporting period to ensure inventory is shown at the lower of cost and net realisable value.

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(b) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortised cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset’s carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

4 REVENUE AND SEGMENT REPORTING

The Group is engaged in the development, manufacture and sales of millimeter-wave radar products.

(a) Segment reporting

The Group’s chief operating decision makers (“CODM”), which has been identified as the executive directors of the Company, review the Group’s internal reporting when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has one operating segment, which is the development, manufacture and sales of millimeter-wave radar products. Accordingly, no reportable segment information is presented.

As substantially all of the Group’s operations and assets are in the PRC, no geographic information is presented.

(b) Disaggregation of revenue

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

	Years ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue from contracts with customers within the scope of IFRS 15:			
Disaggregated by major products or service lines			
– Sales of millimeter-wave radar	154,139	345,570	1,121,732
– Other products and services	2,385	2,524	763
	<u>156,524</u>	<u>348,094</u>	<u>1,122,495</u>
Disaggregated by timing of revenue recognition			
– Point in time	<u>156,524</u>	<u>348,094</u>	<u>1,122,495</u>

(c) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

Contracts within the scope of IFRS 15

Except for the disclosures in note 20, the Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for products or service such that information about revenue expected to be recognised in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(d) Information about major customers

For the years ended December 31, 2023, 2024 and 2025, Customer A was the sole customer contributing more than 10% to the Group’s total revenue. The revenue derived from Customer A accounted for 91.30%, 93.60% and 96.41% of the Group’s total revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

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5 OTHER NET INCOME

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (<i>note</i>)	1,283	1,214	2,439
Net fair value gains from financial assets measured at FVPL	575	301	5
Net gain/(loss) on disposal of property, plant and equipment	11	(61)	(1,501)
Others	(376)	(669)	(235)
	<u>1,493</u>	<u>785</u>	<u>708</u>

Note: Government grants mainly represented unconditional cash awards granted by the government authorities in the PRC.

6 LOSS BEFORE TAXATION

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

(a) Net finance costs

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest income from bank deposits	<u>(130)</u>	<u>(31)</u>	<u>(107)</u>
Finance income	<u>(130)</u>	<u>(31)</u>	<u>(107)</u>
Interest on bank loans (<i>note</i> 18(d))	1,217	883	5,453
Interest on lease liabilities (<i>note</i> 18(d))	<u>251</u>	<u>267</u>	<u>699</u>
Finance costs	<u>1,468</u>	<u>1,150</u>	<u>6,152</u>
Net finance costs	<u>1,338</u>	<u>1,119</u>	<u>6,045</u>

(b) Staff costs (including directors’ and supervisors’ emoluments)

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	76,006	75,365	116,463
Share-based payments (<i>note</i> 24(e))	10,403	–	9,808
Contributions to defined contribution retirement plans	<u>1,614</u>	<u>1,388</u>	<u>2,560</u>
	<u>88,023</u>	<u>76,753</u>	<u>128,831</u>

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(c) Other items

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amortisation of intangible assets (i), note 12)	147	148	262
Depreciation ((i), note 11)			
– property, plant and equipment	7,205	8,132	22,005
– right-of-use assets	4,511	3,237	5,102
	<u>11,863</u>	<u>11,517</u>	<u>27,369</u>
Auditors’ remuneration	100	144	259
Cost of inventories (i), note 16(b))	109,882	233,865	955,367
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- (i) Cost of inventories includes RMB7,334,000, RMB12,403,000 and RMB51,297,000 relating to staff costs, depreciation and amortisation expenses for the years ended December 31, 2023, 2024 and 2025, which amount is 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 IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

No current tax or deferred tax is provided for the years ended December 31, 2023, 2024 and 2025.

Pursuant to the Enterprise Income Tax (the “EIT”) Law of the PRC (the “EIT Law”), the Company and its subsidiaries established and operated in the PRC are liable to EIT at a rate of 25% unless otherwise specified.

In accordance with the EIT Law and its relevant regulations, the Company was entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% during the Track Record Period.

In accordance with the EIT Law and its relevant regulations, a subsidiary of the Company, Suzhou Chengtai Technology Co., Ltd (蘇州承泰科技有限公司) was entitled to High Tech Enterprise qualification in December 2024 and enjoyed a preferential tax rate of 15% from 2024 to 2026.

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

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before taxation	<u>(96,598)</u>	<u>(21,768)</u>	<u>(5,822)</u>
Notional tax on loss before taxation, calculated at the PRC statutory tax rate of 25%	(24,150)	(5,442)	(1,456)
Effect of preferential tax rate	5,631	2,666	(456)
Tax effect of non-deductible expenses	375	2,139	3,478
Effect of additional deduction on research and development expenses (i)	(12,171)	(9,283)	(9,126)
Income not subject to tax	–	(28)	–
Effect of deferred tax assets in respect of temporary differences and tax losses not recognised	30,315	12,560	7,829
Utilisation of previously unrecognised tax losses	<u>–</u>	<u>(2,612)</u>	<u>(269)</u>
Actual tax expense	<u>–</u>	<u>–</u>	<u>–</u>

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Note:

- (i) According to the relevant tax rules in the PRC, qualified research and development costs are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of those costs were deducted for the Track Record Period.

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 2(p), as at December 31, 2023, 2024 and 2025, the Company and its subsidiaries have not recognised deferred tax assets in respect of their cumulative tax losses of RMB312,583,000, RMB352,180,000 and RMB376,697,000 and temporary differences of RMB36,455,000, RMB35,712,000 and RMB27,084,000 respectively as it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised. The tax losses arising from operations in the PRC can be carried forward to offset against taxable profits of subsequent years for up to ten years from the year in which they arose.

