***[To insert the firm's letterhead].***

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SEMI-TECH GROUP CO., LTD., AND HAITONG INTERNATIONAL CAPITAL LIMITED.**

**Introduction**

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

**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 set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors 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* as issued by the Hong Kong Institute of Certified Public Accountants ("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 set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

*Opinion*

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

**Report on matters under the Rules Governing the [REDACTED] of Securities on the Stock Exchange 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 [●] have been made.

*Dividends*

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
*Certified Public Accountants*
Hong Kong
[Date]

## I. HISTORICAL FINANCIAL INFORMATION

### PREPARATION OF HISTORICAL FINANCIAL INFORMATION

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

The financial statements of the Group for the years ended 31 December 2023, 2024 and 2025, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Year ended 31 December | | |
|---|---|---|---|---|
| | *Notes* | **2023** | **2024** | **2025** |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| REVENUE | *5* | 286,772 | 499,692 | 731,496 |
| Cost of sales | | (160,685) | (301,885) | (471,265) |
| Gross profit | | 126,087 | 197,807 | 260,231 |
| Other income, gains and losses, net | *6* | 32,986 | 41,311 | 36,062 |
| Selling and marketing expenses | | (27,564) | (35,927) | (51,217) |
| Administrative expenses | | (53,804) | (61,178) | (87,343) |
| Research and development expenses | | (52,944) | (60,105) | (81,670) |
| Other expenses | *8* | (327) | (10,333) | (281) |
| Finance costs | *9* | (292) | (1,415) | (2,246) |
| Impairment losses on financial assets, net | | (849) | (176) | (5,987) |
| Impairment losses on contract assets, net | | (64) | (193) | (79) |
| Share of profits of associates | | – | 2,032 | 4,899 |
| PROFIT BEFORE TAX | *7* | 23,229 | 71,823 | 72,369 |
| Income tax credit | *12* | 1,336 | 2,009 | 398 |
| PROFIT FOR THE YEAR | | 24,565 | 73,832 | 72,767 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | | | |
| Exchange differences on translation of foreign operations | | 24 | (346) | 1,547 |
| Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods | | 24 | (346) | 1,547 |

| | Notes | Year ended 31 December 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | | | | |
| Equity investments designated at fair value through other comprehensive income: | | | | |
| Changes in fair value | | – | 154 | (5,723) |
| Income tax effect | | – | (23) | 858 |
| | | – | 131 | (4,865) |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | | – | 131 | (4,865) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX | | 24 | (215) | (3,318) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 24,589 | 73,617 | 69,449 |
| Profit attributable to: | | | | |
| Owners of the parent | | 25,499 | 71,937 | 69,588 |
| Non-controlling interests | | (934) | 1,895 | 3,179 |
| | | 24,565 | 73,832 | 72,767 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | | 25,523 | 71,722 | 66,270 |
| Non-controlling interests | | (934) | 1,895 | 3,179 |
| | | 24,589 | 73,617 | 69,449 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | *14* | | | |
| Basic (RMB) | | 0.07 | 0.19 | 0.18 |
| Diluted (RMB) | | 0.07 | 0.19 | 0.18 |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | | As at 31 December | | |
|---|---|---|---|---|
| | *Notes* | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | *15* | 8,539 | 13,108 | 181,683 |
| Right-of-use assets | *16* | 16,663 | 10,475 | 102,534 |
| Goodwill | *17* | 208,524 | 253,279 | 311,010 |
| Other intangible assets | *18* | 12,129 | 73,429 | 71,391 |
| Investment in associates | *19* | – | 74,700 | 79,599 |
| Other financial assets at amortised cost | *20* | – | 311,954 | 82,653 |
| Financial assets at fair value through profit and loss | *26* | – | 20,154 | 140,950 |
| Equity investments designated at fair value through other comprehensive income | *21* | 9,106 | 10,000 | 4,277 |
| Deferred tax assets | *33* | 14,884 | 17,262 | 18,668 |
| Total non-current assets | | 269,845 | 784,361 | 992,765 |
| CURRENT ASSETS | | | | |
| Inventories | *22* | 159,077 | 101,807 | 76,769 |
| Trade and bills receivables | *23* | 81,434 | 199,153 | 339,164 |
| Contract assets | *24* | 9,014 | 15,187 | 25,371 |
| Other financial assets at amortised cost | *20* | – | 298,717 | 449,890 |
| Time deposits | *27* | – | – | 280,020 |
| Prepayments, other receivables and other assets | *25* | 72,088 | 25,934 | 41,060 |
| Financial assets at fair value through profit or loss | *26* | 10,000 | 17,040 | 145,076 |
| Restricted cash | *27* | 779 | 30,295 | 13,559 |
| Cash and cash equivalents | *27* | 823,064 | 135,429 | 408,026 |
| Total current assets | | 1,155,456 | 823,562 | 1,778,935 |
| CURRENT LIABILITIES | | | | |
| Trade and bills payables | *28* | 21,237 | 70,836 | 192,716 |
| Other payables and accruals | *29* | 46,505 | 64,488 | 131,596 |
| Contract liabilities | *30* | 102,046 | 93,958 | 71,412 |
| Interest-bearing bank and other borrowings | *31* | – | 48,710 | 97,059 |
| Lease liabilities | *16* | 5,194 | 5,097 | 3,150 |
| Tax payable | | 955 | 875 | 15 |
| Provision | *32* | 9,164 | 11,147 | 13,566 |
| Total current liabilities | | 185,101 | 295,111 | 509,514 |
| NET CURRENT ASSETS | | 970,355 | 528,451 | 1,269,421 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,240,200 | 1,312,812 | 2,262,186 |

| | | As at 31 December | | |
|---|---|---|---|---|
| | *Notes* | **2023** | **2024** | **2025** |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| NON-CURRENT LIABILITIES | | | | |
| Other payables and accruals | *29* | – | – | 8,076 |
| Interest-bearing bank and other borrowings | *31* | – | – | 89,466 |
| Lease liabilities | *16* | 12,022 | 5,974 | 2,746 |
| Deferred tax liabilities | *33* | 903 | 880 | 843 |
| Total non-current liabilities | | 12,925 | 6,854 | 101,131 |
| Net assets | | 1,227,275 | 1,305,958 | 2,161,055 |
| EQUITY | | | | |
| Equity attributable to owners of the parent | | | | |
| Paid-in capital/share capital | *34* | 375,479 | 375,479 | 429,666 |
| Reserves | *36* | 843,567 | 920,188 | 1,715,304 |
| | | 1,219,046 | 1,295,667 | 2,144,970 |
| Non-controlling interests | | 8,229 | 10,291 | 16,085 |
| Total equity | | 1,227,275 | 1,305,958 | 2,161,055 |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | | Attributable to owners of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Notes* | **Paid-in capital/Share capital** *(note 34)* | **Capital reserve** *(note 36)* | **Share-based payment reserve** *(note 35)* | **Other reserve** | **Exchange fluctuation reserve** | **Accumulated loss** | **Total** | **Non-controlling interests** | **Total equity** |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | | 12,155 | 919,053 | 72,466 | 46,449 | 598 | (170,525) | 880,196 | 46,032 | 926,228 |
| Profit/(loss) for the year | | – | – | – | – | – | 25,499 | 25,499 | (934) | 24,565 |
| Other comprehensive income for the year: | | | | | | | | | | |
| Exchange differences on translation of foreign operations | | – | – | – | – | 24 | – | 24 | – | 24 |
| Total comprehensive income for the year | | – | – | – | – | 24 | 25,499 | 25,523 | (934) | 24,589 |
| Capital injection from shareholders | 34 | 4,222 | 372,918 | – | – | – | – | 377,140 | 7,350 | 384,490 |
| Capital conversion from capital reserve | 36 | 359,102 | (359,102) | – | – | – | – | – | – | – |
| Conversion to a joint stock company | 36 | – | (36,236) | – | – | – | 36,236 | – | – | – |
| Share-based payment expenses | 35 | – | – | 1,450 | – | – | – | 1,450 | – | 1,450 |
| Acquisition of non-controlling interests | | – | – | – | (65,263) | – | – | (65,263) | (44,219) | (109,482) |
| At 31 December 2023 | | 375,479 | 896,633* | 73,916* | (18,814)* | 622* | (108,790)* | 1,219,046 | 8,229 | 1,227,275 |

| | | Attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Notes* | **Share capital** *(note 34)* | **Capital reserve** *(note 36)* | **Share-based payment reserve** *(note 35)* | **Other reserve** | **Fair value reserve of equity investments designated at fair value through other comprehensive income** | **Exchange fluctuation reserve** | **Accumulated loss** | **Total** | **Non-controlling interests** | **Total equity** |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | | 375,479 | 896,633 | 73,916 | (18,814) | – | 622 | (108,790) | 1,219,046 | 8,229 | 1,227,275 |
| Profit for the year | | – | – | – | – | – | – | 71,937 | 71,937 | 1,895 | 73,832 |
| Other comprehensive income/(loss) for the year: | | | | | | | | | | | |
| Changes in fair value of equity investments at fair value through other comprehensive income, net of tax | | – | – | – | – | 131 | – | – | 131 | – | 131 |
| Exchange differences on translation of foreign operations | | – | – | – | – | – | (346) | – | (346) | – | (346) |
| Total comprehensive income for the year | | – | – | – | – | 131 | (346) | 71,937 | 71,722 | 1,895 | 73,617 |
| Acquisition of subsidiaries | *37* | – | – | – | – | – | – | – | – | 6,141 | 6,141 |
| Disposal of subsidiaries | *38* | – | – | – | – | – | – | – | – | (5,974) | (5,974) |
| Share-based payment expenses | *35* | – | – | 4,899 | – | – | – | – | 4,899 | – | 4,899 |
| At 31 December 2024 | | 375,479 | 896,633* | 78,815* | (18,814)* | 131* | 276* | (36,853)* | 1,295,667 | 10,291 | 1,305,958 |

| | Notes | Attributable to owners of the parent | | | | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital (note 34) | Capital reserve (note 36) | Share-based payment reserve (note 35) | Other reserve | Fair value reserve of equity investments designated at fair value through other comprehensive income | Exchange fluctuation reserve | Accumulated loss | Total | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2025 | | 375,479 | 896,633 | 78,815 | (18,814) | 131 | 276 | (36,853) | 1,295,667 | 10,291 | 1,305,958 |
| Profit/(loss) for the year | | – | – | – | – | – | – | 69,588 | 69,588 | 3,179 | 72,767 |
| Other comprehensive income for the year | | | | | | | | | | | |
| Changes in fair value of equity investments at fair value through other comprehensive income, net of tax | | – | – | – | – | (4,865) | – | – | (4,865) | – | (4,865) |
| Exchange differences on translation of foreign operations | | – | – | – | – | – | 1,547 | – | 1,547 | – | 1,547 |
| Total comprehensive income for the year | | – | – | – | – | (4,865) | 1,547 | 69,588 | 66,270 | 3,179 | 69,449 |
| Acquisition of subsidiaries | 37 | – | – | – | – | – | – | – | – | 2,048 | 2,048 |
| Capital injection from shareholders | 34 | 54,187 | 742,600 | – | – | – | – | – | 796,787 | – | 796,787 |
| Share-based payment expenses | 35 | – | – | 3,577 | – | – | – | – | 3,577 | – | 3,577 |
| Acquisition of non-controlling interests | | – | – | – | (18,757) | – | – | – | (18,757) | (4,907) | (23,664) |
| Capital injection from non-controlling shareholders of a subsidiary of the Group | | – | – | – | 1,426 | – | – | – | 1,426 | 5,474 | 6,900 |
| At 31 December 2025 | | 429,666 | 1,639,233* | 82,392* | (36,145)* | (4,734)* | 1,823* | 32,735* | 2,144,970 | 16,085 | 2,161,055 |

* These reserve accounts comprise the consolidated reserves of RMB843,567,000 and RMB920,188,000 and RMB1,715,304,000 as at 31 December 2023, 2024 and 2025, respectively.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | | Year ended 31 December | | |
|---|---|---|---|---|
| | *Notes* | **2023** | **2024** | **2025** |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | *7* | 23,229 | 71,823 | 72,369 |
| Adjustments for: | | | | |
| Finance costs | *9* | 292 | 1,415 | 2,246 |
| Share of profits and losses of associates | | – | (2,032) | (4,899) |
| Interest and investment income | *6* | (15,405) | (17,114) | (12,856) |
| Depreciation of property, plant and equipment | *15* | 3,145 | 4,643 | 5,200 |
| Depreciation of right-of-use assets | *16* | 3,657 | 5,094 | 4,835 |
| Amortisation of intangible assets | *18* | 986 | 4,551 | 8,277 |
| Loss on disposal of subsidiaries | *6* | – | 98 | – |
| Gain on lease modification/termination | *6* | (3) | (171) | (60) |
| Loss on disposal of property, plant and equipment | *6* | 10 | 1 | 1 |
| Gain on disposal of financial assets at fair value through profit or loss ("FVTPL") | *6* | (2,512) | – | – |
| Fair value gains on financial assets at FVTPL | *6* | – | (7,040) | (3,831) |
| Share-based payment expenses | *35* | 1,450 | 4,899 | 3,577 |
| Impairment losses on contract assets, net | *24* | 64 | 193 | 79 |
| Impairment losses on inventory, net | | 8,596 | 231 | 1,175 |
| Impairment losses on financial assets, net | *7* | 849 | 176 | 5,987 |
| (Increase)/decrease in inventories | | (89,018) | 27,485 | 31,224 |
| Increase in trade and bills receivables | | (47,135) | (94,065) | (132,699) |
| Increase in contract assets | | (8,045) | (5,942) | (10,263) |
| (Increase)/decrease in prepayments, other receivables and other assets | | (23,200) | 18,990 | (3,598) |
| Increase in trade and bills payables | | 10,631 | 39,324 | 116,479 |
| Increase/(Decrease) in contract liabilities | | 18,312 | (8,088) | (22,546) |
| Increase/(Decrease) in other payables and accruals | | 10,193 | 16,407 | (16,438) |
| Decrease/(increase) in restricted cash | | 1,909 | (29,517) | 16,736 |
| Increase in provision | | 3,667 | 1,983 | 2,419 |
| Cash generated (used in)/from operations | | (98,328) | 33,344 | 63,414 |
| Interest received | | 11,865 | 8,356 | 1,827 |
| Income tax paid | | (1,800) | (355) | (42) |
| Net cash flows (used in)/from operating activities | | (88,263) | 41,345 | 65,199 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment income on financial assets at FVTPL | *6* | 3,540 | 3,925 | 407 |
| Investment income from other financial assets at amortised cost | | – | – | 2,454 |
| Purchase of items of property, plant and equipment | | (6,730) | (9,011) | (139,807) |
| Purchase of land use right | *16* | – | – | (99,010) |
| Purchase of intangible assets | | (6,480) | (56,418) | (4,719) |
| Proceeds from disposal of items of property, plant and equipment | | 1 | 200 | – |
| Purchases of other financial assets at amortised cost | | – | (605,828) | (511,355) |

| | Notes | Year ended 31 December 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | | RMB'000 | RMB'000 | RMB'000 |
| Proceeds from disposal of other financial assets at amortised cost | | – | – | 597,631 |
| Purchases of equity investments designated at fair value through other comprehensive income | | (9,106) | (10,000) | – |
| Purchases of financial assets at fair value through profit or loss | | (949,100) | (994,946) | (778,000) |
| Proceeds from maturity of financial assets at fair value through profit or loss | | 968,708 | 997,863 | 533,000 |
| Purchases of time deposits | | – | – | (280,000) |
| Investments in associates | *19* | – | (72,668) | – |
| Disposal of subsidiaries | *38* | – | 5,921 | – |
| Net cash payments with respect to the acquisition of subsidiaries | *37* | (64,563) | (18,073) | (20,472) |
| Net cash payments with respect to the acquisition of business | *37* | – | – | (16,574) |
| Repayment of loans to a related party | | 3,542 | – | – |
| Net cash flows used in investing activities | | (60,188) | (759,035) | (716,445) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Capital injection from shareholders | | 383,149 | – | 805,140 |
| Share [**REDACTED**] expenses | | [**REDACTED**] | – | – |
| Prepayments of [**REDACTED**] expenses | | – | – | [**REDACTED**] |
| Contributions from non-controlling interests | | – | 4,900 | 2,000 |
| New bank borrowings | *31* | – | 52,210 | 186,525 |
| Repayment of bank borrowings | *31* | – | (20,500) | (58,510) |
| Lease payments | *16* | (3,459) | (5,481) | (5,096) |
| Acquisition of non-controlling interests | | (117,612) | – | – |
| Interests paid | | – | (1,659) | (2,839) |
| Net cash flows from financing activities | | 256,069 | 29,470 | 923,925 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 107,618 | (688,220) | 272,679 |
| Cash and cash equivalents at the beginning of the year | | 715,285 | 823,064 | 135,429 |
| Effect of foreign exchange rate changes, net | | 161 | 585 | (82) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | *27* | 823,064 | 135,429 | 408,026 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | | |
| Cash and bank balances | *27* | 818,810 | 122,512 | 362,394 |
| Non-pledged time deposits with original maturity of less than three months when acquired | | 4,254 | 12,917 | 45,632 |
| Cash and cash equivalents as stated in the consolidated statement of financial position and in the consolidated statement cash flows | *27* | 823,064 | 135,429 | 408,026 |

