ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN IMAGE TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of Shenzhen Image Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[•] to I-[•], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended December 31, 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 December 31, 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 I-[•] to I-[•] 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 [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 December 31, 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 Listing 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 I-[•] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[•]
Certified Public Accountants
Hong Kong
[REDACTED]

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 Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the 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

	Notes	Year ended December 31 2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000*
REVENUE	5	339,787	475,910	763,697
Cost of sales		(193,984)	(256,126)	(431,594)
Gross profit		145,803	219,784	332,103
Other income and gains	6	35,444	26,535	34,951
Selling and marketing expenses		(30,543)	(35,939)	(42,094)
Administrative expenses		(22,143)	(25,198)	(31,361)
Research and development expenses		(43,877)	(45,894)	(53,149)
Impairment losses on financial assets and contract assets under expected credit loss model ("**ECL**"), net		(6,075)	(9,988)	(4,811)
Other expenses	9	(412)	(355)	(3,782)
Finance costs	8	(1,196)	(816)	(514)
PROFIT BEFORE TAX	7	77,001	128,129	231,343
Income tax expense	12	(7,096)	(14,178)	(28,975)
PROFIT FOR THE YEAR		69,905	113,951	202,368
Attributable to:				
Owners of the parent		69,905	113,951	202,368
OTHER COMPREHENSIVE INCOME				
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		(62)	(168)	(1,876)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		(62)	(168)	(1,876)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		69,843	113,783	200,492
Attributable to:				
Owners of the parent		69,843	113,783	200,492
		69,843	113,783	200,492
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14			
Basic and diluted (RMB per share)		1.55	2.53	4.50

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	15	13,775	10,605	14,894
Contract assets	20	1,026	1,397	569
Right-of-use assets	16	19,435	11,572	11,689
Trade and bills receivables	18	7,938	8,186	11,824
Deferred tax assets	27	5,656	10,638	11,427
Prepayments, other receivables and other assets	19	3,520	3,429	4,390
Total non-current assets		51,350	45,827	54,793
CURRENT ASSETS				
Inventories	17	274,512	355,659	469,513
Trade and bills receivables	18	210,253	294,366	370,791
Contract assets	20	4,672	4,646	6,869
Prepayments, other receivables and other assets	19	19,791	20,140	27,866
Cash and cash equivalents	22	172,299	208,387	362,969
Total current assets		681,527	883,198	1,238,008
CURRENT LIABILITIES				
Trade payables	23	104,640	149,762	252,625
Contract liabilities	24	68,848	123,177	147,836
Other payables and accruals	26	41,004	51,534	101,113
Lease liabilities	16	8,663	7,249	7,121
Income tax payable		4,856	10,211	18,133
Provisions	25	4,072	6,330	11,857
Total current liabilities		232,083	348,263	538,685
NET CURRENT ASSETS		449,444	534,935	699,323
TOTAL ASSETS LESS CURRENT LIABILITIES		500,794	580,762	754,116
NON-CURRENT LIABILITIES				
Lease liabilities	16	13,548	5,995	5,261
Total non-current liabilities		13,548	5,995	5,261
Net assets		487,246	574,767	748,855
EQUITY				
Equity attributable to owners of the parent				
Share capital	28	45,000	45,000	45,000
Reserves	30	442,246	529,767	703,855
Total equity		487,246	574,767	748,855

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2023

	Attributable to owners of the parent						
	Share capital *RMB'000* *(note 28)*	**Capital reserve** *RMB'000* *(note 30)*	**Share-based payment reserve** *RMB'000* *(note 29)*	**Exchange fluctuation reserve** *RMB'000*	**Statutory Reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total equity** *RMB'000*
At January 1, 2023	45,000	102,576	10,554	—	22,500	263,180	443,810
Profit for the year	—	—	—	—	—	69,905	69,905
Exchange differences on translation of foreign operations	—	—	—	(62)	—	—	(62)
Total comprehensive income for the year	—	—	—	(62)	—	69,905	69,843
Dividends declared	—	—	—	—	—	(30,000)	(30,000)
Share-based payment compensation	—	—	3,593	—	—	—	3,593
At December 31, 2023	45,000	102,576*	14,147*	(62)*	22,500*	303,085*	487,246

Year ended December 31, 2024

	Attributable to owners of the parent						
	Share capital *RMB'000* *(note 28)*	**Capital reserve** *RMB'000* *(note 30)*	**Share-based payment reserve** *RMB'000* *(note 29)*	**Exchange fluctuation reserve** *RMB'000*	**Statutory Reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total equity** *RMB'000*
At January 1, 2024	45,000	102,576	14,147	(62)	22,500	303,085	487,246
Profit for the year	—	—	—	—	—	113,951	113,951
Exchange differences on translation of foreign operations	—	—	—	(168)	—	—	(168)
Total comprehensive income for the year	—	—	—	(168)	—	113,951	113,783
Dividends declared	—	—	—	—	—	(30,000)	(30,000)
Share-based payment compensation	—	—	3,738	—	—	—	3,738
At December 31, 2024	45,000	102,576*	17,885*	(230)*	22,500*	387,036*	574,767