8 DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS

Directors’ and supervisors’ emoluments as recorded in the Historical Financial Information are set out below:

	Year ended December 31, 2023					
	Salaries, allowances and other benefits <i>RMB’000</i>	Discretionary bonuses <i>RMB’000</i>	Retirement scheme contributions <i>RMB’000</i>	Sub-total <i>RMB’000</i>	Share-based payments <i>RMB’000</i> <i>note (viii)</i>	Total <i>RMB’000</i>
Executive directors						
Mr. Chen Chengwen (陳承文)	864	180	7	1,051	–	1,051
Mr. Zhou Ke (周珂)	870	220	18	1,108	10,403	11,511
Ms. Luo Haiyan (羅海燕) (ii)	539	80	12	631	–	631
Mr. Cong Yunfeng (叢運峰) (i)	–	–	–	–	–	–
Non executive directors						
Mr. Wu Zhigang (吳志剛)	–	–	–	–	–	–
Mr. Zhu Ming (朱明)	–	–	–	–	–	–
Supervisors						
Ms. Luo Haiyan (羅海燕) (ii)	271	–	6	277	–	277
Ms. Gu Darong (顧大蓉) (iv)	695	60	9	764	–	764
Total	3,239	540	52	3,831	10,403	14,234
	Year ended December 31, 2024					
	Salaries, allowances and other benefits <i>RMB’000</i>	Discretionary bonuses <i>RMB’000</i>	Retirement scheme contributions <i>RMB’000</i>	Sub-total <i>RMB’000</i>	Share-based payments <i>RMB’000</i> <i>note (viii)</i>	Total <i>RMB’000</i>
Executive directors						
Mr. Chen Chengwen (陳承文)	983	520	9	1,512	–	1,512
Mr. Zhou Ke (周珂)	989	570	19	1,578	–	1,578
Ms. Luo Haiyan (羅海燕)	809	660	19	1,488	–	1,488
Non executive directors						
Mr. Wu Zhigang (吳志剛)	–	–	–	–	–	–
Mr. Zhu Ming (朱明)	–	–	–	–	–	–
Supervisor						
Ms. Gu Darong (顧大蓉)	691	50	9	750	–	750
Total	3,472	1,800	56	5,328	–	5,328

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	Year ended December 31, 2025					
	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Sub-total RMB'000	Share-based payments RMB'000 note (viii)	Total RMB'000
Executive directors						
Mr. Chen Chengwen (陳承文)	1,328	570	10	1,908	–	1,908
Mr. Zhou Ke (周珂)	1,331	630	20	1,981	5,557	7,538
Ms. Luo Haiyan (羅海燕)	1,051	800	20	1,871	–	1,871
Mr. Liu Longlong (劉龍龍) (v)	693	420	10	1,123	–	1,123
Non executive directors						
Mr. Kuang Tianyin (匡天胤) (vi)	–	–	–	–	–	–
Mr. Zhu Ming (朱明) (iii)	–	–	–	–	–	–
Independent non-executive directors						
Mr. Zhou Zhongkui (周重揆) (vii)	80	–	–	80	–	80
Mr. Zhang Junyi (張君毅) (vii)	80	–	–	80	–	80
Mr. Tam WaiHo(譚偉豪) (vii)	80	–	–	80	–	80
Supervisor						
Ms. Gu Darong (顧大蓉) (iv)	288	–	4	292	–	292
Total	4,931	2,420	64	7,415	5,557	12,972

Notes:

- (i) Mr. Cong Yunfeng (叢運峰) resigned from his position as a director of the Company in April 2023.
- (ii) Ms. Luo Haiyan (羅海燕) was a supervisor of the Company up to April 2023, after which she was appointed as a director of the Company.
- (iii) Mr. Zhu Ming (朱明) resigned from his position as a non-executive director in May 2025.
- (iv) Ms. Gu Darong (顧大蓉) was appointed as a supervisor of the Company in April 2023 and resigned in May 2025.
- (v) Mr. Liu Longlong (劉龍龍) was appointed as an executive director in May 2025.
- (vi) Mr. Kuang Tianyin (匡天胤) was appointed as a non-executive director in May 2025.
- (vii) Mr. Zhou Zhongkui (周重揆), Mr. Zhang Junyi (張君毅) and Mr. Tam Wai Ho (譚偉豪) were appointed independent non-executive directors in May 2025.
- (viii) The details of these share-based payments are disclosed in note 24.
- (ix) During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

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9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the years ended December 31, 2023, 2024 and 2025, of the five individuals with the highest emoluments, 3, 3 and 3 are directors whose emoluments are disclosed in note 8.

The aggregate of the emoluments in respect of the other 2, 2 and 2 individuals are as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other emoluments	1,389	1,326	1,755
Discretionary bonuses	420	820	1,560
Retirement scheme contributions	4	5	16
Share-based payments	—	—	4,251
	<u>1,813</u>	<u>2,151</u>	<u>7,582</u>

The emoluments of the 2, 2 and 2 individuals with the highest emoluments are within the following bands:

	Years ended December 31,		
	2023	2024	2025
	Number of individuals	Number of individuals	Number of individuals
HKD nil–HKD1,000,000	1	—	—
HKD1,000,001–HKD1,500,000	1	2	—
HKD2,000,001–HKD2,500,000	—	—	1
HKD6,000,001 - HKD6,500,000	—	—	1

During the Track Record Period no amounts were paid or payable to the above individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended December 31, 2023, 2024 and 2025 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 in issue during the year or period.

As described in note 1, the Company was converted into a joint stock company with limited liability and 30,000,000 ordinary shares with par value of RMB1 each were issued in May 2025. For the purpose of computing basic 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 January 1, 2023, at the exchange ratio established in the conversion in May 2025.

(i) Loss attributable to ordinary equity shareholders of the Company

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss for the year attributable to all equity shareholders of the Company	(96,598)	(21,768)	(5,822)
Allocation of loss for the year attributable to ordinary shares with redemption rights issued to investors (note 23)	<u>43,730</u>	<u>11,803</u>	<u>1,018</u>
Loss for the year attributable to ordinary equity shareholders of the Company	<u>(52,868)</u>	<u>(9,965)</u>	<u>(4,804)</u>

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(ii) *Weighted average number of ordinary shares*

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Ordinary shares (deemed to be) in issue at January 1	28,409	28,409	30,000
Effect of shares issued	–	1,129	–
Effect of ordinary shares with redemption rights issued to investors (<i>note 23</i>)	(12,861)	(16,017)	(5,244)
Weighted average number of ordinary shares (deemed to be) in issue at December 31	15,548	13,521	24,756

(b) **Diluted loss per share**

Ordinary shares with redemption rights (*note 23*) were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive during the years ended December 31, 2023, 2024 and 2025. Accordingly, diluted loss per share were the same as basic loss per share.