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

| | | As at 31 December | | |
|---|---|---|---|---|
| | *Notes* | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | *15* | 3,688 | 9,591 | 145,252 |
| Right-of-use assets | *16* | 12,774 | 6,281 | 100,878 |
| Other intangible assets | *18* | 6,291 | 42,816 | 42,998 |
| Investments in subsidiaries | *41* | 623,336 | 869,504 | 1,032,015 |
| Investments in associates | *19* | – | 74,700 | 79,599 |
| Equity investments designated at fair value through other comprehensive income | *21* | 9,106 | 10,000 | 4,277 |
| Other financial assets at amortised cost | *20* | – | 301,454 | 31,294 |
| Financial assets at fair value through profit and loss | *26* | – | 20,154 | 40,950 |
| Deferred tax assets | *33* | 4,710 | 4,239 | 1,440 |
| Total non-current assets | | 659,905 | 1,338,739 | 1,478,703 |
| CURRENT ASSETS | | | | |
| Inventories | *22* | 53,096 | 25,511 | 17,154 |
| Trade and bills receivables | *23* | 37,616 | 76,695 | 197,912 |
| Contract assets | *24* | 4,926 | 8,383 | 15,081 |
| Prepayments, other receivables and other assets | *25* | 107,977 | 70,581 | 179,889 |
| Financial assets at fair value through profit or loss | *26* | 10,000 | 17,040 | 95,024 |
| Other financial assets at amortised cost | *20* | – | 257,300 | 439,081 |
| Time deposits | *27* | – | – | 280,020 |
| Restricted cash | *27* | 605 | 10,687 | 1,438 |
| Cash and cash equivalents | *27* | 733,614 | 69,688 | 336,503 |
| Total current assets | | 947,834 | 535,885 | 1,562,102 |
| CURRENT LIABILITIES | | | | |
| Trade and bills payables | *28* | 64,904 | 94,174 | 245,638 |
| Other payables and accruals | *29* | 174,024 | 363,174 | 485,559 |
| Interest-bearing bank and other borrowings | *31* | – | 46,542 | 28,441 |
| Contract liabilities | *30* | 44,314 | 26,021 | 20,047 |
| Lease liabilities | *16* | 3,497 | 2,103 | 2,132 |
| Provision | *32* | 4,519 | 3,575 | 5,037 |
| Total current liabilities | | 291,258 | 535,589 | 786,854 |
| NET CURRENT ASSETS | | 656,576 | 296 | 775,248 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,316,481 | 1,339,035 | 2,253,951 |

| | | As at 31 December | | |
|---|---|---|---|---|
| | *Notes* | **2023** | **2024** | **2025** |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| NON-CURRENT LIABILITIES | | | | |
| Interest-bearing bank and other borrowings | *31* | – | – | 89,466 |
| Lease liabilities | *16* | 9,682 | 4,706 | 2,189 |
| Total non-current liabilities | | 9,682 | 4,706 | 91,655 |
| Net assets | | 1,306,799 | 1,334,329 | 2,162,296 |
| EQUITY | | | | |
| Share capital | *34* | 375,479 | 375,479 | 429,666 |
| Reserves | *36* | 931,320 | 958,850 | 1,732,630 |
| Total equity | | 1,306,799 | 1,334,329 | 2,162,296 |

## II. NOTES TO HISTORICAL FINANCIAL INFORMATION

### 1. CORPORATE INFORMATION

Semi-Tech Group Co., Ltd. (the "Company") is a limited liability company registered in the People's Republic of China (the "PRC"). The registered address of the Company is No. 7001, Zhongchun Road, Minhang District, Shanghai, the People's Republic of China.

The Company and its subsidiaries (collectively, the "Group") mainly provide intelligent industry manufacturing and operations management software solutions.

On 16 March 2023, the Company was converted to a joint stock limited liability company, and a total of 12,154,831 ordinary shares with a par value of RMB1.00 each were issued and subscribed by all the then Shareholders in proportion to their respective equity interests in the Company before the conversion.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of which are as follows:

| English name | Chinese name | Place and date of incorporation/ registration and place of operations | Issued ordinary/ registered share capital | Percentage of equity attributable to the Company: Direct | Percentage of equity attributable to the Company: Indirect | Principal activities | *Notes* |
|---|---|---|---|---|---|---|---|
| Semi-Tech Technology Co., Ltd.* | 賽美特科技有限公司 | PRC/Mainland China 18 December 2020 | RMB200,000,000 | 100% | – | Provision of industry intelligence solutions | *(a)* |
| Guyao Software Technology (Suzhou) Co., Ltd.* | 固耀軟件科技(蘇州)有限公司 | PRC/Mainland China 1 November 2010 | RMB1,288,928 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Semi Integration (S) Pte. Ltd. | – | Singapore 14 September 1999 | Singapore dollar ("SGD") 6,336,227 | – | 100% | Provision of industry intelligence solutions | *(b), (o)* |
| Semi Integration (M) SDN. BHD. | – | Malaysia 5 April 2005 | Malaysian Ringgit ("MYR") 255,000 | – | 100% | Provision of industry intelligence solutions | *(c), (o)* |
| Changsha Semi-Tech Technology Co., Ltd.**** | 長沙賽美特科技有限公司 | PRC/Mainland China 10 September 2024 | RMB10,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Hainan Semi-Tech Technology Co., Ltd.** | 海南賽美特科技有限公司 | PRC/Mainland China 5 July 2022 | RMB5,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Zhejiang Semi-Tech Software Technology Co., Ltd.* | 浙江賽美特軟件科技有限公司 | PRC/Mainland China 22 December 2022 | RMB80,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Beijing Semi-Tech Cloud Software Technology Co., Ltd.* | 北京賽美特雲軟件技術有限公司 | PRC/Mainland China 7 March 2022 | RMB2,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Chongqing Semi-Tech Information Technology Co., Ltd.**** | 重慶賽美特信息技術有限公司 | PRC/Mainland China 24 June 2022 | RMB5,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Hefei Semi-Tech Software Co., Ltd.* | 合肥賽美特軟件有限公司 | PRC/Mainland China 29 December 2022 | RMB1,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Dalian Semi-Tech Technology Co., Ltd.**** | 大連賽美特科技有限公司 | PRC/Mainland China 25 April 2024 | RMB10,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Suzhou Vida Data Technologies Co., Ltd.* | 蘇州威達數據科技有限公司 | PRC/Mainland China 31 October 2019 | RMB5,000,000 | – | 100% | Provision of industry intelligence solutions | *(g)* |
| Wei Dao Data Technology (Xiamen) Co., Ltd.* | 威導數據科技(廈門)有限公司 | PRC/Mainland China 13 April 2021 | RMB5,000,000 | – | 51% | Provision of industry intelligence solutions | *(l)* |
| Chengdu Semi-Tech Information Technology Co., Ltd.* | 成都賽美特信息科技有限公司 | PRC/Mainland China 6 April 2022 | RMB130,000,000 | 100% | – | Provision of industry intelligence solutions | *(d)* |

| English name | Chinese name | Place and date of incorporation/ registration and place of operations | Issued ordinary/ registered share capital | Percentage of equity attributable to the Company | | Principal activities | Notes |
|---|---|---|---|---|---|---|---|
| | | | | Direct | Indirect | | |
| Shanghai Semi-Tech Information Technology Co., Ltd.* | 上海賽美特信息科技有限公司 | PRC/Mainland China 17 February 2022 | RMB50,000,000 | 100% | – | Provision of industry intelligence solutions | *(i)* |
| Shanghai Foreverwin Electronic Information Technology Co., Ltd.* | 上海昊聲電子信息技術有限公司 | PRC/Mainland China 6 March 2006 | RMB100,000,000 | 100% | – | Provision of industry intelligence solutions | *(e)* |
| Shanghai Bohui Information Technology Co., Ltd.**** | 上海渤慧信息科技有限公司 | PRC/Mainland China 10 December 2021 | RMB20,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Suzhou Shuling Information Technology Co., Ltd.**** | 蘇州數領信息技術有限公司 | PRC/Mainland China 24 February 2022 | RMB5,714,286 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Wei Cheng Information Technology (Shenzhen) Co., Ltd. ("Shenzhen Weicheng")***** | 威程信息科技(深圳)有限公司 | PRC/Mainland China 1 September 2021 | RMB4,383,674 | – | 34.08% | Provision of industry intelligence solutions | *(l)* |
| Suzhou Saiaote Technology Co., Ltd.*** | 蘇州賽澳特科技有限公司 | PRC/Mainland China 30 March 2023 | RMB5,000,000 | – | 51% | Provision of industry intelligence solutions | *(l)* |
| Shenzhen Semi-Tech Information Technology Co., Ltd.* | 深圳市賽美特信息技術有限公司 | PRC/Mainland China 3 June 2015 | RMB50,000,000 | 100% | – | Provision of industry intelligence solutions | *(f)* |
| Beijing Zhiyang Tongda Technology Co., Ltd.* | 北京智揚通達科技有限公司 | PRC/Mainland China 16 January 2014 | RMB100,000,000 | 100% | – | Provision of industry intelligence solutions | *(h)* |
| Shanghai Saixinli Semiconductor Technology Co., Ltd. *** | 上海賽芯立半導體科技有限公司 | PRC/Mainland China 3 April 2023 | RMB10,000,000 | 51% | – | Provision of industry intelligence solutions | *(j)* |
| Hangzhou Yin Hu Guan Tian Smart Technology Co., Ltd.* | 杭州銀湖冠天智能科技有限公司 | PRC/Mainland China 25 April 2019 | RMB12,640,000 | 50.1% | – | Provision of industry intelligence solutions | *(k)* |
| SEMI-TECH LIMITED (Hong Kong) | – | Hong Kong 14 March 2024 | Hong Kong Dollar ("HKD") 10,000 | – | 100% | Provision of industry intelligence solutions | *(n), (o)* |
| SEMI INTEGRATION (Japan) | – | Japan 28 May 2024 | Japanese Yen ("JPY") 10,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |
| Beijing Huiliu Technology Co., Ltd.* | 北京慧流科技有限公司 | PRC/Mainland China 24 January 2018 | RMB6,076,503 | 51% | – | Provision of industry intelligence solutions | *(m)* |
| Shanghai Saixindi Enterprise Management Partnership (Limited Partnership)* | 上海賽新迪企業管理合夥企業(有限合夥) | PRC/Mainland China 11 June 2025 | RMB201,000,000 | 100%****** | – | Provision of business management | *(l)* |
| Anhui Semi-Tech Information Technology Co., Ltd.* | 安徽賽美特信息科技有限公司 | PRC/Mainland China 15 August 2025 | RMB80,000,000 | – | 100% | Provision of industry intelligence solutions | *(l)* |

*: The English names of these subsidiaries registered in the PRC represent the best efforts made by the management of the Company to directly translate the Chinese names of these companies as no English names have been registered.

**: Hainan Semi-Tech Technology Co., Ltd. was deregistered in June 2023.

***: Suzhou Saiaote Technology Co., Ltd. ("Suzhou Saiaote") and Shanghai Saixinli Semiconductor Technology Co., Ltd. ("Shanghai Saixinli") were disposed of in July 2024.

****: Shanghai Bohui Information Technology Co., Ltd. ("Shanghai Bohui") and Suzhou Shuling Information Technology Co., Ltd. ("Suzhou Shuling") were deregistered in January 2025. Dalian Semi-Tech Technology Co., Ltd. was deregistered in 16 July 2025. Changsha Semi-Tech Technology Co., Ltd. was deregistered in 26 August 2025. Chongqing Semi-Tech Information Technology Co., Ltd. was deregistered in 14 November 2025.

*****: Due to the joint action agreement signed with Shanghai Weijucheng Enterprise Management Partnership (Limited Partnership), the group exercises control and therefore includes the entity within the consolidated financial statements.

******: The percentage of equity attributable to the Company in Shanghai Saixindi Enterprise Management Partnership (Limited Partnership) is based on the paid-in capital ratio.

*Notes:*

(a) The statutory financial statements of Semi-Tech Technology Co., Ltd. for the years ended 31 December 2023 prepared in accordance with PRC Generally Accepted Accounting Principles ("PRC GAAP") and regulations have been audited by Guizhou Zhirong Dianshi Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

The statutory financial statements of Semi-Tech Technology Co., Ltd. for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(b) The statutory financial statements of Semi Integration (S) Pte. Ltd. for the years ended 31 December 2023 and 2024 prepared in accordance with IFRS Accounting Standards have been audited by Capstone CA LLP, a certified public accounting firm registered in Singapore.

(c) The statutory financial statements of Semi Integration (M) SDN. BHD. for the years ended 31 December 2023 and 2024 prepared in accordance with IFRS Accounting Standards have been audited by Messrs W.K.Lee & Co. Chartered Accountants, a certified public accounting firm registered in Malaysia.

(d) The statutory financial statements of Chengdu Semi-Tech Information Technology Co., Ltd. ("Chengdu Semi-Tech") for the year ended 31 December 2023 and 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(e) The statutory financial statements of Shanghai Foreverwin Electronic Information Technology Co., Ltd. ("Shanghai Foreverwin") for the year ended 31 December 2023 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Zhicheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

The statutory financial statements of Shanghai Foreverwin for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(f) The statutory financial statements of Shenzhen Semi-Tech Information Technology Co., Ltd. ("Shenzhen Semi-Tech") for the years ended 31 December 2023 prepared in accordance with PRC GAAP and regulations have been audited by Dongshen Dingli International Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

The statutory financial statements of Shenzhen Semi-Tech for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(g) The statutory financial statements of Suzhou Vida Data Technologies Co., Ltd. ("Suzhou Vida") for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Yinghe Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(h) The statutory financial statements of Beijing Zhiyang Tongda Technology Co., Ltd. ("Beijing Zhi Yang") for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Yiheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(i) The statutory financial statements of Shanghai Semi-Tech Information Technology Co., Ltd. for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(j) The statutory financial statements of Shanghai Saixinli Semiconductor Technology Co., Ltd. for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Xinyong Zhonghe Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

(k) The statutory financial statements of Hangzhou Yin Hu Guan Tian Smart Technology Co., Ltd. ("Hangzhou Guan Tian") for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

(l) No audited financial statements have been prepared and issued for these entities for the years ended 31 December 2023, 2024 and 2025, as these subsidiaries were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

(m) The statutory financial statements of Beijing Huiliu Technology Co.,Ltd. ("Beijing Huiliu") for the year ended 31 December 2025 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Gongda Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

(n) The statutory financial statements of SEMI-TECH LIMITED (Hong Kong) for the year ended 31 December 2024 prepared in accordance with HKFRS Accounting Standards have been audited by CHU SAU WAI, a certified public accountant (Pactising) registered in Hong Kong.

(o) The audit of the financial statements of these entities for the year ended 31 December 2025 has not yet completed.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

***Basis of consolidation***

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

**2.2 Issued but not yet effective HKFRS Accounting Standards**

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | *Amendments to the Classification and Measurement of Financial Instruments*[1] |
| Amendments to HKFRS 9 and HKFRS 7 | *Contracts Referencing Nature-dependent Electricity*[1] |
| HKFRS 18 | *Presentation and Disclosure in Financial Statements*[2] |
| HKFRS 19 and its amendments | *Subsidiaries without Public Accountability: Disclosures*[2] |
| Amendments to HKFRS 10 and HKAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |
| Amendments to HKAS 21 | *Translation to a Hyperinflationary Presentation Currency*[2] |
| *Annual Improvements to HKFRS Accounting Standards – Volume 11* | Amendments to HKFRS 1, *HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1] |

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. Except for HKFRS 18, the Group considers that these standards will not have a significant impact on the Group's financial performance and financial position.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. HKFRS 18 is not expected to have any significant impact on the Group's financial position and performance and the Group will continue to analyse the new requirements and assess the impact of HKFRS 18 on the presentation and disclosure of the Group's financial information.

**2.3 Material accounting policies**

***Investments in associates***

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

***Business combinations and goodwill***

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

***Fair value measurement***

The Group measures certain financial assets at fair value through profit or loss and equity investments designated at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

***Impairment of non-financial assets***

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories, contract assets and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

***Related parties***

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group 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); and

(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 parent of the Group.

***Property, plant and equipment and depreciation***

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

| Categories | Estimated useful lives | Annual rates |
|---|---|---|
| Furniture and fixtures | 3-5 years | 19.00% to 31.67% |
| Buildings | 20 years | 4.75% |
| Electronic equipment | 3-8 years | 11.88% to 33.33% |
| Motor vehicles | 4-5 years | 19.00% to 23.75% |
| Leasehold improvements | Over the shorter of the lease terms and 3-5 years | Over the shorter of the lease terms and 20.00% to 33.33% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

***Intangible assets (other than goodwill)***

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end.

*Software*

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

*Membership interests*

Purchased membership interests are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 20 years.

*Research and development expenses*

All research expenses are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

| | |
|---|---|
| Land use right | 50 years |
| Buildings | 1.25 to 4.75 years |

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office properties and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

***Investments and other financial assets***

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

*Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

***Derecognition of financial assets***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

***Impairment of financial assets***

The Group recognises an allowance for excepted credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*General approach*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group consider that there has been a significant increase in credit risk when contractual payments are significantly past due. The Group consider a financial asset to be in default, when internal or external information indicates that the Group is unlikely to reserve the outstanding contractual amounts in full before taking into account any credit enhancement held by the Group.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

*Simplified approach*

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience for most of its trade receivables and assessed probability of default for trade receivables with other reasonable and supportable information, adjusted for forward-looking factors specific to the debtors and the economic environment.

***Financial liabilities***

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as, financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

*Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables, are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

***Derecognition of financial liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

***Inventories***

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

***Cash and cash equivalents***

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

***Provisions***

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain license products and hardware products. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

***Income tax***

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

***Government grants***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

***Revenue recognition***

*Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, 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 between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

The Group's revenue is primarily derived from operations management software solutions, intelligent manufacturing software solutions, and others.

- Intelligent manufacturing software solutions

  Revenue from intelligent manufacturing software solutions consists of the integrated services that including software system Sales, technical services and maintenance services.

- Operations management software solutions

  Revenue from operations management software solutions refers to the provision of solutions services that help customers streamline their core business processes-including finance, human resources, manufacturing, supply chain, sales, and procurement.

- Others

  Revenue from others consists of the procurement, refurbishment, and resale of semiconductor equipment (including lithography machines, and etching machines). The performance obligation is satisfied when the customers accept the products and the revenue is recognised at a point in time.

For intelligent manufacturing software solutions and operations management software solutions, the Group provides multiple deliverables to customers, including the design of solutions, delivery of products and software. They are accounted for as a single performance obligation because the Group provides integrated products and solutions.

The revenue of integrated products and solutions is recognised at a point in time when the customers accept the products and solutions after the installation is complete or when the customers obtain the control of the products and solutions if no installation is required.

The revenue of technical personnel support services and maintenance services is recognised over time, because the customers simultaneously receive and consume the services provided by the Group over the period. The performance obligation is satisfied over time with reference to the customers' usage of services to the satisfaction of the performance obligation of the projects.

*Other income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

***Contract assets***

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

For intelligent manufacturing software solutions and operations management software solutions, the Group provides multiple deliverables to customers, including the design of solutions, delivery of products and software, and installation of products and software. They are accounted for as a single performance obligation because the Group provides integrated products and solutions.

***Contract liabilities***

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

***Contract fulfillment costs***

Other than the costs which are capitalised as property, plant and equipment, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

***Share-based payments***

The Group operates share award and option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined with reference to recent transaction prices of the Company's shares, together with a hybrid approach to allocate equity value to different classes of equity, further details of which are given in note 35 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in share-based payment expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

***Other employee benefits***

*Pension scheme*

The employees of the Group which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These group entities are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

*Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

*Housing fund and other social insurances*

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group has no further obligations beyond the contributions made.

***Events after the reporting period***

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in the Historical Financial Information. The Group will adjust the amounts recognised in the Historical Financial Information to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in the Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

***Dividends***

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

***Foreign currencies***

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

***Deferred tax assets***

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details are contained in note 33.

**Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

***Impairment of goodwill***

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2023, 2024 and 2025 were RMB208,524,000, RMB253,279,000 and RMB311,010,000, respectively. Further details are given in note 17 to the Historical Financial Information.

***Provision for expected credit losses on trade receivables and contract assets***

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the healthcare sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of probability of default and the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

The information about the ECLs on the Group's trade receivables and contract assets is disclosed in notes 23 and 24 to the Historical Financial Information, respectively.

***Impairment of non-financial assets (other than goodwill)***

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are set out in notes 15, 16 and 18 to the Historical Financial Information, respectively.

***Fair value of unlisted equity investments***

Certain unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 45 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 2 and Level 3. The fair values of such unlisted equity investment at 31 December 2023, 2024 and 31 December 2025 were RMB19,106,000, RMB47,194,000 and RMB145,227,000. Further details are included in note 21 and 26 to the Historical Financial Information.

***Leases — Estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

**4. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the intelligent manufacturing software solutions segment provides integrated services to customers including software system sales, technical services and maintenance services;

(b) the operations management software solutions segment provides solutions services to customers to streamline their core business processes-including finance, human resources, manufacturing, supply chain, sales, and procurement; and

(c) the "Others" segment engages in the business related to the procurement, refurbishment, and resale of semiconductor equipment (including lithography machines, and etching machines).

Management monitors the results of the Group's operating segments separately for the purpose of facilitating decision-making process of resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is their gross profit/loss amount.

**Year ended 31 December 2023**

| | Intelligent manufacturing software solutions | Operations management software solutions | Others | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Segment revenue** ***(note 5)*** | | | | |
| Sales to external customers | 254,017 | 29,215 | 3,540 | 286,772 |
| **Segment results (equivalent to gross profit)** | 115,056 | 9,010 | 2,021 | 126,087 |

**Year ended 31 December 2024**

| | Intelligent manufacturing software solutions | Operations management software solutions | Others | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Segment revenue** ***(note 5)*** | | | | |
| Sales to external customers | 372,919 | 101,134 | 25,639 | 499,692 |
| **Segment results (equivalent to gross profit)** | 166,131 | 28,228 | 3,448 | 197,807 |

**Year ended 31 December 2025**

| | Intelligent manufacturing software solutions | Operations management software solutions | Others | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Segment revenue** ***(note 5)*** | | | | |
| Sales to external customers | 437,012 | 294,484 | – | 731,496 |
| **Segment results (equivalent to gross profit)** | 189,558 | 70,673 | – | 260,231 |

**Geographical information**

***(a) Revenue from external customers***

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Mainland China | 265,161 | 474,729 | 719,329 |
| Other countries/regions | 21,611 | 24,963 | 12,167 |
| Total revenue | 286,772 | 499,692 | 731,496 |

The revenue information above is based on the locations of the customers.

***(b) Non-current assets***

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Mainland China | 245,281 | 399,066 | 722,416 |
| Other countries/regions | 574 | 25,925 | 23,801 |
| Total non-current assets | 245,855 | 424,991 | 746,217 |

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

**Information about major customers**

During the Relevant Periods, revenue from transactions with single external customers (including entities under common control with those customers) accumulating to 10% or more of the Group's revenues are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Customer A | * | 53,904 | * |
| Customer B | 33,025 | * | * |
| Customer C | * | * | 73,718 |
| Total | 33,025 | 53,904 | 73,718 |

* The revenues from transactions with the customer were less than 10% of the Group's revenues in the indicated year.

## 5. REVENUE

### (a) Disaggregated information of revenue from contracts with customers

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| *Type of goods or services* | | | |
| Intelligent manufacturing software solutions | 254,017 | 372,919 | 437,012 |
| Operations management software solutions | 29,215 | 101,134 | 294,484 |
| Others | 3,540 | 25,639 | – |
| Total | 286,772 | 499,692 | 731,496 |
| *Geographical markets* | | | |
| Mainland China | 265,161 | 474,729 | 719,329 |
| Other countries/regions | 21,611 | 24,963 | 12,167 |
| Total | 286,772 | 499,692 | 731,496 |
| *Timing of revenue recognition* | | | |
| Transferred at a point in time | 252,319 | 410,819 | 478,943 |
| Transferred over time | 34,453 | 88,873 | 252,553 |
| Total | 286,772 | 499,692 | 731,496 |

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of the respective period:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Intelligent manufacturing software solutions | 58,878 | 85,184 | 80,383 |
| Others | – | 6,300 | – |
| Total | 58,878 | 91,484 | 80,383 |

### (b) Performance obligations

Information about the Group's performance obligations is summarised below:

***Intelligent manufacturing software solutions and operations management software solutions***

The performance obligation is satisfied when the customers accept or obtain the control of the products and solutions when the services are conducted over time. The payment is generally due within 30 to 180 days upon acceptance from or contact passed to the customers, and within 30 to 180 days upon rendering of services, except for new customers, when payment in advance is normally required.

***Others***

The performance obligation is satisfied when the customers accept the products and payment is generally due within 7 to 300 days upon acceptance from the customers.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts expected to be recognised as revenue: | | | |
| Within 1 year | 91,484 | 83,518 | 59,559 |
| After 1 year | 10,562 | 10,440 | 11,853 |
| Total | 102,046 | 93,958 | 71,412 |

The majority of the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The Group do not have variable consideration which is constrained.

## 6. OTHER INCOME, GAINS AND LOSSES, NET

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Other income | | | |
| Interest income | 11,865 | 8,356 | 1,827 |
| Investment income from financial assets at fair value through profit or loss | 3,540 | 3,925 | 407 |
| Investment income of other financial assets at amortised cost | – | 4,833 | 10,602 |
| Investment income of time deposits | – | – | 20 |
| Government grants* | 9,335 | 9,608 | 13,616 |
| Value-added tax refund | 5,778 | 6,706 | 5,977 |
| Exchange differences, net | (282) | 215 | (1,071) |
| Others | 299 | 556 | 794 |
| Total other income | 30,535 | 34,199 | 32,172 |
| Gains and losses | | | |
| Loss on disposal of a subsidiary | – | (98) | – |
| Loss on disposal of items of property, plant and equipment | (10) | (1) | (1) |
| Gain on lease modification/termination, net | 3 | 171 | 60 |
| Fair value gains on financial assets at FVTPL | – | 7,040 | 3,831 |
| Gain on disposal of financial assets at FVTPL | 2,512 | – | – |
| Others | (54) | – | – |
| Total gains and losses | 2,451 | 7,112 | 3,890 |
| Total other income, gains and losses, net | 32,986 | 41,311 | 36,062 |

* Various government grants were mainly attributable to the Group's development of industries and research projects. There were no unfulfilled conditions relating to these grants.

## 7. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

| | | Year ended 31 December | | |
|---|---|---|---|---|
| | *Notes* | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| Cost of inventories sold and services provided | | 160,685 | 301,885 | 471,265 |
| Depreciation of property, plant and equipment | *15* | 3,145 | 4,643 | 5,200 |
| Depreciation of right-of-use assets | *16* | 3,657 | 5,094 | 4,835 |
| Amortisation of other intangible assets *(i)* | *18* | 986 | 4,551 | 8,277 |
| Lease payments not included in the measurement of lease liabilities | *16* | 6,222 | 7,718 | 8,894 |
| Auditor's remuneration | | 49 | 103 | 297 |
| **[REDACTED]** expense | | – | – | [REDACTED] |
| Employee benefit expense (excluding directors', supervisors' and chief executive's remuneration): | | | | |

| | Notes | Year ended 31 December | | |
|---|---|---|---|---|
| | | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| Wages, salaries and allowances, social securities and benefits | | 183,570 | 222,829 | 257,824 |
| Pension scheme contributions (defined contribution scheme) *(ii)* | | 7,609 | 11,005 | 13,727 |
| Share-based payment expenses | *35* | 1,450 | 4,839 | 3,551 |
| Total employee benefit expense *(i)* | | 192,629 | 238,673 | 275,102 |
| Impairment losses on trade receivables, net | *23* | 555 | 525 | 5,896 |
| Impairment losses on contract assets, net | *24* | 64 | 193 | 79 |
| Impairment losses/(reversal) on other receivables, net | *25* | 294 | (349) | 91 |
| Interest income | *6* | 15,405 | 17,114 | 12,856 |

(i) These items are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses" and "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

(ii) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. OTHER EXPENSES

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Donations | 250 | 9,650 | – |
| Others | 77 | 683 | 281 |
| Total | 327 | 10,333 | 281 |

## 9. FINANCE COSTS

An analysis of finance costs is as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest on lease liabilities | 292 | 479 | 283 |
| Interest on bank and other borrowings | – | 936 | 1,728 |
| Other finance costs | – | – | 235 |
| Total | 292 | 1,415 | 2,246 |

## 10. DIRECTORS',SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of directors*, supervisors** and chief executives for the Relevant Periods is set out below:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Fees | 24 | 300 | 270 |
| Salaries, allowances and benefits in kind | 1,806 | 1,653 | 1,697 |
| Share-based payment expenses | – | 60 | 26 |
| Discretionary performance related bonuses | 52 | – | 69 |
| Pension scheme contributions | 74 | 86 | 55 |
| Total | 1,956 | 2,099 | 2,117 |

During the Relevant Periods certain directors were granted share options of the Company in respect of their services to the Group, under the share award and option schemes of the Group, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such share options, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors'*, supervisors'** and chief executive's remuneration disclosures.

**(a) Independent directors***

The fees paid to independent directors* during the Relevant Periods were as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Mr. Shen Hui | 8 | 100 | 33 |
| Mr. Pang Fengzheng | 8 | 100 | 100 |
| Mr. Ye Hangjun | 8 | 100 | 100 |
| Ms. Zhang Zhidi | – | – | 37 |
| Total | 24 | 300 | 270 |

There were no other emoluments payable to the independent directors* during the Relevant Periods.

**(b) Directors*, supervisors** and the chief executive**

| | Salaries, allowances and benefits in kind | Share-based payment expenses | Discretionary performance related bonuses | Pension scheme contributions | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Year ended 31 December 2023 | | | | | |
| Directors*: | | | | | |
| Ms. Zhang Ying | 414 | – | – | 12 | 426 |
| Mr. Li Guangzhu | 291 | – | – | 11 | 302 |
| Mr. Min Dong Sik | 572 | – | – | 7 | 579 |
| Mr. Jiang Dacai | – | – | – | – | – |
| Mr. Zhang Chao | – | – | – | – | – |
| Subtotal | 1,277 | – | – | 30 | 1,307 |
| Supervisors**: | | | | | |
| Ms. Yin Lingyan | 166 | – | 28 | 15 | 209 |
| Ms. Xie Shu | 222 | – | 24 | 11 | 257 |
| Ms. Ma Jingxian | – | – | – | – | – |
| Ms. Zhao Kun | – | – | – | – | – |
| Subtotal | 388 | – | 52 | 26 | 466 |
| Chief executive: | | | | | |
| Mr. Li Gangjiang | 141 | – | – | 18 | 159 |
| Total | 1,806 | – | 52 | 74 | 1,932 |
| Year ended 31 December 2024 | | | | | |
| Directors*: | | | | | |
| Ms. Zhang Ying | 363 | – | – | 12 | 375 |
| Mr. Li Guangzhu | 286 | – | – | 11 | 297 |
| Mr. Min Dong Sik | 134 | – | – | 4 | 138 |
| Ms. Chen Liqian | 256 | 60 | – | 9 | 325 |
| Mr. Jiang Dacai | – | – | – | – | – |
| Ms. Ni Qiong | 14 | – | – | 11 | 25 |
| Subtotal | 1,053 | 60 | – | 47 | 1,160 |
| Supervisors**: | | | | | |
| Ms. Yin Lingyan | 168 | – | – | 14 | 182 |
| Ms. Xie Shu | 230 | – | – | 11 | 241 |
| Ms. Ma Jingxian | – | – | – | – | – |
| Subtotal | 398 | – | – | 25 | 423 |

| | Salaries, allowances and benefits in kind | Share-based payment expenses | Discretionary performance related bonuses | Pension scheme contributions | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Chief executive: | | | | | |
| Mr. Li Gangjiang | 202 | – | – | 14 | 216 |
| Total | 1,653 | 60 | – | 86 | 1,799 |
| Year ended 31 December 2025 | | | | | |
| Directors*: | | | | | |
| Ms. Zhang Ying | 375 | – | – | 12 | 387 |
| Mr. Li Guangzhu | 463 | – | – | 12 | 475 |
| Ms. Chen Liqian | 164 | 26 | – | 4 | 194 |
| Ms. Zhang Xin | 238 | – | 69 | 4 | 311 |
| Mr. Jiang Dacai | – | – | – | – | – |
| Ms. Ni Qiong | 12 | – | – | 9 | 21 |
| Mr. Yu Hui | – | – | – | – | – |
| Mr. Liu Hongnan | – | – | – | – | – |
| Subtotal | 1,252 | 26 | 69 | 41 | 1,388 |
| Chief executive: | | | | | |
| Mr. Li Gangjiang | 445 | – | – | 14 | 459 |
| Total | 1,697 | 26 | 69 | 55 | 1,847 |

*: According to the shareholders' meeting held on 1 September, 2025, Mr. Li Gangjiang, Ms. Zhang Xin, Ms. Zhang Ying and Mr. Li Guangzhu were appointed as executive directors of the Company; Ms. Ni Qiong and Mr. Yu Hui were appointed as non-executive directors of the Company; Mr. Ye Hangjun, Mr. Pang Fengzheng and Ms. Zhang Zhidi were appointed as independent non-executive directors of the Company.

** On May 6, 2025, the Third Extraordinary General Meeting of Semi-Tech Technology Co., Ltd. resolved to abolish the Board of Supervisors, in accordance with the Company Law and the Company's Articles of Association.

Year ended 31 December 2023:

Mr. Ye Hangjun was appointed as an independent director of the Company in November 2023.

Mr. Pang Fengzheng was appointed as an independent director of the Company in November 2023.

Mr. Shen Hui was appointed as an independent director of the Company in November 2023, and resigned in July 2025.

Mr. Zhang Chao was appointed as a director of the Company in March 2023, and resigned in November 2023.

Ms. Ma Jingxian was appointed as a supervisor of the Company in March 2023.

Ms. Zhao Kun was appointed as a supervisor of the Company in June 2022, and resigned in March 2023.

Year ended 31 December 2024:

Ms. Ni Qiong was appointed as a director of the Company in April 2024, and resigned in Nov 2025.

Ms. Chen Liqian was appointed as a director of the Company in April 2024, and resigned in April 2025.

Mr. Min Dong Sik was appointed as a director of the Company in October 2021, and resigned in March 2024.

Year ended 31 December 2025:

Ms. Zhang Zhidi was appointed as an independent director of the Company in Aug 2025.

Ms. Zhang Xin was appointed as a director of the Company in May 2025.

Mr. Jiang Dacai was appointed as a director of the Company in December 2021, and resigned in June 2025.

Mr. Yu Hui was appointed as a director of the Company in Aug 2025.

Mr. Liu Hongnan was appointed as a director of the Company in Nov 2025.

## 11. FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration for 31 December 2023, 2024 and 2025 of the five highest paid employees who are neither a director, supervisor nor chief executive of the Group are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Salaries, allowances and benefits in kind | 3,607 | 3,708 | 3,986 |
| Share-based payment expenses | 176 | 169 | 92 |
| Discretionary performance related bonuses | 286 | 199 | 294 |
| Pension scheme contributions | 38 | 71 | – |
| Total | 4,107 | 4,147 | 4,372 |

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Nil to HK$1,000,000 | 5 | 4 | 3 |
| HK$1,000,001 to HK$1,500,000 | – | 1 | 2 |
| Total | 5 | 5 | 5 |

During the Relevant Periods, certain non-director, non-supervisor and non-chief executive were granted share options and share awards of the Company in respect of their services to the Group, under the share award and option schemes of the Group, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such share options and share awards, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above five highest paid employees' remuneration disclosures.

## 12. INCOME TAX CREDIT

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

### Mainland China

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations, the corporate income tax rate is 25% for entities operating in Mainland China. The Company was subject to a preferential tax rate of 15% in 2023, 2024 and 2025. Certain subsidiaries of the Group are regarded as High and New Technology Enterprise and they are subject to a preferential corporate income tax rate of 15% for three years commencing from the years when these companies were approved as High New Tech Enterprise. In addition, some subsidiaries of the Group entitle to the preferential policy of Small and Micro-sized enterprises, for which the applicable income tax rate is 5%. For the Group's subsidiaries that are regarded as qualified enterprises, they entitle to a preferential treatment of two-year exemption and three-year half reduction on corporate income tax.

### Other jurisdictions

The Group's subsidiaries operation in Hong Kong, Singapore and Malaysia are subject to the respective income rates of 16.5%, 17% and 24%.