11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) **Reconciliation of carrying amount**

The Group

	Leasehold improvement	Machinery and equipment	Electronic equipment and others	Subtotal	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At January 1, 2023	6,217	41,219	4,495	51,931	14,076	66,007
Additions	–	8,156	2,555	10,711	5,208	15,919
Disposals	–	(54)	(1)	(55)	(6,592)	(6,647)
At December 31, 2023 and January 1, 2024	6,217	49,321	7,049	62,587	12,692	75,279
Additions	336	15,772	1,653	17,761	207	17,968
Disposals	–	(80)	(27)	(107)	(2,542)	(2,649)
At December 31, 2024 and January 1, 2025	6,553	65,013	8,675	80,241	10,357	90,598
Additions	13,712	123,469	2,489	139,670	17,986	157,656
Disposals	–	(3,835)	(794)	(4,629)	(5,526)	(10,155)
At December 31, 2025	20,265	184,647	10,370	215,282	22,817	238,099

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	Leasehold improvement <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Electronic equipment and others <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
Accumulated depreciation:						
At January 1, 2023	1,567	2,929	1,835	6,331	6,447	12,778
Charge for the year	1,549	4,355	1,301	7,205	4,511	11,716
Disposals	–	(5)	(1)	(6)	(6,552)	(6,558)
At December 31, 2023 and January 1, 2024	3,116	7,279	3,135	13,530	4,406	17,936
Charge for the year	1,505	4,862	1,765	8,132	3,237	11,369
Disposals	–	(20)	(26)	(46)	(2,186)	(2,232)
At December 31, 2024 and January 1, 2025	4,621	12,121	4,874	21,616	5,457	27,073
Charge for the year	3,610	16,378	2,017	22,005	5,102	27,107
Disposals	–	(2,569)	(559)	(3,128)	(2,851)	(5,979)
At December 31, 2025	8,231	25,930	6,332	40,493	7,708	48,201
Net Book Value:						
At December 31, 2025	12,034	158,717	4,038	174,789	15,109	189,898
At December 31, 2024	1,932	52,892	3,801	58,625	4,900	63,525
At December 31, 2023	3,101	42,042	3,914	49,057	8,286	57,343

The Company

	Leasehold improvement <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Electronic equipment and others <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:						
At January 1, 2023	110	6,331	3,420	9,861	7,632	17,493
Additions	–	6,642	1,508	8,150	5,208	13,358
Disposals	–	(53)	(1)	(54)	(6,592)	(6,646)
At December 31, 2023 and January 1, 2024	110	12,920	4,927	17,957	6,248	24,205
Additions	–	12,971	1,032	14,003	–	14,003
Disposals	–	(80)	(27)	(107)	(722)	(829)
At December 31, 2024 and January 1, 2025	110	25,811	5,932	31,853	5,526	37,379
Additions	13,510	113,787	2,121	129,418	17,986	147,404
Disposals	–	(8,434)	(752)	(9,186)	(5,526)	(14,712)
At December 31, 2025	13,620	131,164	7,301	152,085	17,986	170,071

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	Leasehold improvement RMB'000	Machinery and equipment RMB'000	Electronic equipment and others RMB'000	Subtotal RMB'000	Right-of-use assets RMB'000	Total RMB'000
Accumulated depreciation:						
At January 1, 2023	21	1,725	1,583	3,329	4,432	7,761
Charge for the year	37	950	897	1,884	2,979	4,863
Disposals	–	(5)	(1)	(6)	(6,552)	(6,558)
At December 31, 2023 and January 1, 2024	58	2,670	2,479	5,207	859	6,066
Charge for the year	52	1,290	1,143	2,485	1,913	4,398
Disposals	–	(20)	(26)	(46)	(366)	(412)
At December 31, 2024 and January 1, 2025	110	3,940	3,596	7,646	2,406	10,052
Charge for the year	2,222	11,986	1,128	15,336	4,069	19,405
Disposals	–	(3,198)	(546)	(3,744)	(2,851)	(6,595)
At December 31, 2025	2,332	12,728	4,178	19,238	3,624	22,862
Net Book Value:						
At December 31, 2025	11,288	118,436	3,123	132,847	14,362	147,209
At December 31, 2024	–	21,871	2,336	24,207	3,120	27,327
At December 31, 2023	52	10,250	2,448	12,750	5,389	18,139

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property – Right-of-use assets, carried at depreciated cost	8,286	4,900	15,109

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:			
Property - Right-of-use assets	4,511	3,237	5,102
Interest on lease liabilities (note 6(a))	251	267	699
Expense relating to leases of low-value assets	1,574	836	1,898

For the years ended December 31, 2023, 2024 and 2025, additions to right-of-use assets were RMB5,208,000, RMB207,000 and RMB17,986,000, respectively. These amounts primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 18 and 21, respectively.

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12 INTANGIBLE ASSETS

The Group

Software
RMB’000

Cost:

At January 1, 2023, December 31, 2023, December 31, 2024 and January 1, 2025	1,478
Additions	3,335

At December 31, 2025	4,813
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Accumulated amortisation:

At January 1, 2023	172
Charge for the year	147

At December 31, 2023 and January 1, 2024	319
Charge for the year	148

At December 31, 2024 and January 1, 2025	467
Charge for the year	262

At December 31, 2025	729
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Net book value:

At December 31, 2025	4,084
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At December 31, 2024	1,011
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At December 31, 2023	1,159
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The amortisation charge for the years ended December 31, 2023, 2024 and, 2025 is included in “general and administrative expenses” and “research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.