The income tax credit of the Group is as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Current | | | |
| Charge for the year | 914 | 363 | 322 |
| Overprovision in prior year | (41) | – | – |
| Deferred *(note 33)* | (2,209) | (2,372) | (720) |
| Total tax credit | (1,336) | (2,009) | (398) |

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax credit at the effective tax rates are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Profit before tax | 23,229 | 71,823 | 72,369 |
| Tax at the applicable tax rates | 3,484 | 10,773 | 10,855 |
| Adjustments in respect of current tax of previous periods | (41) | – | – |
| Effect of different tax rate of subsidiaries | 5,913 | 3,457 | (41) |
| Effect on opening deferred tax of increase in rates | (72) | 228 | 445 |
| Profits and losses attributable to associates | – | (305) | (735) |
| Tax Incentives | (3,817) | (7,878) | (2) |
| Advanced deductible allowance on eligible research and development expenses | (7,352) | (9,620) | (10,418) |
| Expenses not deductible for tax | 291 | 2,600 | 2,051 |
| Share-based payments | 203 | 809 | 528 |
| Tax losses utilised from previous periods | (881) | (4,525) | (5,799) |
| Deductible temporary differences and deductible tax losses not recognised | 936 | 2,452 | 2,718 |
| Tax credit at the Group's effective rate | (1,336) | (2,009) | (398) |

## 13. DIVIDENDS

No dividend has been paid or declared by the Company during the Relevant Periods.

## 14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstand during the Relevant Periods.

The Company was converted into a joint stock limited liability company and issued 12,154,831 shares with the par value of RMB1 each on 16 March 2023. For the purpose of calculating basic earnings per share amounts, the weighted average number of ordinary shares deemed to be outstanding before the Company's conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred on 1 January 2023, at the conversion ratio established in the conversion on 16 March 2023.

The calculations of basic and diluted earnings per share are based on:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Earnings | | | |
| Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation: | 25,499 | 71,937 | 69,588 |
| Shares | | | |
| Weighted average number of ordinary shares outstanding during the year used in the basic profit per share calculation ('000) | 361,967 | 375,479 | 379,543 |

## 15. PROPERTY, PLANT AND EQUIPMENT

**The Group**

***As at 31 December 2023***

| 31 December 2023 | Furniture and fixtures | Electronic equipment | Motor vehicles | Leasehold improvements | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2023 | | | | | |
| Cost | 893 | 4,302 | 1,643 | 2,412 | 9,250 |
| Accumulated depreciation and impairment | (699) | (887) | (987) | (997) | (3,570) |
| Carrying amount | 194 | 3,415 | 656 | 1,415 | 5,680 |
| As at 1 January 2023 | 194 | 3,415 | 656 | 1,415 | 5,680 |
| Additions | 24 | 2,783 | 826 | 2,408 | 6,041 |
| Disposals | (35) | (1) | – | – | (36) |
| Depreciation provided | (79) | (1,886) | (400) | (780) | (3,145) |
| Exchange realignment | – | (1) | – | – | (1) |
| As at 31 December 2023 | 104 | 4,310 | 1,082 | 3,043 | 8,539 |
| As at 31 December 2023 | | | | | |
| Cost | 861 | 7,085 | 2,469 | 4,820 | 15,235 |
| Accumulated depreciation and impairment | (757) | (2,775) | (1,387) | (1,777) | (6,696) |
| Carrying amount | 104 | 4,310 | 1,082 | 3,043 | 8,539 |

***As at 31 December 2024***

| 31 December 2024 | Furniture and fixtures | Electronic equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2024 | | | | | | |
| Cost | 861 | 7,085 | 2,469 | 4,820 | – | 15,235 |
| Accumulated depreciation and impairment | (757) | (2,775) | (1,387) | (1,777) | – | (6,696) |
| Carrying amount | 104 | 4,310 | 1,082 | 3,043 | – | 8,539 |
| As at 1 January 2024 | 104 | 4,310 | 1,082 | 3,043 | – | 8,539 |
| Additions | 155 | 2,462 | – | 272 | 5,282 | 8,171 |
| Acquisition of subsidiaries *(note 37)* | – | 515 | 195 | 490 | – | 1,200 |
| Disposals | – | (44) | (117) | – | – | (161) |
| Depreciation provided | (101) | (2,911) | (311) | (1,320) | – | (4,643) |
| Exchange realignment | – | 2 | – | – | – | 2 |
| As at 31 December 2024 | 158 | 4,334 | 849 | 2,485 | 5,282 | 13,108 |
| As at 31 December 2024 | | | | | | |
| Cost | 1,010 | 9,512 | 2,342 | 5,582 | 5,282 | 23,728 |
| Accumulated depreciation and impairment | (852) | (5,178) | (1,493) | (3,097) | – | (10,620) |
| Carrying amount | 158 | 4,334 | 849 | 2,485 | 5,282 | 13,108 |

***As at 31 December 2025***

| 31 December 2025 | Furniture and fixtures | Buildings | Electronic equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2025 | | | | | | | |
| Cost | 1,010 | – | 9,512 | 2,342 | 5,582 | 5,282 | 23,728 |
| Accumulated depreciation and impairment | (852) | – | (5,178) | (1,493) | (3,097) | – | (10,620) |
| Carrying amount | 158 | – | 4,334 | 849 | 2,485 | 5,282 | 13,108 |
| As at 1 January 2025 | 158 | – | 4,334 | 849 | 2,485 | 5,282 | 13,108 |
| Additions | 121 | 35,115 | 1,294 | – | – | 136,674 | 173,204 |
| Acquisition of subsidiaries *(note 37)* | – | – | 568 | – | – | – | 568 |
| Disposals | – | – | (1) | – | – | – | (1) |
| Depreciation provided | (95) | (834) | (2,728) | (259) | (1,284) | – | (5,200) |
| Exchange realignment | 1 | – | 3 | – | – | – | 4 |
| As at 31 December 2025 | 185 | 34,281 | 3,470 | 590 | 1,201 | 141,956 | 181,683 |
| As at 31 December 2025 | | | | | | | |
| Cost | 1,146 | 35,115 | 11,381 | 2,342 | 5,582 | 141,956 | 197,522 |
| Accumulated depreciation and impairment | (961) | (834) | (7,911) | (1,752) | (4,381) | – | (15,839) |
| Carrying amount | 185 | 34,281 | 3,470 | 590 | 1,201 | 141,956 | 181,683 |

**The Company**

***As at 31 December 2023***

| 31 December 2023 | Electronic equipment | Motor vehicles | Leasehold improvements | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2023 | | | | |
| Cost | 888 | 1,444 | 925 | 3,257 |
| Accumulated depreciation and impairment | (223) | (861) | (532) | (1,616) |
| Carrying amount | 665 | 583 | 393 | 1,641 |
| As at 1 January 2023 | 665 | 583 | 393 | 1,641 |
| Additions | 688 | 566 | 1,877 | 3,131 |
| Disposals | (1) | (175) | – | (176) |
| Depreciation provided | (383) | (329) | (196) | (908) |
| As at 31 December 2023 | 969 | 645 | 2,074 | 3,688 |
| As at 31 December 2023 | | | | |
| Cost | 1,574 | 1,758 | 2,802 | 6,134 |
| Accumulated depreciation and impairment | (605) | (1,113) | (728) | (2,446) |
| Carrying amount | 969 | 645 | 2,074 | 3,688 |

***As at 31 December 2024***

| 31 December 2024 | Furniture and Fixtures | Electronic Equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2024 | | | | | | |
| Cost | – | 1,574 | 1,758 | 2,802 | – | 6,134 |
| Accumulated depreciation and impairment | – | (605) | (1,113) | (728) | – | (2,446) |
| Carrying amount | – | 969 | 645 | 2,074 | – | 3,688 |
| As at 1 January 2024 | – | 969 | 645 | 2,074 | – | 3,688 |
| Additions | 108 | 1,742 | – | 458 | 5,282 | 7,590 |
| Depreciation provided | (21) | (741) | (160) | (765) | – | (1,687) |
| As at 31 December 2024 | 87 | 1,970 | 485 | 1,767 | 5,282 | 9,591 |
| As at 31 December 2024 | | | | | | |
| Cost | 108 | 3,316 | 1,758 | 3,260 | 5,282 | 13,724 |
| Accumulated depreciation and impairment | (21) | (1,346) | (1,273) | (1,493) | – | (4,133) |
| Carrying amount | 87 | 1,970 | 485 | 1,767 | 5,282 | 9,591 |

***As at 31 December 2025***

| 31 December 2025 | Furniture and Fixtures | Electronic Equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2025 | | | | | | |
| Cost | 108 | 3,316 | 1,758 | 3,260 | 5,282 | 13,724 |
| Accumulated depreciation and impairment | (21) | (1,346) | (1,273) | (1,493) | – | (4,133) |
| Carrying amount | 87 | 1,970 | 485 | 1,767 | 5,282 | 9,591 |
| As at 1 January 2025 | 87 | 1,970 | 485 | 1,767 | 5,282 | 9,591 |
| Additions | – | 790 | – | – | 136,674 | 137,464 |
| Depreciation provided | (34) | (1,015) | (134) | (620) | – | (1,803) |
| As at 31 December 2025 | 53 | 1,745 | 351 | 1,147 | 141,956 | 145,252 |
| As at 31 December 2025 | | | | | | |
| Cost | 108 | 4,106 | 1,758 | 3,260 | 141,956 | 151,188 |
| Accumulated depreciation and impairment | (55) | (2,361) | (1,407) | (2,113) | – | (5,936) |
| Carrying amount | 53 | 1,745 | 351 | 1,147 | 141,956 | 145,252 |

## 16. LEASES

**The Group as a lessee**

The Group has lease contracts mainly for a land use right and various buildings. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

***(a) Right-of-use assets***

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

| The Group | Land use right | Buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2023 | – | 3,993 | 3,993 |
| Additions | – | 16,374 | 16,374 |
| Depreciation charge | – | (3,657) | (3,657) |
| Lease modification/termination | – | (59) | (59) |
| Exchange differences | – | 12 | 12 |
| As at 31 December 2023 and 1 January 2024 | – | 16,663 | 16,663 |
| Additions | – | 2,307 | 2,307 |
| Acquisition of subsidiaries *(note 37)* | – | 653 | 653 |
| Depreciation charge | – | (5,094) | (5,094) |
| Lease modification/termination | – | (4,079) | (4,079) |
| Exchange differences | – | 25 | 25 |
| As at 31 December 2024 and 1 January 2025 | – | 10,475 | 10,475 |
| Additions | 99,010 | 1,432 | 100,442 |
| Depreciation charge | (1,815) | (4,835) | (6,650) |
| Lease modification/termination | – | (1,705) | (1,705) |
| Exchange differences | – | (28) | (28) |
| As at 31 December 2025 | 97,195 | 5,339 | 102,534 |

| The Company | Land use right | Buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2023 | – | 903 | 903 |
| Additions | – | 13,379 | 13,379 |
| Depreciation charge | – | (1,508) | (1,508) |
| As at 31 December 2023 and 1 January 2024 | – | 12,774 | 12,774 |
| Depreciation charge | – | (2,509) | (2,509) |
| Lease modification/termination | – | (3,984) | (3,984) |
| As at 31 December 2024 and 1 January 2025 | – | 6,281 | 6,281 |
| Additions | 99,010 | – | 99,010 |
| Depreciation charge | (1,815) | (2,132) | (3,947) |
| Lease modification/termination | – | (466) | (466) |
| As at 31 December 2025 | 97,195 | 3,683 | 100,878 |

***(b) Lease liabilities***

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

| The Group | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Carrying amount at the beginning of the year | 4,060 | 17,216 | 11,071 |
| New leases | 16,374 | 2,307 | 1,432 |
| Acquisition of subsidiaries *(note 37)* | – | 771 | – |
| Lease modification/termination | (61) | (4,250) | (1,766) |
| Accretion of interest recognised during the year | 292 | 479 | 283 |
| Payments | (3,459) | (5,481) | (5,096) |
| Exchange realignment | 10 | 29 | (28) |
| Carrying amount at the end of the year | 17,216 | 11,071 | 5,896 |
| Analysed into: | | | |
| Current portion repayable: | | | |
| within one year | 5,194 | 5,097 | 3,150 |
| Non-current portion repayable: | | | |
| in the second year | 5,138 | 3,303 | 2,691 |
| in the third to fifth years, inclusive | 6,884 | 2,671 | 55 |
| Subtotal | 12,022 | 5,974 | 2,746 |
| Total | 17,216 | 11,071 | 5,896 |

The maturity analysis of lease liabilities is disclosed in note 46 to the Historical Financial Information.

| The Company | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Carrying amount at the beginning of the year | 968 | 13,179 | 6,809 |
| New leases | 13,379 | – | – |
| Lease modification/ termination | – | (4,187) | (466) |
| Accretion of interest recognised during the year | 137 | 303 | 190 |
| Payments | (1,305) | (2,486) | (2,212) |
| Carrying amount at the end of the year | 13,179 | 6,809 | 4,321 |
| Analysed into: | | | |
| Current portion repayable: | | | |
| within one year | 3,497 | 2,103 | 2,132 |
| Non-current portion repayable: | | | |
| in the second year | 3,578 | 2,320 | 2,189 |
| in the third year to fifth years, inclusive | 6,104 | 2,386 | – |
| Subtotal | 9,682 | 4,706 | 2,189 |
| Total | 13,179 | 6,809 | 4,321 |

***(c)*** The amounts recognised in profit or loss in relation to leases are as follows:

| The Group | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest on lease liabilities | 292 | 479 | 283 |
| Depreciation charge of right-of-use assets | 3,657 | 5,094 | 4,835 |
| Expense relating to short-term leases | 6,222 | 7,718 | 8,894 |
| Gain on lease modification/ termination, net | (3) | (171) | (60) |
| Amount recognised in profit or loss | 10,168 | 13,120 | 13,952 |

| The Company | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest on lease liabilities | 136 | 303 | 190 |
| Depreciation charge of right-of-use assets | 1,507 | 2,510 | 2,132 |
| Expense relating to short-term leases | 1,413 | 2,192 | 1,811 |
| Gain on lease modification/termination, net | – | (203) | – |
| Amount recognised in profit or loss | 3,056 | 4,802 | 4,133 |

The total cash outflow for leases is disclosed in note 39(b) to the Historical Financial Information.

## 17. GOODWILL

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year: | | | |
| Cost | 208,524 | 208,524 | 253,279 |
| Accumulated impairment | – | – | – |
| Net carrying amount | 208,524 | 208,524 | 253,279 |
| Cost at the beginning of the year, net of accumulated impairment | 208,524 | 208,524 | 253,279 |
| Acquisition of subsidiaries *(note 37)* | – | 44,755 | 57,731 |
| Cost and net carrying amount at the end of the year | 208,524 | 253,279 | 311,010 |
| At the end of the year: | | | |
| Cost | 208,524 | 253,279 | 311,010 |
| Accumulated impairment | – | – | – |
| Net carrying amount | 208,524 | 253,279 | 311,010 |

**Impairment testing of goodwill**

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGU") as below for impairment testing:

***(1) Intelligent manufacturing software solutions cash-generating unit***

The recoverable amount of the above cash-generating units has been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2023, 2024 and 2025, the discount rates applied to the cash flow projections are 13.55%, 13.34% and 12.80%; the growth rates used to extrapolate the cash flows beyond the five-year period are 1.48%, 1.48% and 1.48% which are estimated based on Oxford Economics' forecast for China's forward CPI, respectively.

***(2) Operations management software solutions cash-generating unit***

The recoverable amount of the above cash-generating units has been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2023, 2024 and 2025, the discount rates applied to the cash flow projections are 14.67%, 14.70% and 13.50%; the growth rates used to extrapolate the cash flows beyond the five-year period are 1.48%, 1.48% and 1.48% which are estimated based on Oxford Economics' forecast for China's forward CPI, respectively.

Assumptions were used in the value in use calculation of the cash-generating units. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill with an indefinite useful life:

Compounded revenue growth rate — The compound revenue growth rate is estimated based on the historical sales data and management's expectation of market outlook.

Gross profit margin — The gross profit margin is estimated based on the historical performance.

Pre-tax discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

Terminal growth rate — The forecasted terminal growth rate is based on management's expectations and does not exceed the long-term average growth rate for the industry relevant to the cash-generating units.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The carrying amount of goodwill allocated to each cash-generating unit is:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Carrying amount of goodwill | | | |
| Intelligent manufacturing software solutions cash-generating unit | 197,721 | 220,224 | 220,224 |
| Operations management software solutions cash-generating unit | 10,803 | 33,055 | 90,786 |
| Total | 208,524 | 253,279 | 311,010 |

*Intelligent manufacturing software solutions cash-generating unit*

The key assumptions are summarised below:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | % | % | % |
| Compounded revenue growth rates | 19.39 | 11.82 | 11.03 |
| Gross profit margin | 44.63-46.72 | 45.65-46.72 | 43.91-45.44 |
| Pre-tax discount rate | 13.55 | 13.34 | 12.80 |
| Terminal growth rate | 1.48 | 1.48 | 1.48 |

The compounded revenue growth rates in 2023, 2024 and 2025 were primarily driven by the expected growth of revenue resulting from the Company's business expansion.

The recoverable amount and carrying amount of the CGU at 31 December 2023, 2024 and 2025 are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Recoverable amount of the CGU | 332,700 | 408,200 | 450,300 |
| Less: Carrying amount of the CGU | 219,688 | 321,838 | 350,543 |
| Recoverable amount of the CGU exceeding its carrying amount | 113,012 | 86,362 | 99,757 |

*Operations management software solutions cash-generating unit*

The key assumptions are summarised below:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | % | % | % |
| Compounded revenue growth rates | 42.67 | 19.25 | 12.92 |
| Gross profit margin | 14.07 | 14.07 | 15.00 |
| Pre-tax discount rate | 14.67 | 14.70 | 13.50 |
| Terminal growth rate | 1.48 | 1.48 | 1.48 |

The compounded revenue growth rates in 2023, 2024 and 2025 were primarily driven by the expected growth of revenue resulting from the Company's business expansion.

The recoverable amount and carrying amount of the CGU at 31 December 2023, 2024 and 2025 are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Recoverable amount of the CGU | 38,330 | 54,540 | 199,450 |
| Less: Carrying amount of the CGU | 18,151 | 40,400 | 126,116 |
| Recoverable amount of the CGU exceeding its carrying amount | 20,179 | 14,140 | 73,334 |

*Sensitivity to changes in assumptions*

The following table sets forth the impact of reasonable possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment testing of each CGU at the dates indicated.

Intelligent manufacturing software solutions cash-generating unit

| | Recoverable amount of the CGU exceeding its carrying amount decrease to | | |
|---|---|---|---|
| | at 31 December | | |
| **Possible changes of key assumptions** | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue growth rate decrease by 1% | 98,112 | 69,162 | 77,557 |
| Pre-tax discount rate increase by 1% | 73,812 | 40,562 | 51,257 |
| Terminal growth rate decrease by 0.5% | 100,112 | 71,462 | 82,057 |

Operations management software solutions cash-generating unit

| | Recoverable amount of the CGU exceeding its carrying amount decrease to | | |
|---|---|---|---|
| | at 31 December | | |
| **Possible changes of key assumptions** | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue growth rate decrease by 1% | 17,389 | 10,370 | 60,544 |
| Pre-tax discount rate increase by 1% | 13,179 | 4,800 | 46,794 |
| Terminal growth rate decrease by 0.5% | 17,839 | 11,070 | 51,764 |

Considering the amounts of headroom, i.e, the excesses of the recoverable amounts of the CGU over the carrying amounts, and the results of the above sensitivity analysis, management is of the view that reasonable possible changes in any of the above key assumptions would not cause impairment to the Group's goodwill as at the end of each of the Relevant Periods.

## 18. OTHER INTANGIBLE ASSETS

### At 31 December 2023

***The Group***

| | Software | Membership interests | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | | | |
| Cost | 7,971 | – | 7,971 |
| Accumulated amortisation | (1,336) | – | (1,336) |
| Net carrying amount | 6,635 | – | 6,635 |
| At 1 January 2023, net of Accumulated amortisation | 6,635 | – | 6,635 |
| Additions | – | 6,480 | 6,480 |
| Amortisation provided during the year | (797) | (189) | (986) |
| At 31 December 2023, net of Accumulated amortisation | 5,838 | 6,291 | 12,129 |

| | Software | Membership interests | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 31 December 2023 | | | |
| Cost | 7,971 | 6,480 | 14,451 |
| Accumulated amortisation | (2,133) | (189) | (2,322) |
| Net carrying amount | 5,838 | 6,291 | 12,129 |

**At 31 December 2024**

***The Group***

| | Software | Membership interests | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | | | |
| Cost | 7,971 | 6,480 | 14,451 |
| Accumulated amortisation | (2,133) | (189) | (2,322) |
| Net carrying amount | 5,838 | 6,291 | 12,129 |
| At 1 January 2024, net of Accumulated amortisation | 5,838 | 6,291 | 12,129 |
| Additions | 65,308 | – | 65,308 |
| Acquisition of subsidiaries *(note 37)* | 543 | – | 543 |
| Amortisation provided during the year | (4,227) | (324) | (4,551) |
| At 31 December 2024, net of Accumulated amortisation | 67,462 | 5,967 | 73,429 |
| At 31 December 2024 | | | |
| Cost | 73,822 | 6,480 | 80,302 |
| Accumulated amortisation | (6,360) | (513) | (6,873) |
| Net carrying amount | 67,462 | 5,967 | 73,429 |

**At 31 December 2025**

***The Group***

| | Software | Membership interests | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | | | |
| Cost | 73,822 | 6,480 | 80,302 |
| Accumulated amortisation | (6,360) | (513) | (6,873) |
| Net carrying amount | 67,462 | 5,967 | 73,429 |
| At 1 January 2025, net of Accumulated amortisation | 67,462 | 5,967 | 73,429 |
| Additions | 4,719 | – | 4,719 |
| Acquisition of subsidiaries *(note 37)* | 821 | – | 821 |
| Amortisation provided during the year | (7,953) | (324) | (8,277) |
| Exchange realignment | 699 | – | 699 |
| At 31 December 2025, net of Accumulated amortisation | 65,748 | 5,643 | 71,391 |
| At 31 December 2025 | | | |
| Cost | 80,061 | 6,480 | 86,541 |
| Accumulated amortisation | (14,313) | (837) | (15,150) |
| Net carrying amount | 65,748 | 5,643 | 71,391 |

**At 31 December 2023**

***The Company***

| | Membership interests |
|---|---|
| | *RMB'000* |
| At 1 January 2023 | |
| Cost | – |
| Accumulated amortisation | – |
| Net carrying amount | – |
| At 1 January 2023, net of Accumulated amortisation | – |
| Additions | 6,480 |
| Amortisation provided during the year | (189) |
| At 31 December 2023, net of Accumulated amortisation | 6,291 |
| At 31 December 2023 | |
| Cost | 6,480 |
| Accumulated amortisation | (189) |
| Net carrying amount | 6,291 |

**At 31 December 2024**

***The Company***

| | Software | Membership interests | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | | | |
| Cost | – | 6,480 | 6,480 |
| Accumulated amortisation | – | (189) | (189) |
| Net carrying amount | – | 6,291 | 6,291 |
| At 1 January 2024, net of Accumulated amortisation | – | 6,291 | 6,291 |
| Additions | 38,201 | – | 38,201 |
| Amortisation provided during the year | (1,352) | (324) | (1,676) |
| At 31 December 2024, net of Accumulated amortisation | 36,849 | 5,967 | 42,816 |
| At 31 December 2024 | | | |
| Cost | 38,201 | 6,480 | 44,681 |
| Accumulated amortisation | (1,352) | (513) | (1,865) |
| Net carrying amount | 36,849 | 5,967 | 42,816 |

**At 31 December 2025**

***The Company***

| | Software | Membership interests | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | | | |
| Cost | 38,201 | 6,480 | 44,681 |
| Accumulated amortisation | (1,352) | (513) | (1,865) |
| Net carrying amount | 36,849 | 5,967 | 42,816 |
| At 1 January 2025, net of | | | |
| Net carrying amount | 36,849 | 5,967 | 42,816 |
| Additions | 4,719 | – | 4,719 |
| Amortisation provided during the year | (4,213) | (324) | (4,537) |
| At 31 December 2025, net of Accumulated amortisation | 37,355 | 5,643 | 42,998 |
| At 31 December 2025 | | | |
| Cost | 42,920 | 6,480 | 49,400 |
| Accumulated amortisation | (5,565) | (837) | (6,402) |
| Net carrying amount | 37,355 | 5,643 | 42,998 |

## 19. INVESTMENTS IN ASSOCIATES

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Share of net assets | – | 34,630 | 39,529 |
| Goodwill on acquisition | – | 40,070 | 40,070 |
| Total | – | 74,700 | 79,599 |

Particulars of the associates are as follows:

| Name | Particulars of issued shares held | Place of incorporation/ registration and business | Percentage of ownership interest attributable to the Group | Principal activity |
|---|---|---|---|---|
| | | | *(%)* | |
| Shanghai Weimairui Technology Co., Ltd. | Ordinary shares | PRC/Mainland China | 20.00 | Technology |
| Shanghai Xinli Electronic Technology Co., Ltd. | Ordinary shares | PRC/Mainland China | 22.22 | Technology |

The Group's shareholdings in the associates all comprise equity shares directly held by the Company.

The following table illustrates the summarised financial information in respect of Shanghai Weimairui Technology Co., Ltd and Shanghai Xinli Electronic Technology Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

| Shanghai Weimairui Technology Co., Ltd. | 31 December 2024 | 31 December 2025 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Current assets | 90,092 | 77,892 |
| Non-current assets, excluding goodwill | – | 2,410 |
| Current liabilities | (60,826) | (51,069) |
| Net assets | 29,266 | 29,233 |
| Net assets, excluding goodwill | 29,266 | 29,233 |
| Reconciliation to the Group's interest in the associate: | | |
| Proportion of the Group's ownership | 20% | 20% |
| Group's share of net assets of the associate, excluding goodwill | 5,853 | 5,847 |
| Carrying amount of the investment | 5,853 | 5,847 |

| | Year ended 31 December 2024 | Year ended 31 December 2025 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Revenue | 68,558 | 160,045 |
| Profit for the year | (734) | (33) |
| Total comprehensive income for the year | (734) | (33) |

| Shanghai Xinli Electronic Technology Co., Ltd | 31 December 2024 | 31 December 2025 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Current assets | 445,736 | 467,856 |
| Non-current assets, excluding goodwill | 14,032 | 16,682 |
| Current liabilities | (328,405) | (271,911) |
| Non-current liabilities | (1,859) | (61,046) |
| Net assets | 129,504 | 151,581 |
| Net assets, excluding goodwill | 129,504 | 151,581 |
| Reconciliation to the Group's interest in the associate: | | |
| Proportion of the Group's ownership | 22.22% | 22.22% |
| Group's share of net assets of the associate, excluding goodwill | 28,777 | 33,682 |
| Goodwill on acquisition (less cumulative impairment) | 40,070 | 40,070 |
| Carrying amount of the investment | 68,847 | 73,752 |

| | Year ended 31 December 2024 | Year ended 31 December 2025 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Revenue | 220,146 | 325,840 |
| Profit for the year | 9,807 | 22,076 |
| Total comprehensive income for the year | 9,807 | 22,076 |

## 20. OTHER FINANCIAL ASSETS AT AMORTISED COST

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Debt investments at amortised cost | | | |
| Certificates of deposits (current) | – | 298,717 | 449,890 |
| Certificates of deposits (non-current) | – | 311,954 | 82,653 |
| Total | – | 610,671 | 532,543 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Debt investments at amortised cost | | | |
| Certificates of deposits (current) | – | 257,300 | 439,081 |
| Certificates of deposits (non-current) | – | 301,454 | 31,294 |
| Total | – | 558,754 | 470,375 |

## 21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

**The Group and the Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Unlisted equity investments, at fair value: | | | |
| Zhuhai Yulin Integrated Circuit Technology Partnership (limited partnership) | – | 10,000 | 4,277 |
| Hangzhou Guan Tian* | 9,106 | – | – |
| Total | 9,106 | 10,000 | 4,277 |

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

* In December 2023, the Group invested RMB9,106,000 in Hangzhou Guan Tian which was accounted for as equity investment designated at fair value through other comprehensive income. In February 2024, the Group invested an additional RMB6,000,000 in Hangzhou Guan Tian and the Group' equity investment in Hangzhou Guan Tian increased to 50.10% and accordingly Hangzhou Guan Tian became a non-wholly-owned subsidiary of the Group.

## 22. INVENTORIES

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Purchased hardware and components | 1,473 | 3,541 | 3,054 |
| Goods | 52,377 | – | – |
| Contract fulfillment costs | 105,227 | 98,266 | 73,715 |
| Total | 159,077 | 101,807 | 76,769 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Purchased hardware and components | 392 | 163 | 163 |
| Contract fufillment costs | 52,704 | 25,348 | 16,991 |
| Total | 53,096 | 25,511 | 17,154 |

## 23. TRADE AND BILLS RECEIVABLES

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade receivables | 79,563 | 199,387 | 345,469 |
| Impairment | (1,361) | (1,886) | (7,782) |
| Subtotal | 78,202 | 197,501 | 337,687 |
| Bills receivable | 3,232 | 1,652 | 1,477 |
| Net carrying amount | 81,434 | 199,153 | 339,164 |

The Group's trading terms with its customers are mainly on credit. The credit periods mostly range from 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The Group's bills receivable were all aged within six months and were neither past due nor impaired.

An ageing analysis of the Group's trade receivables as at the end of each of the Relevant Periods based on the recognition date and net of loss allowance, is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 76,500 | 185,807 | 291,333 |
| 1 to 2 years | 1,541 | 11,654 | 43,696 |
| 2 to 3 years | 161 | 40 | 2,658 |
| Total | 78,202 | 197,501 | 337,687 |

The movements in provision for impairment of trade receivables are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | 806 | 1,361 | 1,886 |
| Impairment losses, net | 555 | 525 | 5,896 |
| At the end of the year | 1,361 | 1,886 | 7,782 |

The increases in the loss allowance at the end of each of the Relevant Periods, is as a result of an increase in the gross carrying amount.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity. In addition, when there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

During the Relevant Periods, the individually assessed trade receivable was related to a customer with a legal dispute with the Group and a full impairment was made against the related trade receivable balance.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 31 December 2023**

| | Gross carrying amount | Expected credit loss rate | Expected credit losses |
|---|---|---|---|
| | *RMB'000* | *%* | *RMB'000* |
| Individually assessed: | | | |
| 2 to 3 years | 408 | 100 | 408 |
| Collectively assessed: | | | |
| Within 1 year | 77,104 | 0.78 | 603 |
| 1 to 2 years | 1,730 | 10.92 | 189 |
| 2 to 3 years | 321 | 50.16 | 161 |
| Subtotal | 79,155 | 1.20 | 953 |
| Total | 79,563 | 1.71 | 1,361 |

**As at 31 December 2024**

| | Gross carrying amount | Expected credit loss rate | Expected credit losses |
|---|---|---|---|
| | *RMB'000* | *%* | *RMB'000* |
| Individually assessed: | | | |
| Over 3 years | 408 | 100 | 408 |
| Collectively assessed: | | | |
| Within 1 year | 186,173 | 0.20 | 366 |
| 1 to 2 years | 12,723 | 8.40 | 1,069 |
| 2 to 3 years | 83 | 51.81 | 43 |
| Subtotal | 198,979 | 0.74 | 1,478 |
| Total | 199,387 | 0.95 | 1,886 |

**As at 31 December 2025**

| | Gross carrying amount | Expected credit loss rate | Expected credit losses |
|---|---|---|---|
| | *RMB'000* | *%* | *RMB'000* |
| Individually assessed: | | | |
| Over 3 years | 408 | 100 | 408 |
| Collectively assessed: | | | |
| Within 1 year | 292,281 | 0.32 | 948 |
| 1 to 2 years | 48,019 | 9.00 | 4,323 |
| 2 to 3 years | 4,748 | 44.02 | 2,090 |
| Over 3 years | 13 | 100 | 13 |
| Subtotal | 345,061 | 2.14 | 7,374 |
| Total | 345,469 | 2.25 | 7,782 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade receivables | 37,264 | 77,059 | 199,851 |
| Impairment | (158) | (364) | (2,112) |
| Subtotal | 37,106 | 76,695 | 197,739 |
| Bills receivable | 510 | – | 173 |
| Total | 37,616 | 76,695 | 197,912 |

An ageing analysis of the Company's trade receivables as at the end of each of the Relevant Periods, based on the recognition date and net of loss allowance, is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 36,559 | 74,290 | 189,872 |
| 1 to 2 years | 340 | 2,198 | 7,867 |
| 2 to 3 years | 207 | – | – |
| Over 3 years | – | 207 | – |
| Total | 37,106 | 76,695 | 197,739 |

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

**As at 31 December 2023**

| | Gross carrying amount | Expected credit loss rate | Expected credit losses |
|---|---|---|---|
| | *RMB'000* | *%* | *RMB'000* |
| Collectively assessed: | | | |
| Within 1 year | 36,675 | 0.32 | 116 |
| 1 to 2 years | 382 | 10.99 | 42 |
| 2 to 3 years | 207 | – | – |
| Total | 37,264 | 0.42 | 158 |

**As at 31 December 2024**

| | Gross carrying amount | Expected credit loss rate | Expected credit losses |
|---|---|---|---|
| | *RMB'000* | *%* | *RMB'000* |
| Collectively assessed: | | | |
| Within 1 year | 74,452 | 0.22 | 162 |
| 1 to 2 years | 2,400 | 8.42 | 202 |
| Above 3 years | 207 | – | – |
| Total | 77,059 | 0.47 | 364 |

**As at 31 December 2025**

| | Gross carrying amount | Expected credit loss rate | Expected credit losses |
|---|---|---|---|
| | *RMB'000* | *%* | *RMB'000* |
| Collectively assessed: | | | |
| Within 1 year | 191,361 | 0.78 | 1,489 |
| 1 to 2 years | 8,490 | 7.34 | 623 |
| Total | 199,851 | 1.06 | 2,112 |

## 24. CONTRACT ASSETS

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Contract assets arising from: | | | |
| Operations management software solutions | – | 360 | 837 |
| Intelligent manufacturing software solutions | 9,086 | 15,092 | 24,878 |
| Total | 9,086 | 15,452 | 25,715 |
| Impairment | (72) | (265) | (344) |
| Net carrying amount | 9,014 | 15,187 | 25,371 |

Contract assets are initially recognised for retention monies arising from the sale of intelligent manufacturing software solutions and operations management software solutions. Upon completion of warranty condition, the amounts recognised as contract assets are reclassified to trade receivables. The increases in contract assets during the Relevant Periods were primarily attributable to the ongoing sales of intelligent manufacturing software solutions and operations management software solutions.

The Group's trading terms and credit policy with customers are disclosed in note 23 to the Historical Financial Information.