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The Company

Software
RMB'000

Cost:

At January 1, 2023, December 31, 2023	644
December 31, 2024 and January 1, 2025	3,176
Additions	

At December 31, 2025	3,820
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Accumulated amortisation:

At January 1, 2023	150
Charge for the year	64

At December 31, 2023 and January 1, 2024	214
Charge for the year	64

At December 31, 2024 and January 1, 2025	278
Charge for the year	163

At December 31, 2025	441
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Net book value:

At December 31, 2025	3,379
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At December 31, 2024	366
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At December 31, 2023	430
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13 INVESTMENTS IN SUBSIDIARIES

The Company

	2023 RMB'000	As at December 31, 2024 RMB'000	2025 RMB'000
Investments in subsidiaries, at cost	31,000	31,000	41,000

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries:

Company name	Place and date of incorporation/ establishment	Particulars of issued capital	Particulars of paid-up capital	Effective interest held by the Group			At the date of this report	Principal activities and place of operation	Name of auditor
				As at December 31, 2023	2024	2025			
Directly held by the Company									
蘇州承泰科技有限公司 Suzhou Chengtai Technology Co., Ltd. (ii)& (iv)	PRC December 16, 2020	RMB30,000,000	RMB30,000,000	100%	100%	100%	100%	Design, research and development and manufacture of millimeter-wave radar PRC	2023, 2024: 中匯會計師事務所(特殊普通合夥)武漢分所 Zhonghui Certified Public Accountants (Special General Partnership) Wuhan Branch
重慶承泰科技有限公司Chongqing Chengtai Technology Co., Ltd. (ii)& (iii)	PRC March 22, 2023	RMB100,000,000	RMB1,000,000	100%	100%	100%	100%	Design, research and development and manufacture of millimeter-wave radar PRC	N/A

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Notes:

- (i) The financial statements of the Company were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC (“**PRC GAAP**”). The financial statements for the years ended December 31, 2023 and 2024 was audited by Zhonghui Certified Public Accountants (Special General Partnership) Wuhan Branch (中匯會計師事務所(特殊普通合夥)武漢分所). [At the date of this report, the audited financial statements of the Company for the year ended December 31, 2025 prepared in accordance with PRC GAAP is not yet available.]
- (ii) The official names of these entities are in Chinese. The English translation is for identification purposes only.
- (iii) No audited financial statements were prepared for this entity during the Track Record Period.
- (iv) [At the date of this report, the audited financial statements of the entity for the year ended December 31, 2025 prepared in accordance with PRC GAAP is not yet available.]

14 FINANCIAL ASSETS MEASURED AT FVPL

The amount represents investments in wealth management products issued by banks in the PRC. The wealth management products are redeemable on demand, and have no fixed or guaranteed returns (note 25(d)(i)).

15 OTHER NON-CURRENT ASSETS

The Group

	2023	As at December 31,	2025
	<i>RMB'000</i>	2024 <i>RMB'000</i>	<i>RMB'000</i>
Prepayments for property, plant and equipment	2,245	29,401	643

The Company

	2023	As at December 31,	2025
	<i>RMB'000</i>	2024 <i>RMB'000</i>	<i>RMB'000</i>
Prepayments for property, plant and equipment	1,826	22,752	609

16 INVENTORIES

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

The Group

	2023	As at December 31,	2025
	<i>RMB'000</i>	2024 <i>RMB'000</i>	<i>RMB'000</i>
Raw materials	20,420	22,243	68,875
Semi-finished products and work-in-progress	4,053	13,224	1,991
Finished goods and goods in transit	12,607	22,176	62,570
	37,080	57,643	133,436

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The Company

	2023	As at December 31, 2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	20,420	–	68,875
Semi-finished products and work-in-progress	4,047	–	1,991
Finished goods and goods in transit	13,115	10,762	64,636
	<u>37,582</u>	<u>10,762</u>	<u>135,502</u>

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

	2023	Years ended December 31, 2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount of inventories sold	105,925	230,827	953,858
Carrying amount of inventories used in R&D activities	1,572	3,956	1,679
Write-down/(reversal) of inventories	2,111	(1,204)	(1,058)
Others	274	286	888
	<u>109,882</u>	<u>233,865</u>	<u>955,367</u>

17 TRADE AND OTHER RECEIVABLES

The Group

	2023	As at December 31, 2024	2025
	RMB'000	RMB'000	RMB'000
Trade debtors, net of loss allowance	52,859	112,156	346,381
Other receivables	3,779	4,123	3,671
Input value-added tax recoverable	–	–	9,969
Prepayments	730	807	1,845
Bills receivable, net of loss allowance	1,446	3,863	6,267
	<u>58,814</u>	<u>120,949</u>	<u>368,133</u>

The Company

	2023	As at December 31, 2024	2025
	RMB'000	RMB'000	RMB'000
Trade debtors, net of loss allowance (note)	52,371	140,621	346,381
Other receivables	969	2,119	2,973
Input value-added tax recoverable	–	–	9,175
Prepayments	707	138	1,832
Bills receivable, net of loss allowance	1,446	3,863	6,267
Amounts due from subsidiaries	82,887	47,826	68,711
	<u>138,380</u>	<u>194,567</u>	<u>435,339</u>

Note: Trade debtors of the Company include trade receivables due from subsidiaries, with the relevant amounts being nil, RMB28,959,000 and nil as at December 31, 2023, 2024 and 2025, respectively.

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

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As at December 31, 2023, 2024 and 2025, the Group endorsed certain bank acceptance bills to suppliers for settling trade and other payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors of the Company, 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, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable.

As at December 31, 2025, the Group’s maximum exposure to loss and undiscounted cash outflow, which is same as the amount 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 RMB12,446,000.

Ageing analysis:

As at December 31, 2023, 2024 and 2025, the ageing analysis of trade debtors (included in trade and other receivables), based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	50,613	112,156	346,309
Over 1 year but less than 2 years	268	–	72
Over 2 years but less than 3 years	1,978	–	–
	<u>52,859</u>	<u>112,156</u>	<u>346,381</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	50,125	140,621	346,309
Over 1 year but less than 2 years	268	–	72
Over 2 years but less than 3 years	1,978	–	–
	<u>52,371</u>	<u>140,621</u>	<u>346,381</u>

Further details on the Group’s credit policy are set out in note 25(a).

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cash on hand	–	–	–
Cash at bank	14,924	21,364	27,392
Less: restricted bank deposits (note (i))	<u>(13,849)</u>	<u>(5,499)</u>	<u>(12,800)</u>
Cash and cash equivalents in the consolidated statements of financial position and the consolidated cash flow statements	<u>1,075</u>	<u>15,865</u>	<u>14,592</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank	14,792	20,929	22,041
Less: restricted bank deposits (note (i))	(13,849)	(5,075)	(12,800)
Cash and cash equivalents in the statements of financial position	943	15,854	9,241

- (i) As at December 31, 2023, restricted bank deposits were mainly funds held in accounts at the banks’ request for loan repayment.

As at December 31, 2024, restricted bank deposits were mainly funds frozen due to litigation, which has been completely lifted during the year ended December 31, 2025.

As at December 31, 2025, restricted bank deposits were mainly funds held in accounts at the banks’ request for bank acceptance bills repayments.

(b) Reconciliation of loss before taxation to cash used in operations:

		Years ended December 31,		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Loss before taxation		(96,598)	(21,768)	(5,822)
Adjustments for:				
(Gain)/loss on disposal of non-current assets		(14)	55	1,150
Write down/(reversal) of inventories	16	2,111	(1,204)	(1,058)
(Reversal)/provision of loss allowance on trade receivables and other receivables		(138)	295	5,535
Depreciation of property, plant and equipment	11(a)	7,205	8,132	22,005
Depreciation of right-of-use assets	11(b)	4,511	3,237	5,102
Amortization of intangible assets	12	147	148	262
Changes in the carrying amount of redemption liabilities	23	23,237	35,721	11,945
Finance costs	6(a)	1,468	1,150	6,152
Net fair value gains from financial assets measured at FVPL	5	(575)	(301)	(5)
Equity-settled share-based payment expense	6(b)	10,403	–	9,808
Changes in working capital:				
Decrease/(increase) in inventories		2,539	(19,359)	(74,735)
Decrease/(increase) in trade and other receivables		5,341	(62,430)	(235,246)
Increase/(decrease) in trade and other payables		(21,499)	55,029	124,282
Decrease in contract liabilities		(24)	(187)	–
Increase in restricted cash		–	(5,499)	(7,301)
Cash used in operations		(61,886)	(6,981)	(137,926)

(c) Non-cash transactions:

For the years ended December 31, 2023, 2024 and 2025, the Group used trade receivables from a customer amounting to RMB8,841,000 RMB43,338,000 and RMB100,470,000 respectively, to settle its payables for purchase of property, plant and equipment.

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(d) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statements as cash flows from financing activities.

	Bank loans <i>RMB'000</i> <i>(note 22)</i>	Lease liabilities <i>RMB'000</i> <i>(note 21)</i>	Redemption liabilities <i>RMB'000</i> <i>(note 23)</i>	Total <i>RMB'000</i>
At January 1, 2023	17,600	8,211	309,021	334,832
Changes from financing cash flows:				
Proceeds from bank loans	40,000	–	–	40,000
Repayment of bank loans	(31,480)	–	–	(31,480)
Interest of bank loans paid	(1,217)	–	–	(1,217)
Capital element of lease rentals paid	–	(5,177)	–	(5,177)
Interest element of lease rentals paid	–	(251)	–	(251)
Total changes from financing cash flows	7,303	(5,428)	–	1,875
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	5,208	–	5,208
Increase in interest expenses	1,217	251	–	1,468
Disposals of right-of-use assets	–	(42)	–	(42)
Changes in carrying amounts of redemption liabilities	–	–	23,237	23,237
Total other changes	1,217	5,417	23,237	29,871
At December 31, 2023	26,120	8,200	332,258	366,578
At January 1, 2024	26,120	8,200	332,258	366,578
Changes from financing cash flows:				
Proceeds from bank loans	59,000	–	–	59,000
Repayment of bank loans	(61,120)	–	–	(61,120)
Interest of bank loans paid	(883)	–	–	(883)
Capital element of lease rentals paid	–	(3,152)	–	(3,152)
Interest element of lease rentals paid	–	(267)	–	(267)
Total changes from financing cash flows	(3,003)	(3,419)	–	(6,422)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	207	–	207
Increase in interest expenses	883	267	–	1,150
Disposals of right-of-use assets	–	(364)	–	(364)
Redemption rights granted upon share issuance	–	–	70,000	70,000
Redemption rights granted subsequent to share issuance	–	–	65,694	65,694
Changes in carrying amounts of redemption liabilities	–	–	35,721	35,721

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	Bank loans <i>RMB'000</i> <i>(note 22)</i>	Lease liabilities <i>RMB'000</i> <i>(note 21)</i>	Redemption liabilities <i>RMB'000</i> <i>(note 23)</i>	Total <i>RMB'000</i>
Total other changes	883	110	171,415	172,408
At December 31, 2024	24,000	4,891	503,673	532,564
At January 1, 2025	24,000	4,891	503,673	532,564
Changes from financing cash flows:				
Proceeds from bank loans	357,990	–	–	357,990
Repayment of bank loans	(91,220)	–	–	(91,220)
Interest of bank loans paid	(5,248)	–	–	(5,248)
Capital element of lease rentals paid	–	(3,551)	–	(3,551)
Interest element of lease rentals paid	–	(699)	–	(699)
Total changes from financing cash flows	261,522	(4,250)	–	257,272
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	17,985	–	17,985
Increase in interest expenses	5,453	699	–	6,152
Disposals of right-of-use assets	–	(3,025)	–	(3,025)
Changes in carrying amounts of redemption liabilities	–	–	11,945	11,945
Termination of the redemption liabilities	–	–	(515,618)	(515,618)
Total other changes	5,453	15,659	(503,673)	(482,561)
At December 31, 2025	290,975	16,300	–	307,275

(e) **Total cash out flow for leases:**

	2023 <i>RMB'000</i>	As at December 31, 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Within operating cash flows	1,916	872	1,898
Within financing cash flows	5,428	3,419	4,250
	7,344	4,291	6,148

19 TRADE AND OTHER PAYABLES

The Group

	2023 <i>RMB'000</i>	As at December 31, 2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Trade payables	30,735	65,865	99,355
Staff cost payables	9,821	17,094	25,465
Other payables	1,313	2,196	1,401
Other taxes payable	1,445	4,341	12,462
Bills payable	–	–	84,000
	43,314	89,496	222,683

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The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	24,418	7,713	98,272
Staff cost payable	5,736	10,389	18,247
Other payables	475	1,602	1,141
Other taxes payable	1,387	4,283	9,519
Bills payable (note)	—	—	104,000
Amounts due to subsidiaries	2,806	35,326	9,900
	<u>34,822</u>	<u>59,313</u>	<u>241,079</u>

Note: Bills payable of the Company include bills payable due to subsidiaries, with the relevant amounts being nil, nil and RMB20,000,000 as at December 31, 2023, 2024 and 2025, respectively.