The expected timing of recovery or settlement for contract assets as at the end of the reporting period is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 9,014 | 13,497 | 14,887 |
| After 1 year | – | 1,690 | 10,484 |
| Total contract assets | 9,014 | 15,187 | 25,371 |

The movements in the loss allowance for impairment of contract assets are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | 8 | 72 | 265 |
| Impairment losses, net | 64 | 193 | 79 |
| At the end of the year | 72 | 265 | 344 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Expected credit loss rate | 0.79% | 1.71% | 1.34% |
| Gross carrying amount | 9,086 | 15,452 | 25,715 |
| Expected credit losses | 72 | 265 | 344 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Contract assets arising from: | | | |
| Intelligent manufacturing software solutions | 4,965 | 8,457 | 15,286 |
| Total | 4,965 | 8,457 | 15,286 |
| Impairment | (39) | (74) | (205) |
| Net carrying amount | 4,926 | 8,383 | 15,081 |

The expected timing of recovery or settlement for contract assets as at the end of reporting period is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 4,926 | 8,383 | 7,019 |
| After 1 year | – | – | 8,062 |
| Total contract assets | 4,926 | 8,383 | 15,081 |

The movements in the loss allowance for impairment of contract assets are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | – | 39 | 74 |
| Impairment losses, net | 39 | 35 | 131 |
| At the end of the year | 39 | 74 | 205 |

Set out below is the information about the credit risk exposure on the Company's contract assets using a provision matrix:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Expected credit loss rate | 0.79% | 0.88% | 1.34% |
| Gross carrying amount | 4,965 | 8,457 | 15,286 |
| Expected credit losses | 39 | 74 | 205 |

## 25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Prepayments | 16,612 | 3,865 | 16,894 |
| Deductible input value-added tax | 16,815 | 9,848 | 9,869 |
| Amount due from non-controlling shareholders of the Group's subsidiaries | 7,350 | – | 4,900 |
| Receivables from disposal of financial assets | 22,355 | – | – |
| Deposits | 6,810 | 4,837 | 7,080 |
| Other receivables and other assets | 2,615 | 7,504 | 2,528 |
| | 72,557 | 26,054 | 41,271 |
| Impairment allowance | (469) | (120) | (211) |
| Total | 72,088 | 25,934 | 41,060 |

The movements in provision for impairment of other receivables are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | 175 | 469 | 120 |
| Impairment losses/(reversal), net | 294 | (349) | 91 |
| At the end of the year | 469 | 120 | 211 |

Other than those impaired, the financial assets included in the above balances related to receivables for which there was no recent history of default. During the Relevant Periods, the expected credit loss rate for other receivables was assessed by the Group to be minimal. Where applicable, an impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group.

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Prepayments | 1,783 | 997 | 7,253 |
| Deductible input value-added tax | 4,339 | 4,965 | 7,275 |
| Amount due from subsidiaries *(note 43)* | 73,529 | 60,324 | 163,633 |
| Receivables from disposal of financial assets | 22,355 | – | – |
| Other receivables | 6,299 | 4,342 | 1,750 |
| | 108,305 | 70,628 | 179,911 |
| Impairment allowance | (328) | (47) | (22) |
| Total | 107,977 | 70,581 | 179,889 |

The movements in provision for impairment of other receivables are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | 21 | 328 | 47 |
| Impairment losses/(reversal), net | 307 | (281) | (25) |
| At the end of the year | 328 | 47 | 22 |

## 26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Current: | | | |
| Wealth management products, at fair value | – | – | 35,001 |
| Structured Deposits | – | – | 110,075 |
| Wuxi Huaixin Intelligent Technology Co., Ltd. | 10,000 | 17,040 | – |
| Subtotal | 10,000 | 17,040 | 145,076 |
| Non-current: | | | |
| Unlisted investments, at fair value | | | |
| Wuxi Huaixin Intelligent Technology Co., Ltd. | – | – | 19,440 |
| Chengdu High-tech Core Kinetic Energy Huajing Equity Investment Fund Partnership (limited partnership) | – | 10,154 | 10,587 |
| Houxue Qixingminghe Equity Investment Fund (Hefei) Partnership (limited partnership) | – | 10,000 | 10,923 |
| Shanghai Xindi Digital Technology Co., Ltd. | – | – | 100,000 |
| Subtotal | – | 20,154 | 140,950 |
| Total | 10,000 | 37,194 | 286,026 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Current: | | | |
| Wealth management products, at fair value | – | – | 35,001 |
| Structured Deposits | – | – | 60,023 |
| Wuxi Huaixin Intelligent Technology Co., Ltd. | 10,000 | 17,040 | – |
| Subtotal | 10,000 | 17,040 | 95,024 |
| Non-current: | | | |
| Unlisted investments, at fair value | | | |
| Wuxi Huaixin Intelligent Technology Co., Ltd. | – | – | 19,440 |
| Chengdu High-tech Core Kinetic Energy Huajing Equity Investment Fund Partnership (limited partnership) | – | 10,154 | 10,587 |
| Houxue Qixingminghe Equity Investment Fund (Hefei) Partnership (limited partnership) | – | 10,000 | 10,923 |
| Subtotal | – | 20,154 | 40,950 |
| Total | 10,000 | 37,194 | 135,974 |

The financial products listed above are structured deposits and wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The equity investments above were classified as financial assets at fair value through profit or loss.

## 27. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash and bank balances | 818,810 | 122,512 | 362,394 |
| Time deposits (≤3 months) | 4,254 | 12,917 | 45,632 |
| Time deposits (>3 months & ≤12 months) | – | – | 280,020 |
| Restricted cash | 779 | 30,295 | 13,559 |
| Total | 823,843 | 165,724 | 701,605 |
| Cash and bank balances and time deposits denominated in: | | | |
| – RMB | 802,042 | 138,154 | 676,893 |
| – United States dollars ("USD") | 14,647 | 20,116 | 15,164 |
| – MYR | 5,770 | 6,171 | 5,021 |
| – Japanese Yen ("JPY") | – | 431 | 216 |
| – SGD | 1,384 | 852 | 1,052 |
| – Hong Kong dollars ("HKD") | – | – | 3,259 |
| | 823,843 | 165,724 | 701,605 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash and bank balances | 733,614 | 69,688 | 306,503 |
| Time deposits (≤3 months) | – | – | 30,000 |
| Time deposits (>3 months & ≤12 months) | – | – | 280,020 |
| Restricted cash | 605 | 10,687 | 1,438 |
| Total | 734,219 | 80,375 | 617,961 |
| Cash and bank balances and time deposits denominated in: | | | |
| – RMB | 734,219 | 80,375 | 617,961 |

The restricted cash is mainly the security deposits for bills payable and guarantees.

The RMB is not freely converted into other currencies. However, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited in creditworthy banks with no recent history of default.

## 28. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the date of service received/good purchased, are as follows:

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 19,811 | 66,207 | 186,153 |
| 1 to 2 years | 1,362 | 3,320 | 4,235 |
| 2 to 3 years | 64 | 1,245 | 1,702 |
| Over 3 years | – | 64 | 626 |
| Total | 21,237 | 70,836 | 192,716 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 55,804 | 60,040 | 205,249 |
| 1 to 2 years | 8,085 | 25,034 | 38,716 |
| 2 to 3 years | 1,015 | 8,085 | 1,673 |
| Over 3 years | – | 1,015 | – |
| Total | 64,904 | 94,174 | 245,638 |

## 29. OTHER PAYABLES AND ACCRUALS

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Current: | | | |
| Payroll and welfare payables | 28,608 | 18,753 | 21,873 |
| Payables for acquisition of non-controlling interests | – | – | 23,664 |
| Other taxes payable | 14,876 | 15,203 | 13,536 |
| Payables for business acquisitions | – | – | 7,781 |
| Construction payables | – | – | 30,229 |
| Other payables | 3,021 | 30,532 | 34,513 |
| Subtotal | 46,505 | 64,488 | 131,596 |
| Non-current: | | | |
| Payables for business acquisitions | – | – | 8,076 |
| Total | 46,505 | 64,488 | 139,672 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Current: | | | |
| Payroll and welfare payables | 5,678 | 3,539 | 5,802 |
| Other taxes payable | 5,797 | 2,818 | 1,818 |
| Amounts due to subsidiaries *(note 43)* | 160,857 | 282,671 | 420,151 |
| Other payables | 1,692 | 74,146 | 57,788 |
| Total | 174,024 | 363,174 | 485,559 |

## 30. CONTRACT LIABILITIES

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Operations management software solutions | – | – | 15,221 |
| Intelligent manufacturing software solutions | 95,746 | 93,958 | 56,191 |
| Others | 6,300 | – | – |
| Total | 102,046 | 93,958 | 71,412 |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Operations management software solutions | – | – | 47 |
| Intelligent manufacturing software solutions | 44,314 | 26,021 | 20,000 |
| Total | 44,314 | 26,021 | 20,047 |

The decrease in contract liabilities in the year ended 2023, 2024 and 2025 was mainly due to the decrease in short-term advances received from customers in relation to the provision of intelligent manufacturing software solutions services at the end of the year.

## 31. INTEREST-BEARING BANK AND OTHER BORROWINGS

**The Group**

| | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Effective interest rate (%)* | *Maturity* | *RMB'000* | *Effective interest rate (%)* | *Maturity* | *RMB'000* | *Effective interest rate (%)* | *Maturity* | *RMB'000* |
| Current | | | | | | | | | |
| Bank loans – guaranteed | / | / | / | / | / | / | 2.20 | 2026 | 10,000 |
| Bank loans – unguaranteed and unsecured | / | / | / | 1.30-2.50 | 2025 | 28,610 | 1.40-3.00 | 2026 | 87,059 |
| Other borrowings | / | / | / | 3.10 | 2025 | 20,100 | / | / | / |
| | | | | | | 48,710 | | | 97,059 |
| Non-current | | | | | | | | | |
| Bank loans – secured | / | / | / | / | / | / | 2.65-2.75 | 2028-2034 | 89,466 |
| | | | / | | | 48,710 | | | 186,525 |

The Group's other borrowings was an unsecured loan with an annual interest rate of 3.1% and a conversion feature. It was borrowed from Shanghai Science and Technology Venture (Group) Co., Ltd. and had been fully repaid by the Group in July 2025. The conversion feature allowed the lender to convert the loan principal amount into a portion of the Company's equity interests under certain circumstances.

The carrying amounts of the Group's assets at the end of each of the Relevant Periods which are securities in relation to certain of the Group's borrowings are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Land use rights | – | – | 97,195 |

All of the Group's bank and other borrowings are at fixed rates, except for the secured bank loan, which bears a floating interest rate.

The Group's bank and other borrowings are denominated in RMB.

**The Company**

| | 2023 | | | 2024 | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Effective interest rate (%)* | *Maturity* | *RMB'000* | *Effective interest rate (%)* | *Maturity* | *RMB'000* | *Effective interest rate (%)* | *Maturity* | *RMB'000* |
| Current | | | | | | | | | |
| Bank loans – unguaranteed and unsecured | / | / | / | 2.50 | 2025 | 26,442 | 1.80-2.00 | 2026 | 28,441 |
| Other borrowings | / | / | / | 3.10 | 2025 | 20,100 | / | / | / |
| | | | | | | 46,542 | | | 28,441 |
| Non-current | | | | | | | | | |
| Bank loans – secured | / | / | / | / | / | / | 2.65-2.75 | 2028-2034 | 89,466 |
| | | | / | | | 46,542 | | | 117,907 |

The carrying amounts of the Company's assets at the end of each of the Relevant Periods which are securities in relation to certain of the Company's borrowings are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Land use rights | – | – | 97,195 |

## 32. PROVISION

**The Group**

| | Onerous contracts | Warranties | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 797 | 4,700 | 5,497 |
| Additional provision | 1,724 | 6,919 | 8,643 |
| Amounts utilised during the year | (276) | (4,700) | (4,976) |
| At 31 December 2023 and 1 January 2024 | 2,245 | 6,919 | 9,164 |
| Additional provision | – | 11,147 | 11,147 |
| Amounts utilised during the year | (2,245) | (6,919) | (9,164) |
| At 31 December 2024 and 1 January 2025 | – | 11,147 | 11,147 |
| Additional provision | – | 10,969 | 10,969 |
| Amounts utilised during the year | – | (8,550) | (8,550) |
| At 31 December 2025 | – | 13,566 | 13,566 |

The provision balances as at the end of each of the Relevant Periods are current liabilities.

The Group provides warranties to its customers on certain of its license products and hardware products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

**The Company**

| | Onerous contracts | Warranties | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | – | 2,629 | 2,629 |
| Additional provision | 1,491 | 1,403 | 2,894 |
| Amounts utilised during the year | – | (1,004) | (1,004) |
| At 31 December 2023 and 1 January 2024 | 1,491 | 3,028 | 4,519 |
| Additional provision | – | 1,286 | 1,286 |
| Amounts utilised during the year | (1,491) | (739) | (2,230) |
| At 31 December 2024 and 1 January 2025 | – | 3,575 | 3,575 |
| Additional provision | – | 2,474 | 2,474 |
| Amounts utilised during the year | – | (1,012) | (1,012) |
| At 31 December 2025 | – | 5,037 | 5,037 |

## 33. DEFERRED TAX

The deferred tax assets and liabilities recognised by the Group, and the movements there on, during the Relevant Periods are as follows:

**The Group**

**31 December 2023**

***Deferred tax liabilities***

| | Right-of-use assets | Fair value adjustments arising from acquisition of subsidiaries | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 364 | 1,034 | 1,398 |
| Deferred tax charged/(credited) to profit or loss during the year | 1,965 | (131) | 1,834 |
| At 31 December 2023 | 2,329 | 903 | 3,232 |

***Deferred tax assets***

| | Lease liabilities | Losses available for offsetting against future taxable profits | Provision | Impairment losses on assets | Unrealised gains | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 367 | 11,258 | 643 | 903 | – | 13,171 |
| Deferred tax credited/(charged) to profit or loss during the year | 2,034 | (501) | 582 | 1,192 | 735 | 4,042 |
| At 31 December 2023 | 2,401 | 10,757 | 1,225 | 2,095 | 735 | 17,213 |

**31 December 2024**

***Deferred tax liabilities***

| | Right-of-use assets | Fair value adjustments of financial instruments | Fair value adjustments arising from acquisition of subsidiaries | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | 2,329 | – | 903 | 3,232 |
| Deferred tax (credited)/charged to profit or loss during the year | (817) | 1,056 | (129) | 110 |
| Deferred tax charged to equity during the year | – | 23 | – | 23 |
| Acquisition of subsidiaries | – | – | 106 | 106 |
| At 31 December 2024 | 1,512 | 1,079 | 880 | 3,471 |

***Deferred tax assets***

| | Lease liabilities | Losses available for offsetting against future taxable profits | Provision | Impairment losses on assets | Unrealised gains | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | 2,401 | 10,757 | 1,225 | 2,095 | 735 | 17,213 |
| Deferred tax (charged)/credited to profit or loss during the year | (841) | 2,314 | 1,208 | (1,397) | 1,356 | 2,640 |
| At 31 December 2024 | 1,560 | 13,071 | 2,433 | 698 | 2,091 | 19,853 |

**At 31 December 2025**

***Deferred tax liabilities***

| | Right-of-use assets | Fair value adjustments of financial instruments | Fair value adjustments arising from acquisition of subsidiaries | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | 1,512 | 1,079 | 880 | 3,471 |
| Deferred tax (credited)/charged to profit or loss during the year | (693) | 563 | (175) | (305) |
| Acquisition of subsidiaries | – | – | 135 | 135 |
| At 31 December 2025 | 819 | 1,642 | 840 | 3,301 |

***Deferred tax assets***

| | Lease liabilities | Losses available for offsetting against future taxable profits | Provision | Impairment losses on assets | Fair value adjustments of financial instruments | Unrealised gains | Intangible assets amortisation | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | 1,560 | 13,071 | 2,433 | 698 | – | 2,091 | – | 19,853 |
| Deferred tax (charged)/credited to profit or loss during the year | (658) | 55 | (303) | 1,071 | – | (1,014) | 1,264 | 415 |
| Deferred tax charged to equity during the year | – | – | – | – | 858 | – | – | 858 |
| At 31 December 2025 | 902 | 13,126 | 2,130 | 1,769 | 858 | 1,077 | 1,264 | 21,126 |

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Net deferred tax assets recognised in the consolidated statements of financial position | 14,884 | 17,262 | 18,668 |
| Net deferred tax liabilities recognised in the consolidated statements of financial position | (903) | (880) | (843) |
| Net deferred tax assets | 13,981 | 16,382 | 17,825 |

Deferred tax assets have not been recognised in respect of the following items:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Tax losses | 36,694 | 37,735 | 45,249 |
| Deductible temporary differences | 2,571 | 3,586 | 3,982 |
| Total | 39,265 | 41,321 | 49,231 |

The above tax losses can be used to offset the future taxable profits of the loss-making companies for up to five or ten years. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

**The Company**

**31 December 2023**

***Deferred tax liabilities***

| | Right-of-use assets |
|---|---|
| | *RMB'000* |
| At 1 January 2023 | 113 |
| Deferred tax charged/(credited) to profit or loss during the year | 1,803 |
| At 31 December 2023 | 1,916 |

***Deferred tax assets***

| | Lease liabilities | Losses available for offsetting against future taxable profits | Provision | Impairment losses on assets | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 121 | 1,682 | 329 | 24 | 2,156 |
| Deferred tax credited to profit or loss during the year | 1,856 | 1,957 | 349 | 308 | 4,470 |
| At 31 December 2023 | 1,977 | 3,639 | 678 | 332 | 6,626 |

**31 December 2024**

***Deferred tax liabilities***

| | Right-of-use assets | Change in fair value of financial instruments | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | 1,916 | – | 1,916 |
| Deferred tax (credited)/charged to profit or loss during the year | (974) | 1,056 | 82 |
| Deferred tax charged to equity during the year | – | 23 | 23 |
| At 31 December 2024 | 942 | 1,079 | 2,021 |

***Deferred tax assets***

| | Lease liabilities | Losses available for offsetting against future taxable profits | Provision | Impairment losses on assets | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | 1,977 | 3,639 | 678 | 332 | 6,626 |
| Deferred tax (charged)/credited to profit or loss during the year | (956) | (70) | 833 | (173) | (366) |
| At 31 December 2024 | 1,021 | 3,569 | 1,511 | 159 | 6,260 |

**At 31 December 2025**

***Deferred tax liabilities***

| | Right-of-use assets | Change in fair value of financial instruments | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | 942 | 1,079 | 2,021 |
| Deferred tax (credited)/charged to profit or loss during the year | (390) | 563 | 173 |
| At 31 December 2025 | 552 | 1,642 | 2,194 |

***Deferred tax assets***

| | Lease liabilities | Losses available for offsetting against future taxable profits | Provision | Impairment losses on assets | Change in fair value of financial instruments | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | 1,021 | 3,569 | 1,511 | 159 | – | 6,260 |
| Deferred tax (charged)/credited to profit or loss during the year | (373) | (2,877) | (431) | 197 | – | (3,484) |
| Deferred tax credited to equity during the year | – | – | – | – | 858 | 858 |
| At 31 December 2025 | 648 | 692 | 1,080 | 356 | 858 | 3,634 |

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Net deferred tax assets recognised in the Company's statements of financial position | 4,710 | 4,239 | 1,440 |
| Net deferred tax liabilities recognised in the Company's statements of financial position | – | – | – |
| Net deferred tax assets | 4,710 | 4,239 | 1,440 |

## 34. SHARE CAPITAL

| Shares | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Issued and fully paid:** | | | |
| Ordinary shares* | 375,479 | 375,479 | 429,666 |

* Ordinary shares at par value of 1 RMB each.