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As at December 31, 2023, 2024 and 2025, the ageing analysis of trade payables, based on the invoice date, is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	29,516	65,246	98,441
Over 1 year but less than 2 years	1,084	12	309
Over 2 years	135	607	605
	<u>30,735</u>	<u>65,865</u>	<u>99,355</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	23,724	7,599	98,172
Over 1 year but less than 2 years	559	12	—
Over 2 years	135	102	100
	<u>24,418</u>	<u>7,713</u>	<u>98,272</u>

20 CONTRACT LIABILITIES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Advance receipts from customers	<u>187</u>	<u>—</u>	<u>—</u>

Movements in contract liabilities:

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The Group and the Company

	Years ended December 31,		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At the beginning of the year/period	211	187	–
Increase in contract liabilities as a result of receiving advance payment during the year/period	709	301	330
Decrease in contract liabilities as a result of recognising revenue during the year/period	(733)	(488)	(330)
	<u>187</u>	<u>–</u>	<u>–</u>
Balance at the end of the year/period	<u>187</u>	<u>–</u>	<u>–</u>

21 LEASE LIABILITIES

As at December 31, 2023, 2024 and 2025, the lease liabilities were repayable as follows:

The Group

	As at December 31,		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	3,224	2,848	3,354
After 1 year but within 2 years	3,045	2,043	3,226
After 2 years but within 5 years	1,931	–	9,720
	<u>4,976</u>	<u>2,043</u>	<u>12,946</u>
	<u>8,200</u>	<u>4,891</u>	<u>16,300</u>

The Company

	As at December 31,		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	1,929	1,745	2,783
After 1 year but within 2 years	1,941	1,531	3,226
After 2 years but within 5 years	1,531	–	9,720
	<u>3,472</u>	<u>1,531</u>	<u>12,946</u>
	<u>5,401</u>	<u>3,276</u>	<u>15,729</u>

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22 BANK LOANS

As at December 31, 2023, 2024 and 2025, the bank loans of the Group and the Company due within one year were RMB26,120,000, RMB24,000,000 and RMB290,975,000 respectively, of which RMB26,120,000, RMB19,000,000 and RMB218,975,000 were guaranteed by Mr. Chen Chengwen (陳承文).

23 REDEMPTION LIABILITIES

The Group and the Company

Since its date of establishment, the Company has completed several rounds of financing, including: Angel Financing, Series Pre-A Financing, Series A Financing, Series A+ Financing, Series B-1 Financing, Series B-2 Financing, Series B-3 Financing and Series C Financing. Upon the completion of these financings, certain investors were immediately granted redemption rights upon the signing of their respective investment agreements, whereas other investors were not. Pursuant to the shareholders agreement signed in May 2024, redemption rights were also granted to those investors which originally did not have them.

The key terms of the redemption rights are summarized as follows:

The investors are entitled to the redemption of their shares upon occurrence of certain triggering events, including but not limited to (i) a qualified IPO not occurring by December 31, 2027, or it becoming objectively unachievable by that date, (ii) Mr. Chen leaving the Company or breaching the non-competition agreement, and (iii) a change in the ultimate controlling shareholder.

The redemption price shall equal to the higher of:

- (i) the issue price of the redeemed shares plus an annual simple interest of 10% in case of other triggering events;
- (ii) the Company’s net assets as extracted from the audited financial statements multiplied by an ratio equal the number of the redeemed shares over the Company’s total shares; and
- (iii) the issue price of the redeemed shares plus the investor’s pro rata share of the increase in the Company’s equity for the period over which the shares are held by the investor.

The Company recognised its obligation to redeem its shares for cash as financial liabilities, because not all triggering events are within the control of the Company. The redemption liabilities are measured at the highest redemption price that the Company can be required to pay, on a present value basis.

The movements of the redemption liabilities during the Track Record Period are as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	309,021	332,258	503,673
Redemption rights granted upon share issuance	–	70,000	–
Redemption rights granted subsequent to share issuance	–	65,694	–
Changes in carrying amounts of redemption liabilities	23,237	35,721	11,945
Termination of redemption liabilities (<i>note (i)</i>)	–	–	(515,618)
At the end of the year	<u>332,258</u>	<u>503,673</u>	<u>–</u>

Note:

- (i) In April 2025, the redemption rights granted to investors were terminated pursuant to the supplementary agreement amongst the Company and the investors, resulting in the reclassification of redemption liabilities from liability to equity.

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24 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 statements of changes in equity.

Details of the changes in the Company’s individual components of equity are set out below:

	Note	Share Capital RMB'000	Paid-in Capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2023		–	10,813	–	14,787	26,467	(162,799)	(110,732)
Changes in equity for 2023:								
Loss and total comprehensive income for the year		–	–	–	–	–	(56,310)	(56,310)
Equity settled share-based transactions	23	–	–	–	–	10,403	–	10,403
Balance at December 31, 2023 and at January 1, 2024		–	10,813	–	14,787	36,870	(219,109)	(156,639)
Changes in equity for 2024:								
Loss and total comprehensive income for the year		–	–	–	–	–	(58,035)	(58,035)
Capital contribution by investors	24(c)	–	606	–	69,394	–	–	70,000
Redemption rights granted upon share issuance	23	–	–	–	(70,000)	–	–	(70,000)
Redemption rights granted subsequent to share issuance	23	–	–	–	(65,694)	–	–	(65,694)
Balance at December 31, 2024 and at January 1, 2025		–	11,419	–	(51,513)	36,870	(277,144)	(280,368)
Changes in equity for 2025:								
Profit and total comprehensive income for the year		–	–	–	–	–	12,238	12,238
Termination of redemption liabilities	23	–	–	–	515,618	–	–	515,618
Conversion into a joint stock company	24(d)	30,000	(11,419)	136,757	(353,781)	–	198,443	–
Equity settled share-based transactions	23	–	–	–	–	9,808	–	9,808
Balance at December 31, 2025		30,000	–	136,757	110,324	46,678	(66,463)	257,296

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(b) **Dividends**

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Period.

(c) **Paid-in capital**

RMB'000

Issued and fully paid:

At January 1, 2023, December 31, 2023 and January 1, 2024 10,813

Capital contribution by investors (i) 606

At December 31, 2024 and January 1, 2025 11,419

Conversion into a joint stock company (note 24(d)) (11,419)

At December 31, 2025 —

Notes:

- (i) In May 2024, the Company entered into an investment agreement with series C investors, pursuant to which total capital of RMB70,000,000 was contributed into the Company. The proceeds of RMB70,000,000 were received by the Company in May 2024, with RMB606,000 credited to the Company’s paid-in capital. Certain redemption rights upon capital contribution were granted to series C investors (note 23).

(d) **Share capital**

	Numbers of ordinary shares '000	Share capital RMB'000
Issued and fully paid:		
At January 1, 2023, December 31, 2023, December 31, 2024 and January 1, 2025	—	—
Conversion into a joint stock company (i)	30,000	30,000
At December 31, 2025	30,000	30,000

- i In May 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company (as measured under PRC GAAP) as of the conversion base date were converted into 30,000,000 ordinary shares at RMB1.00 each. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company’s share premium.

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

(i) **Capital reserve**

The capital reserve mainly comprises the following:

- amounts in relation to the recognition of the redemption liabilities;
- the excess of the net contributions from the shareholders of the Company over the total paid-in capital issued;

(ii) **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.

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(iii) *Share-based payments reserve*

The share-based payments reserve comprises the difference between the fair value of shares granted and the consideration paid by the employees of the Group that has been recognised in accordance with the accounting policy adopted for equity settled share-based payments.

During the year ended December 31, 2023, Mr. Zhou Ke (周珂), an executive director of the Company, acquired 1.39% indirect equity interests of the Company from another shareholder. The difference between the fair value of the acquired equity interests and the consideration paid was accounted for share-based payments for the year ended December 31, 2023. The fair value of the acquired equity interests is measured by reference to the then recent equity financing price of the Company.

During the year ended December 31, 2025, Mr. Zhou Ke (周珂), an executive director of the Company, acquired 0.79% indirect equity interests of the Company from other shareholders. Mr. Peng Cong (彭聰), chief financial officer and secretary of Board, acquired 1.00% indirect equity interests of the Company from Mr. Chen Chengwen (陳承文). The difference between the fair value of the acquired equity interests and the consideration paid was accounted for share-based payments for the year ended December 31, 2025. The fair value of the acquired equity interests is measured by reference to the then recent equity financing price of the Company.

(f) **Capital 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.

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity and interest rate risks 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 receivables. The Group’s exposure to credit risk arising from cash and cash equivalents, financial assets measured at FVPL, restricted cash and bills receivable is limited because the counterparties primarily are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2023, 2024 and 2025, 84.41%, 93.01% and 96.48% respectively, of the total trade receivables were due from the Group’s largest customer and 89.54%, 97.73% and 99.44% respectively, of the total trade receivables were due from the Group’s five largest customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables based on geographic regions, due to different loss patterns experienced in the different regions.

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

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As at December 31, 2023			
	Expected loss amount %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	3.37%	51,184	1,725
1–90 days past due	3.86%	544	21
More than 90 days past due	11.12%	3,237	360
		<u>54,965</u>	<u>2,106</u>
As at December 31, 2024			
	Expected loss amount %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	1.92%	112,308	2,158
1–90 days past due	1.78%	1,966	35
More than 90 days past due	71.91%	267	192
		<u>114,541</u>	<u>2,385</u>
As at December 31, 2025			
	Expected loss amount %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	2.02%	350,601	7,085
1–90 days past due	2.38%	2,861	68
More than 90 days past due	90.66%	771	699
		<u>354,233</u>	<u>7,852</u>

Expected loss rates are based on historical actual credit loss experience over the past years. These rates are adjusted based on the Group’s historical credit loss experience, adjusted for factors including customer mix, general market risk and specific conditions to debtors, if any, at the reporting date.

Movement in the loss allowance account in respect of trade receivables during the Track Record Period is as follows:

Years ended December 31,			
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At the beginning of the year/period	2,253	2,106	2,385
Write-off for the year	–	–	(109)
(Reversal)/provision of loss allowance on trade receivables	<u>(147)</u>	<u>279</u>	<u>5,576</u>
At the end of the year	<u>2,106</u>	<u>2,385</u>	<u>7,852</u>

Other receivables and deposits

Credit risk in respect of other receivables is limited since the balance mainly includes rental deposits.

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for other receivables as at December 31, 2023, 2024 and 2025.