A summary of movements in the Company's paid-in capital/share capital is as follows:

| | Number of shares in issue | Amount |
|---|---|---|
| | | *RMB'000* |
| At 1 January 2023 | – | 12,155 |
| Conversion into a joint stock company *(note a)* | 12,154,831 | – |
| Capital contribution from shareholders *(note b)* | 4,222,316 | 4,222 |
| Capital conversion from capital reserve *(note c)* | 359,102,265 | 359,102 |
| At 31 December 2023 and 2024 | | |
| Capital contribution from shareholders *(note a)* | 54,187,043 | 54,187 |
| At 31 December 2025 | 429,666,455 | 429,666 |

*Notes:*

(a) In May 2023 and December 2023, the Company received capital contributions of RMB472,000 and RMB3,750,000 in cash. In November 2025 and December 2025, the Company received capital contributions of RMB32,693,000 and RMB21,494,000 in cash.

(b) The Company was converted into a joint stock limited liability company and issued 12,154,831 shares with par value of RMB1 each on 16 March 2023.

(c) During 2023, the capital reserve formed by the premium of the issuer's previous capital injection was converted into share capital, resulting in a total increase of 359,102,265 shares.

## 35. SHARE-BASED PAYMENTS

### i. Equity-settled share-based payment

***(1) Share award scheme***

The Company launched three batches share awards to reward eligible participants who contributed to the success of the Group's operations. The eligible participants for participation in the share award scheme (the "Selected Participants") is selected and the number of shares to be awarded under the scheme is determined by the shareholders of the Company. According to the share award scheme, the shares are vested as granted without any conditions. The subscription prices were set differently among different batches and for different participants. There are no cash settlement alternatives for any batches of share award scheme.

The following table discloses the movements of the Group's award shares of the three batches:

| | | | | Number of award shares | | | |
|---|---|---|---|---|---|---|---|
| Batches | Date of grant | Fair value of each award share price as at the date of grant | Subscription price | As at 1 January 2023 | As at 31 December 2023 | As at 31 December 2024 | As at 31 December 2025 |
| | | *RMB* | *RMB* | | | | |
| 1 . . . | April and July 2021 | 37.98 | 0.38-35.71 | 2,154,654 | 2,154,654 | 2,154,654 | 2,154,654 |
| 2 . . . | November and December 2021 | 74.73 | 41.05 | 2,619 | 2,619 | 2,619 | 2,619 |
| 3 . . . | November 2022 | 124.78 | 0-121.80 | 168,104 | 168,104 | 168,104 | 168,104 |

The fair value of the granted shares is determined with a hybrid approach to allocate equity value to different classes of equity reference to recent transaction prices of the Company's shares, together.

The following table lists the inputs to the model used to determine the fair value of granted shares:

| | |
|---|---|
| Dividend yield (%) | – |
| Expected volatility (%) | 42.96-43.31 |
| Risk-free interest rate (%) | 2.24-2.34 |
| Expected life of shares (year) | 3.167-4.167 |
| Weighted average share price (per share) | 124.78 |

***(2) Option incentive plan***

The Company initiated 2022 option incentive plan and 2024 option incentive plan during the Relevant Periods. The two plans reserved 248,058 and 7,666,000 shares, respectively, of the Company's shares for issuance of stock options.

During the year ended 31 December 2022 and 2024, share options of 248,058 and 7,666,000 were granted to the employees. The stock options are governed by a shareholder's agreement, which entitles holders to exercise against the Company at a fixed contractual price on specified future dates. According to the shareholder's agreement, the stock options granted to the grantees may be exercised only upon satisfaction of the agreed conditions, unless forfeited or amended.

The fair value of the share options granted during the years ended 31 December 2022 and 2024 were RMB5,117,000 (RMB17.17-24.79 each) and RMB21,880,000 (RMB2.01-3.67 each), respectively.

The terms of the 2022 and 2024 option incentive plans are summaried as:

| | 2022 option incentive plan | 2024 option incentive plan |
|---|---|---|
| Grant date | 15 December 2022 | 1 May 2024 |
| Exercise price* | 9.11 | 16 |
| Service condition | 50%: vested and nonforfeitable on the earlier of occurrence of 12 month later since grant and after the [**REDACTED**];<br><br>50%: vested and nonforfeitable on the earlier of occurrence of 24 month later since grant and 12 months after the [**REDACTED**] | 25%: vested and nonforfeitable on the earlier of occurrence of 12 month later since grant and after the [**REDACTED**];<br><br>25%: vested and nonforfeitable on the earlier of occurrence of 24 month later since grant and 12 months after the [**REDACTED**]<br><br>25%: vested and nonforfeitable on the earlier of occurrence of 36 month later since grant and 24 months after the [**REDACTED**]<br><br>25%: vested and nonforfeitable on the earlier of occurrence of 48 month later since grant and 36 months after the [**REDACTED**] |

| | 2022 option incentive plan | 2024 option incentive plan |
|---|---|---|
| Performance condition 1 | NA | On the vesting date as stipulated per the service condition, The percentage of options would be vested based on the result of the performance assessment what is the company's operating revenue for the previous fiscal year must increase by more than 10% compared to the previous fiscal year during each exercise period:<br>Meet the standard: 100%<br>Not up to standard: nil |
| Performance condition 2 | On the vesting date as stipulated per the service condition, The percentage of options would be vested based on the result of the performance evaluation:<br>Tier A: 100%<br>Tier B: 75%<br>Tier C: 50%<br>Tier D: nil | |

* As a result of the capitalisation of capital reserve, the number of shares under the option granted under 2022 option incentive plan has been adjusted from 248,058 to 7,202,887 shares and the exercise price has been adjusted from RMB264.4 to RMB9.11.

The following table discloses the movements of the Group's granted stock options:

| | As at 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Weighted average exercise price | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price | Number of options |
| At 1 January | 264.40 | 248,058 | 9.11 | 7,185,232 | 12.66 | 14,628,843 |
| Granted during the year | – | – | 16.00 | 7,666,000 | – | – |
| Capital conversion from capital reserve | / | 6,954,829 | / | / | / | / |
| Forfeited during the year | 9.11 | (17,655) | 12.66 | (222,390) | 12.66 | (1,144,277) |
| At the end of the year | 9.11 | 7,185,232 | 12.66 | 14,628,843 | 12.66 | 13,484,566 |

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2022

| Number of options | Exercise price per share | Exercise period |
|---|---|---|
| 124,029 | 264.40 | 2026-6-30 |
| 124,029 | 264.40 | 2027-6-30 |
| 248,058 | | |

2024

| Number of options | Exercise price per share | Exercise period |
|---|---|---|
| 1,916,500 | 16.00 | 2027-6-30 |
| 1,916,500 | 16.00 | 2028-6-30 |
| 1,916,500 | 16.00 | 2029-6-30 |
| 1,916,500 | 16.00 | 2030-6-30 |
| 7,666,000 | | |

The Group recognised share-based payment expense of RMB1,450,000, RMB4,899,000 and RMB3,577,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

The fair value of the granted shares is determined with a hybrid approach to allocate equity value to different classes of equity reference to recent transaction prices of the Company's shares, together.

The fair value of equity-settled share options granted during the Relevant Periods, was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to determine the fair value of granted shares:

The following table lists the inputs to the model used to determine the fair value of granted shares:

| | As at 31 December | As at 31 December |
|---|---|---|
| | **2022** | **2024** |
| Dividend yield (%) | – | – |
| Expected volatility (%) | 42.16-43.91 | 42.31-42.99 |
| Risk-free interest rate (%) | 2.52-2.64 | 2.26-2.44 |
| Expected life of option (year) | 4.00-5.00 | 2.67-5.67 |
| Weighted average share price (per share) | 124.76 | 11.34 |

At the end of the Relevant periods, the Company had 13,484,566 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 13,484,566 additional ordinary shares of the Company and additional share capital of 13,484,566 (before issue expenses).

At the date of approval of the Histories Financial Information, the Company had 13,484,566 share options outstanding under the Scheme, which represented approximately 3.04% of the Company's shares in issue as at that date.

## 36. RESERVES

### The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity on pages 7 to 9 of this accountants' report.

***Capital reserve***

The capital reserve mainly represents the amount paid by shareholders for capital injection in excess of the nominal value of the share issued and the amount due to conversion to a joint stock company, eliminating the portion which was converted into share capital.

***Share-based payment reserve***

The share-based payments reserve is attributable to the fair value of share awards and/or option granted to the Group's employees, as further explained in the accounting policy for share-based payments in attributable to the fair value note 2.3 to the Historical Financial Information.

***Other reserves***

Other reserves primarily arise from equity transactions between the Group and non-controlling shareholders of the Group's subsidiaries.

### The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

| | Capital reserve | Share-based payment reserve | Retained profits/ (accumulated losses) | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 872,021 | 72,467 | (38,961) | 905,527 |
| Profit for the year | – | – | 10,527 | 10,527 |
| Total comprehensive income for the year | – | – | 10,527 | 10,527 |
| Capital injection from shareholders | 372,918 | – | – | 372,918 |
| Capital conversion from capital reserve | (359,102) | – | – | (359,102) |
| Conversion to a joint stock company | (36,236) | – | 36,236 | – |
| Share-based payment expenses | – | 1,450 | – | 1,450 |
| At 31 December 2023 | 849,601 | 73,917 | 7,802 | 931,320 |

| | Capital reserve | Share-based payment reserve | Fair value reserve of equity investments designated at fair value through other comprehensive income | Retained profits | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2024 | 849,601 | 73,917 | – | 7,802 | 931,320 |
| Profit for the year | – | – | – | 22,500 | 22,500 |
| Changes in fair value of equity investments at fair value through other comprehensive income, net of tax | – | – | 131 | – | 131 |
| Total comprehensive income for the year | – | – | 131 | 22,500 | 22,631 |
| Share-based payment expenses | – | 4,899 | – | – | 4,899 |
| At 31 December 2024 | 849,601 | 78,816 | 131 | 30,302 | 958,850 |

| | Capital reserve | Share-based payment reserve | Fair value reserve of equity investments designated at fair value through other comprehensive income | Retained profits | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2025 | 849,601 | 78,816 | 131 | 30,302 | 958,850 |
| Profit for the year | – | – | – | 32,468 | 32,468 |
| Changes in fair value of equity investments at fair value through other comprehensive income, net of tax | – | – | (4,865) | – | (4,865) |
| Total comprehensive income for the year | – | – | (4,865) | 32,468 | 27,603 |
| Capital injection from shareholders | 742,600 | – | – | – | 742,600 |
| Share-based payment expenses | – | 3,577 | – | – | 3,577 |
| At 31 December 2025 | 1,592,201 | 82,393 | (4,734) | 62,770 | 1,732,630 |

## 37. BUSINESS COMBINATION

**Acquisitions in 2024**

In October 2023, the Company entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 58.87% equity interest in Hangzhou Guan Tian at a consideration of RMB15,106,000. The purchase consideration for the acquisition was in the form of cash with RMB9,106,000 paid in 2023 and the remaining was paid in March 2024. The acquisition was completed on 28 February 2024.

In October 2023, the Company entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 100% equity interest in Beijing Zhi Yang at a consideration of RMB12,000,000. The acquisition was made as part of the Group's strategy to expand the market in operations management field. The purchase consideration for the acquisition was in the form of cash with RMB6,000,000 paid on 28 February 2024 and the remaining was paid in July 2024. The acquisition was completed on 28 February 2024.

In March 2024, Semi-Tech Technology Co., Ltd. entered into an equity transfer agreement, pursuant to which it agreed to acquire 51% equity interest in Suzhou Vida at a consideration of RMB15,300,000. The acquisition was made as part of the Group's strategy to expand the market in intelligent manufacturing software solutions field. The purchase consideration for the acquisition was in the form of cash paid by 15 April 2024. The acquisition was completed on 30 April 2024.

The fair values of the identifiable assets and liabilities of Hangzhou Guan Tian, Beijing Zhi Yang and Suzhou Vida as at the date of acquisition were as follows:

| | Fair value recognised on acquisition | | | |
|---|---|---|---|---|
| | Hangzhou Guan Tian | Beijing Zhi Yang | Suzhou Vida | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Property, plant and equipment | 303 | – | 897 | 1,200 |
| Other intangible assets | 326 | 51 | 166 | 543 |
| Right-of-use assets | 88 | 5 | 560 | 653 |
| Inventories | 2,538 | 4,560 | 9,174 | 16,272 |
| Contract assets | – | – | 424 | 424 |
| Trade and bills receivables | 594 | 21,193 | 1,334 | 23,121 |
| Prepayments, other receivables and other assets | 970 | 893 | 434 | 2,297 |
| Financial assets at fair value through profit or loss | – | – | 509 | 509 |
| Cash and cash equivalents | 8,094 | 1,149 | 5,984 | 15,227 |
| Trade and bills payables | (101) | (6,472) | (5,549) | (12,122) |
| Other payables and accruals | (3,174) | (13,862) | (8,507) | (25,543) |
| Interest-bearing bank borrowings | – | (17,724) | – | (17,724) |
| Lease liabilities | (219) | – | (552) | (771) |
| Tax payable | (15) | (45) | (234) | (294) |
| Total identifiable net assets at fair value | 9,404 | (10,252) | 4,640 | 3,792 |
| Non-controlling interests | 3,867 | – | 2,274 | 6,141 |
| Goodwill on acquisition | 9,569 | 22,252 | 12,934 | 44,755 |
| Satisfied by cash | 15,106 | 12,000 | 15,300 | 42,406 |

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

| | Hangzhou Guan Tian | Beijing Zhi Yang | Suzhou Vida | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash consideration | 15,106 | 12,000 | 15,300 | 42,406 |
| Less: | | | | |
| Cash to be paid in 2023 | (9,106) | – | – | (9,106) |
| Cash and bank balances acquired | (8,094) | (1,149) | (5,984) | (15,227) |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | (2,094) | 10,851 | 9,316 | 18,073 |
| Total net cash outflow | (2,094) | 10,851 | 9,316 | 18,073 |

Since the acquisition, the aforementioned subsidiaries contributed RMB112,340,000 to the Group's revenue and a net gain of RMB10,678,000 to the Group's profit or loss for the year ended 31 December 2024. Had the combination taken place at 1 January 2024, the revenue and profit of the Group would have been RMB510,849,000 and RMB71,914,000 respectively.

**Acquisitions in 2025**

(a) In April 2025, the Company entered into an equity transfer agreement pursuant to which it agreed to acquire a 51% equity interest in Beijing Huiliu for a total consideration of RMB30,000,000. The acquisition was made as part of the Group's strategy to expand the market in operations management software solutions field. The consideration was settled in cash, consisting of RMB25,000,000 for the equity acquisition and RMB5,000,000 as an additional capital contribution to Beijing Huiliu. As of 30 June 2025, the full amount of RMB30,000,000 had been fully settled. The acquisition was completed on 9 May 2025.

The fair values of the identifiable assets and liabilities of Beijing Huiliu as at the date of acquisition were as follows:

| | Fair value recognized on acquisition |
|---|---|
| | Beijing Huiliu |
| | *RMB'000* |
| Property, plant and equipment | 568 |
| Other intangible assets | 821 |
| Inventories | 7,361 |
| Trade and bills receivables | 12,364 |
| Prepayments, other receivables and other assets | 7,394 |
| Cash and cash equivalents | 4,528 |
| Trade and bills payables | (5,401) |
| Other payables and accruals | (13,199) |
| Interest-bearing borrowings | (9,800) |
| Tax payable | (456) |
| Total identifiable net assets at fair value | 4,180 |
| Non-controlling interests | 2,048 |
| Goodwill on acquisition | 27,868 |
| Satisfied by cash | 30,000 |

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

| | Beijing Huiliu |
|---|---|
| | *RMB'000* |
| Cash consideration | 30,000 |
| Less: | |
| Additional capital contribution | (5,000) |
| Cash and bank balances acquired | (4,528) |
| Total net cash outflow | 20,472 |

Since the acquisition, the aforementioned subsidiary contributed RMB46,359,000 to the Group's revenue and a net gain of RMB10,361,000 to the Group's profit or loss for the period ended 31 December 2025. Had the combination taken place at 1 January 2025, the revenue and profit of the Group would have been RMB740,946,000 and RMB71,260,000 respectively.

(b) In July 2025, Beijing Zhiyang entered into a business acquisition agreement pursuant to which it agreed to acquire the business of Beijing Guoxin Power Source Technology Development Co., Ltd. ("Beijing Guoxin") for a total consideration of RMB32,033,000 (tax-exclusive).

The fair values of the identifiable assets of a contractual rights in Beijing Guoxin as at the date of acquisition were as follows:

| | Fair value recognized on acquisition |
|---|---|
| | Beijing Guoxin |
| | *RMB'000* |
| Prepayments, other receivables and other assets | 2,170 |
| Total identifiable net assets at fair value | 2,170 |
| Goodwill on acquisition | 29,863 |
| Satisfied by cash | 16,410 |
| Unpaid amount | 15,623 |
| Total | 32,033 |

## 38. DISPOSAL OF SUBSIDIARIES

(a) In June 2023, the Group deregistered a subsidiary, namely Hainan Semi-Tech Technology Co., Ltd. without cash flow and gain or loss on disposal.

In January 2025, the Group deregistered two subsidiaries, namely Shanghai Bohui and Suzhou Shuling without cash flow and gain or loss on disposal.

In July 2025, the Group deregistered a subsidiary, namely Dalian Semi-Tech Technology Co., Ltd. without cash flow and gain or loss on disposal.

In August 2025, the Group deregistered a subsidiary, namely Changsha Semi-Tech Technology Co., Ltd. without cash flow and gain or loss on disposal.