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(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 as at the end of each reporting period of the Group’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay:

	Within 1 year or on demand RMB’000	More than 1 year but less than 2 years RMB’000	More than 2 years but less than 5 years RMB’000	Total RMB’000	Carrying amount at December 31, 2023 RMB’000
At December 31, 2023					
Trade and other payables (note 19)	43,314	–	–	43,314	43,314
Bank loans (note 22)	26,428	–	–	26,428	26,120
Lease liabilities (note 21)	3,517	3,075	2,073	8,665	8,200
Redemption liabilities (note 23)	332,258	–	–	332,258	332,258
	<u>405,517</u>	<u>3,075</u>	<u>2,073</u>	<u>410,665</u>	<u>409,892</u>
	Within 1 year or on demand RMB’000	More than 1 year but less than 2 years RMB’000	More than 2 years but less than 5 years RMB’000	Total RMB’000	Carrying amount at December 31, 2024 RMB’000
At December 31, 2024					
Trade and other payables (note 19)	89,496	–	–	89,496	89,496
Bank loans (note 22)	24,588	–	–	24,588	24,000
Lease liabilities (note 21)	2,991	2,073	–	5,064	4,891
Redemption liabilities (note 23)	503,673	–	–	503,673	503,673
	<u>620,748</u>	<u>2,073</u>	<u>–</u>	<u>622,821</u>	<u>622,060</u>
	Within 1 year or on demand RMB’000	More than 1 year but less than 2 years RMB’000	More than 2 years but less than 5 years RMB’000	Total RMB’000	Carrying amount at December 31, 2025 RMB’000
At December 31, 2025					
Trade and other payables (note 19)	222,683	–	–	222,683	222,683
Bank loans (note 22)	294,964	–	–	294,964	290,975
Lease liabilities (note 21)	3,890	3,644	10,060	17,594	16,300
	<u>521,537</u>	<u>3,644</u>	<u>10,060</u>	<u>535,241</u>	<u>529,958</u>

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(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 bank loans. Bank loans issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group’s interest rate risk profile as monitored by management is set out in (i) below.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group’s financial assets and liabilities at the end of the reporting period:

	As at December 31,					
	2023		2024		2025	
	interest rates%		interest rates%		interest rates%	
		RMB’000		RMB’000		RMB’000
Fix rate instruments:						
Cash and cash equivalents		–		–	0.00%–0.45%	491
Bank loans	3.90%–4.10%	(26,120)	3.10%–3.70%	(24,000)	2.40%–3.00%	(290,975)
Lease liabilities-current	3.83%–4.65%	(3,224)	3.60%–4.65%	(2,848)	3.25%–4.65%	(3,354)
Lease liabilities - non-current	3.83%–4.65%	(4,976)	3.60%–4.65%	(2,043)	3.25%–3.6%	(12,946)
		<u>(34,320)</u>		<u>(28,891)</u>		<u>(306,784)</u>
Variable rate instruments:						
Restricted cash	0.20%	13,849	0.10%	5,499	0.05%–0.95%	12,800
Cash and cash equivalents	0.20%	1,075	0.10%	15,865	0.05%–0.45%	14,101
		<u>14,924</u>		<u>21,364</u>		<u>26,901</u>

(ii) Sensitivity analysis

As at December 31, 2023 and 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increase/decrease the Group’s loss after taxation and accumulated losses by approximately RMB149,000, RMB214,000 and RMB269,000.

The sensitivity analysis above indicates the instantaneous change in the Group’s loss after tax and accumulated losses that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to floating rate instruments which expose the company to cash flow interest rate risk at that date. The analysis does not take into account exposure to fair value interest rate risk arising from fixed rate instruments as the company does not hold any fixed rate instruments which are measured at fair value in the financial statements.

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(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 each 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

The Group has a team performing valuations for the financial instruments categories into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer.

	Fair value at December 31, 2024 RMB’000	Fair value measurements as at December 31, 2024 categorised into		
		Level 1 RMB’000	Level 2 RMB’000	Level 3 RMB’000
Recurring fair value measurement				
Financial assets measured at FVPL:				
– Wealth management products	2,191	–	–	2,191

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfer 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 each reporting period in which they occur.

Information about Level 3 fair value measurements

Level 3 financial assets measured at FVPL include wealth management products acquired from banks with non-guaranteed principals and interest rates. Their fair values are estimated by using a discounted cash flow approach and key inputs used by the Group are estimated yield rates written in the contracts by the counterparties.

The following table indicates the instantaneous change in the Group’s loss and accumulated losses that would arise if fair value of wealth management products to which the Group has significant exposure at the end of the each reporting period had changed at that date, assuming all other risk variables remained constant.

December 31, 2024

	Valuation techniques	Significant unobservable inputs	Range	Sensitivity of fair value to the input RMB’000
Wealth management products	Discounted cash flow method	Interest return rate	2%–3.5%	5% increase/(decrease) in interest return rate would result in increase/(decrease) in fair value by RMB110

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The movement during the period in the balance of Level 3 fair value measurements is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At January 1,	82,658	–	2,191
Purchases of financial assets measured at FVPL	49,800	65,000	–
Fair value changes of financial assets measured at FVPL	575	301	5
Disposals of financial assets measured at FVPL	(133,033)	(63,110)	(2,196)
At December 31,	–	2,191	–

(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 amortised cost are not materially different from their fair values as at December 31, 2023, 2024 and 2025.

26 COMMITMENTS

Capital commitments of the Group outstanding at December 31, 2023, 2024 and 2025 not provided for in the financial statements were as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted for acquisition of property, plant and equipment	1,050	71,400	808

27 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere the Historical Financial Information, the Group entered into the following material related party transactions.

(a) **Names and relationships of the related parties that had material transactions with the Group**

Name of party	Relationship with the Group
Mr. Chen Chengwen (陳承文)	The chairman of the Board, an executive Director and the general manager of the Company, and one of the Company’s Controlling Shareholders

(b) **Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows.

	Years ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	5,855	7,785	6,916
Discretionary bonuses	1,090	4,114	4,060
Contributions to defined contribution retirement plan	83	122	84
Share-based payments	10,403	–	9,808
	17,431	12,021	20,868

Total remuneration is included in “staff costs” (see note 6(b)).

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(c) Guarantees from related parties

The details of the bank loans guaranteed by Mr. Chen Chengwen (陳承文) are disclosed in note 22.

[All of the bank loans guaranteed by Mr. Chen Chengwen will be released upon listing.]

28 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the IASB issued a number of amendments, new standards and interpretations, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts referencing nature-dependent electricity</i>	January 1, 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures</i> – <i>Amendments to the classification and measurement of financial instruments</i>	January 1, 2026
Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	January 1, 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	January 1, 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 are 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 of the Group except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for the year beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

29 SIGNIFICANT NON-ADJUSTING EVENTS AFTER THE TRACK RECORD PERIOD

There were no significant non-adjusting events subsequent to December 31, 2025 and up to the date of this report.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to December 31, 2025.