In November 2025, the Group deregistered a subsidiary, namely Chongqing Semi-Tech Information Technology Co., Ltd. without cash flow and gain or loss on disposal.

(b) In June 2024, the Group entered into an agreement to dispose of a subsidiary, namely Suzhou Saiaote for a cash consideration of RMB1.

| | *Notes* | **As at 30 June** |
|---|---|---|
| | | **2024** |
| | | *RMB'000* |
| Net assets disposed of: | | |
| Inventories | | 3,322 |
| Trade receivables | | 169 |
| Prepayments, other receivables and other assets | | 2,457 |
| Cash and cash equivalents | | 6 |
| Other payables and accruals | | (4,157) |
| Subtotal | | 1,797 |
| Non-controlling interests | | (881) |
| Loss on disposal of a subsidiary | *6* | (916) |
| Satisfied by: | | |
| Cash | | – |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of such subsidiary is as follows:

| | *RMB'000* |
|---|---|
| Cash consideration received | – |
| Less: Cash and cash equivalents disposed of | (6) |
| Net inflow of cash and cash equivalents in respect of the disposal of the subsidiary | (6) |

* The consideration for the disposal of RMB1 settled in 2024.

(c) In June 2024, the Group entered into an agreement to dispose of a subsidiary, namely Shanghai Saixinli for a cash consideration of RMB6,120,000.

| | *Notes* | **As at 30 June** |
|---|---|---|
| | | **2024** |
| | | *RMB'000* |
| Net assets disposed of: | | |
| Inventories | | 36,911 |
| Trade receivables | | 2,730 |
| Prepayments, other receivables and other assets | | 5,561 |
| Cash and cash equivalents | | 193 |
| Deferred tax assets | | 28 |
| Trade payables | | (1,847) |
| Other payables and accruals | | (33,179) |
| Subtotal | | 10,397 |
| Non-controlling interests | | (5,095) |
| Gain on disposal of a subsidiary | *6* | 818 |
| Satisfied by: | | |
| Cash | | 6,120 |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of such subsidiary is as follows:

| | *RMB'000* |
|---|---|
| Cash consideration received | 6,120 |
| Less: Cash and cash equivalents disposed of | (193) |
| Net inflow of cash and cash equivalents in respect of the disposal of the subsidiary | 5,927 |

* The consideration for the disposal of RMB6,120,000 settled in 2024.

**39. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(a) Changes in liabilities arising from financing activities**

| | **Lease liabilities** |
|---|---|
| | *RMB'000* |
| At 1 January 2023 | 4,060 |
| New leases | 16,374 |
| Changes from financing cash flows | (3,459) |
| Exchange realignment | 10 |
| Interest expense | 292 |
| Lease modification/termination | (61) |
| At 31 December 2023 | 17,216 |

| | **Interest-bearing bank and other borrowings** | **Lease liabilities** |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| At 1 January 2024 | – | 17,216 |
| New leases | – | 2,307 |
| Changes from financing cash flows | 30,644 | (5,481) |
| Exchange realignment | – | 29 |
| Interest expense | 342 | 479 |
| Acquisition of subsidiaries | 17,724 | 771 |
| Lease modification/termination | – | (4,250) |
| At 31 December 2024 | 48,710 | 11,071 |

| | **Interest-bearing bank and other borrowings** | **Lease liabilities** |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| At 1 January 2025 | 48,710 | 11,071 |
| New leases | – | 1,432 |
| Changes from financing cash flows | 125,176 | (5,096) |
| Exchange realignment | – | (28) |
| Interest expense | 1,728 | 283 |
| Interest capitalization | 1,111 | – |
| Acquisition of subsidiaries | 9,800 | – |
| Lease modification/termination | – | (1,766) |
| At 31 December 2025 | 186,525 | 5,896 |

**(b) Total cash outflow for leases**

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

| | **As at 31 December** | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within operating activities | 6,222 | 7,718 | 8,894 |
| Within financing activities | 3,459 | 5,481 | 5,096 |
| Total | 9,681 | 13,199 | 13,990 |

## 40. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank loans are included in notes 31, respectively, to the historical financial information.

## 41. INVESTMENT IN SUBSIDIARIES

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Investments, at cost | 623,336 | 869,504 | 1,032,015 |

The Company's trade receivables, other receivables balances due from the subsidiaries and trade payable, other payables balances due to the subsidiaries are disclosed in note 43 to the financial statements.

The Company's subsidiaries as at the date of this report are disclosed in note 1 to the financial statements.

## 42. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Buildings | – | 5,259 | 169,211 |

## 43. RELATED PARTY TRANSACTIONS

### (1) Name and relationship of related parties

| Name | Relationship |
|---|---|
| Shanghai WeiMaiRui Technology Co., Ltd. (上海微邁睿科技有限公司) | Associate |
| Shanghai Xinli Electronic Technology Co., Ltd. (上海芯立電子科技有限公司) | Associate |
| Shanghai Saixinli Semiconductor Technology Co., Ltd. (上海賽芯立半導體科技有限公司) | Subsidiary of Shanghai Xinli Electronic Technology Co., Ltd. |
| Wuhan Kewei Information Technology Co., Ltd. (武漢可為信息科技有限公司) | Fellow Subsidiaries (Controlled by Mr. Li Gangjiang) |
| Guangdong Mediacom Technology Co., Ltd. (廣東美凱技術有限公司) | Fellow Subsidiaries (Controlled by Mr. Li Gangjiang) |
| Beijing Xinda Kechuang Technology Co., Ltd. (北京鑫達科創科技有限公司) | Fellow Subsidiaries (Controlled by Mr. Li Gangjiang) |
| MIN DONG SIK (閔東植) | Key management personnel |
| AI Stream Technology (HK) Co., Ltd. (慧流科技(香港)有限公司) | Controlled by key management personnel |
| Shanghai Weijucheng Enterprise Management Partnership Enterprise (Limited Partnership) (上海威聚程企業管理合夥企業(有限合夥)) | Controlled by key management personnel |

### (2) Related party transactions

The following transactions were carried out with related parties during the Relevant Periods:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Associates: | | | |
| Sales of products | – | 8,895 | 16,703 |
| Purchases of products | – | – | 24,336 |
| Fellow Subsidiaries: | | | |

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Provision of services | 221 | – | – |
| Purchases of products | – | 285 | 1,224 |
| Key Management Personnel: | | | |
| Rental of vehicles | 195 | 195 | 114 |

All these transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

**(3) Other transactions with related parties**

In April 2022, the Group made a 3.58% interest-bearing loan advance of RMB3,345,400 to Wuhan Kewei Information Technology Co., Ltd. for the purpose of the daily operation. During the year ended 31 December 2023, the principal and interest of the loan of RMB3,541,800 has been fully settled.

The Group's bank loans of RMB3,300,000 are secured by time deposits of RMB5,000,000 from AI Stream Technology (HK) Co., Ltd. As at 31 December 2025, the bank loan has been settled.

**(4) Outstanding balances with related parties**

**The Group**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Due from related parties:** | | | |
| **Trade in nature:** | | | |
| Associates | – | 10,453 | 6,936 |
| Fellow subsidiaries | 74 | 74 | – |
| Key management personnel | – | 100 | – |
| **Non-trade in nature:** | | | |
| Controlled by key management personnel | – | – | 2,000 |
| **Due to related parties:** | | | |
| **Trade in nature:** | | | |
| Associates | – | – | 27,500 |
| Fellow subsidiaries | – | 21 | 196 |
| Key management personnel | 96 | – | – |

**The Company**

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Due from related parties:** | | | |
| **Trade in nature:** | | | |
| Subsidiaries | 22,329 | 56,518 | 61,463 |
| Associates | – | 10,453 | – |
| Fellow subsidiaries | 74 | 74 | – |
| Key management personnel | – | 100 | – |
| **Non-trade in nature:** | | | |
| Subsidiaries | 73,529 | 60,324 | 163,633 |
| **Due to related parties:** | | | |
| **Trade in nature:** | | | |
| Subsidiaries | 47,565 | 69,069 | 130,733 |
| Associates | – | – | 27,500 |
| Fellow subsidiaries | – | 21 | – |
| Key management personnel | 96 | – | – |
| **Non-trade in nature:** | | | |
| Subsidiaries | 160,857 | 282,671 | 420,151 |

**(5) Compensation of key management personnel of the Group**

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Salaries, allowances and benefits in kind | 1,806 | 1,653 | 1,697 |
| Share-based payment expenses | – | 60 | 26 |
| Performance related bonuses | 52 | – | 69 |
| Pension scheme contributions | 74 | 86 | 55 |
| Total | 1,932 | 1,799 | 1,847 |

Further details of directors' and the chief executive's emoluments are included in note 10 to the historical financial information.

## 44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Financial assets at fair value through profit and loss:** | | | |
| Financial assets at fair value through profit and loss | 10,000 | 37,194 | 286,026 |
| **Financial assets at fair value through other comprehensive income:** | | | |
| Equity investments designated at fair value through other comprehensive income | 9,106 | 10,000 | 4,277 |
| Bills receivables | 3,232 | 1,652 | 1,477 |
| **Financial assets at amortised cost:** | | | |
| Trade receivables | 78,202 | 197,501 | 337,687 |
| Financial assets included in prepayments, other receivables and other assets | 38,661 | 12,221 | 13,429 |
| Other financial assets at amortised cost | – | 610,671 | 532,543 |
| Cash and cash equivalents | 823,064 | 135,429 | 408,026 |
| Time deposits | – | – | 280,020 |
| Restricted cash | 779 | 30,295 | 13,559 |
| **Financial liabilities at amortised cost:** | | | |
| Trade and bills payables | 21,237 | 70,836 | 192,716 |
| Financial liabilities included in other payables and accruals | 2,925 | 30,532 | 104,263 |
| Interest-bearing bank and other borrowings | – | 48,710 | 186,525 |
| Lease liabilities | 17,216 | 11,071 | 5,896 |

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

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

| | Carrying amounts | | | Fair values | | |
|---|---|---|---|---|---|---|
| | As at 31 December | | | As at 31 December | | |
| | 2023 | 2024 | 2025 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Financial assets | | | | | | |
| Financial assets at fair value through profit or loss | 10,000 | 37,194 | 286,026 | 10,000 | 37,194 | 286,026 |
| Financial assets designated at fair value through other comprehensive income | 9,106 | 10,000 | 4,277 | 9,106 | 10,000 | 4,277 |
| Total | 19,106 | 47,194 | 290,303 | 19,106 | 47,194 | 290,303 |

Financial assets not presented at fair value in the statement of financial position mainly represent "cash and cash equivalents", "restricted cash", "trade receivables", "prepayments, other receivables and other assets" and "other financial assets at amortised cost" measured at amortised cost. Liabilities not presented at fair value in the statement of financial position mainly represent "trade and bills payables", "other payables and accruals" and "interest-bearing bank and other borrowings" measured at amortised cost.

Other than the above, the difference between the carrying amounts and fair values of those financial assets and liabilities not presented at their fair value in the statement of financial position as at 31 December 2023,2024 and 2025 was insignificant. Fair value is measured using a discounted cash flow model.

For unlisted equity investments, the Group adopts significant judgements and applies counterparties' quotations and valuation techniques to determine the fair value. The valuation techniques employed are based on market-based approaches. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount, volatility and market multiples. However, the fair value of unlisted equity investments is not significantly sensitive to a reasonable change in these unobservable inputs. The Group has established relevant internal control procedures to monitor its exposure to such financial instruments.

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

**Assets and liabilities measured at fair value:**

***As at 31 December 2023***

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | – | 10,000 | – | 10,000 |
| Financial assets designated at fair value through other comprehensive income | – | 9,106 | – | 9,106 |
| Bills receivables | – | 3,232 | – | 3,232 |
| Total | – | 22,338 | – | 22,338 |

***As at 31 December 2024***

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Financial assets at fair value through profit or loss | – | 20,154 | 17,040 | 37,194 |
| Financial assets designated at fair value through other comprehensive income | – | 10,000 | – | 10,000 |
| Bills receivables | – | 1,653 | – | 1,653 |
| Total | – | 31,807 | 17,040 | 48,847 |

***As at 31 December 2025***

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Financial assets at fair value through profit or loss | 145,076 | 110,923 | 30,027 | 286,026 |
| Financial assets designated at fair value through other comprehensive income | – | – | 4,277 | 4,277 |
| Bills receivables | – | 1,477 | – | 1,477 |
| Total | 145,076 | 112,400 | 34,304 | 291,780 |

The movements in fair value measurements within Level 3 during the year are as follows:

| | 2024 |
|---|---|
| | *RMB'000* |
| **Unlisted equity investments at fair value through profit and loss** | |
| At 1 January | – |
| Transfer | 10,000 |
| Changes in fair value | 7,040 |
| At 31 December | 17,040 |

| | 2025 |
|---|---|
| | *RMB'000* |
| **Unlisted equity investments at fair value through profit and loss** | |
| At 1 January | 17,040 |
| Transfer | 20,154 |
| Changes in fair value | (2,890) |
| At 31 December | 34,404 |

**Assets for which fair values are disclosed:**

***As at 31 December 2024***

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Other financial assets at amortised cost, non-current portion | – | 311,954 | – | 311,954 |

***As at 31 December 2025***

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Other financial assets at amortised cost, non-current portion | – | 82,653 | – | 82,653 |

**Liabilities for which fair values are disclosed:**

***As at 31 December 2025***

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest-bearing bank and other borrowings | – | 89,466 | – | 89,466 |

## 46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, lease liabilities , and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

**(a) Foreign currency risk**

The Group has transactional currency exposures during the years ended 31 December 2023, 2024 and 2025. Such exposures mainly arise from SGD, USD, HKD, JPY and MYR held by the Group. The risk exposure amount corresponding to foreign currency risk is not significant.

**(b) Credit risk**

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

***Maximum exposure and year-end staging***

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk.

As at 31 December 2023

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Restricted cash | 779 | – | – | – | 779 |
| Cash and cash equivalents | 823,064 | – | – | – | 823,064 |
| Trade and bills receivables | – | – | 408 | 82,387 | 82,795 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| – Normal | 39,130 | – | – | – | 39,130 |
| Contract assets | – | – | – | 9,086 | 9,086 |
| Total | 862,973 | – | 408 | 91,473 | 954,854 |

As at 31 December 2024

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Restricted cash | 30,295 | – | – | – | 30,295 |
| Cash and cash equivalents | 135,429 | – | – | – | 135,429 |
| Trade and bills receivables | – | – | 408 | 200,631 | 201,039 |
| Other financial assets at amortised cost (current portion) | 298,717 | – | – | – | 298,717 |
| Other financial assets at amortised cost | 311,954 | – | – | – | 311,954 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| – Normal | 12,341 | – | – | – | 12,341 |
| Contract assets | – | – | – | 15,452 | 15,452 |
| Total | 788,736 | – | 408 | 216,083 | 1,005,227 |

As at 31 December 2025

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Restricted cash | 13,559 | – | – | – | 13,559 |
| Cash and cash equivalents | 408,026 | – | – | – | 408,026 |
| Trade and bills receivables | – | – | 408 | 346,538 | 346,946 |
| Other financial assets at amortised cost (current portion) | 449,890 | – | – | – | 449,890 |
| Other financial assets at amortised cost | 82,653 | – | – | – | 82,653 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| - Normal | 13,640 | – | – | – | 13,640 |
| Contract assets | – | – | – | 25,715 | 25,715 |
| Total | 967,768 | – | 408 | 372,253 | 1,340,429 |

(i) For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 23 and 24 to the Historical Financial Information, respectively.

(ii) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

**(c) Liquidity risk**

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operation and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

| | As at 31 December 2023 | | | |
|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bills payables | 21,237 | – | – | 21,237 |
| Financial liabilities included in other payables and accruals | 2,925 | – | – | 2,925 |
| Lease liabilities | 5,703 | 5,462 | 7,088 | 18,253 |
| Total | 29,865 | 5,462 | 7,088 | 42,415 |

| | As at 31 December 2024 | | | |
|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bills payables | 70,836 | – | – | 70,836 |
| Financial liabilities included in other payables and accruals | 30,532 | – | – | 30,532 |
| Interest-bearing bank and other borrowings (current portion) | 49,404 | – | – | 49,404 |
| Lease liabilities | 5,391 | 3,442 | 2,706 | 11,539 |
| Total | 156,163 | 3,442 | 2,706 | 162,311 |

| | As at 31 December 2025 | | | | |
|---|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 2 to 5 years | Over 5 years | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bills payables | 192,716 | – | – | – | 192,716 |
| Financial liabilities included in other payables and accruals | 96,600 | 8,195 | – | – | 104,795 |
| Interest-bearing bank and other borrowings (current portion) | 97,429 | – | – | – | 97,429 |
| Interest-bearing bank and other borrowings (non-current portion) | 2,371 | 2,371 | 10,573 | 94,309 | 109,624 |
| Lease liabilities | 3,299 | 2,732 | 55 | – | 6,086 |
| Total | 392,415 | 13,298 | 10,628 | 94,309 | 510,650 |

**(d) Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or [**REDACTED**]. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes provision, lease liabilities, tax payable, trade payables, and certain other payables and accruals, less cash and cash equivalents.

| | As at 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Provision | 9,164 | 11,147 | 13,566 |
| Interest-bearing bank and other borrowings | – | 48,710 | 186,525 |
| Lease liabilities | 17,216 | 11,071 | 5,896 |
| Tax payable | 955 | 875 | 15 |
| Trade and bills payables | 21,237 | 70,836 | 192,716 |
| Other payables and accruals | 46,505 | 64,488 | 139,672 |
| Less: cash and cash equivalents | (823,064) | (135,429) | (408,026) |
| Net debt | (727,987) | 71,698 | 130,364 |
| Total equity | 1,227,275 | 1,305,958 | 2,161,055 |
| Capital and net debt | 499,288 | 1,377,656 | 2,291,419 |
| Gearing ratio | N/A | 5% | 6% |

## 47. EVENTS AFTER THE RELEVANT PERIODS

No significant events have occurred in respect of any period subsequent to 31 December 2025.

## 48. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.