Year ended December 31, 2025

	Attributable to owners of the parent						
	Share capital *RMB'000* *(note 28)*	**Capital reserve** *RMB'000* *(note 30)*	**Share-based payment reserve** *RMB'000* *(note 29)*	**Exchange fluctuation reserve** *RMB'000*	**Statutory Reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total equity** *RMB'000*
At January 1, 2025	45,000	102,576	17,885	(230)	22,500	387,036	574,767
Profit for the year	—	—	—	—	—	202,368	202,368
Exchange differences on translation of foreign operations	—	—	—	(1,876)	—	—	(1,876)
Total comprehensive income for the year	—	—	—	(1,876)	—	202,368	200,492
Dividends declared	—	—	—	—	—	(30,000)	(30,000)
Share-based payment compensation	—	—	3,596	—	—	—	3,596
At December 31, 2025	45,000	102,576*	21,481*	(2,106)*	22,500*	559,404*	748,855

* These reserve accounts comprise total reserve of RMB442,246,000, RMB529,767, RMB703,855,000 in the consolidated statements of financial position as at December 31, 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		77,001	128,129	231,343
Adjustment for:				
Finance costs	8	1,196	816	514
Bank interest income	6	(6,259)	(6,255)	(8,747)
Depreciation of property, plant and equipment	7	4,120	4,253	3,757
Depreciation of right-of-use assets	7	8,130	8,029	7,585
Write-down of inventories to net realisable value	7	4,360	2,578	8,000
Impairment of financial assets and contract assets, net	7	6,075	9,988	4,811
Loss on disposal of property, plant and equipment, and right-of-use assets	7	—	105	—
Foreign exchange differences, net		(3,889)	(5,047)	2,744
Share-based payment compensation	29	3,593	3,738	3,596
		94,327	146,334	253,603
Increase in inventories		(40,870)	(83,725)	(121,854)
Increase in trade and bills receivables		(38,682)	(180,390)	(192,660)
Increase in contract assets		(2,701)	(393)	(1,463)
Increase in prepayments, other receivables and other assets		(7,992)	(193)	(8,199)
Increase in trade payables		97,778	134,237	207,395
(Decrease)/increase in other payables and accruals		(25,506)	10,532	22,573
Increase in contract liabilities		3,078	54,329	24,659
(Decrease)/increase in provision		(544)	2,258	5,527
Cash generated from operations		78,888	82,989	189,581
Interest received		6,259	6,255	8,747
Income tax paid		(24,629)	(13,805)	(21,842)
Net cash flows from operating activities		60,518	75,439	176,486
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(4,166)	(1,883)	(8,557)
Net cash flows used in investing activities		(4,166)	(1,883)	(8,557)

	Notes	Year ended December 31 **2023** *RMB'000*	**2024** *RMB'000*	**2025** *RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal portion of lease payments	16	(9,760)	(9,325)	(9,078)
Dividends paid	13	(30,000)	(30,000)	(2,993)
Net cash flows used in financing activities		(39,760)	(39,325)	(12,071)
NET INCREASE IN CASH AND CASH EQUIVALENTS		16,592	34,231	155,858
Cash and cash equivalents at beginning of year		154,070	172,299	208,387
Effect of foreign exchange rate changes, net		1,637	1,857	(1,276)
CASH AND CASH EQUIVALENTS AT END OF YEAR		172,299	208,387	362,969

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	15	6,127	4,244	3,212
Contract assets	20	1,026	1,397	413
Right-of-use assets	16	11,454	7,084	3,220
Trade and bills receivables	18	5,889	6,474	6,447
Investment in subsidiaries	21	62,692	64,555	66,417
Prepayments, other receivables and other assets	19	1,542	1,541	1,542
Deferred tax assets	27	2,938	4,021	5,332
Total non-current assets		91,668	89,316	86,583
CURRENT ASSETS				
Inventories	17	169,204	226,034	252,048
Trade and bills receivables	18	165,800	220,005	318,483
Contract assets	20	3,712	3,762	5,127
Prepayments, other receivables and other assets	19	12,204	10,226	19,352
Cash and cash equivalents	22	94,200	75,379	118,774
Total current assets		445,120	535,406	713,784
CURRENT LIABILITIES				
Trade payables	23	105,709	132,431	209,958
Contract liabilities	24	59,674	70,582	80,072
Other payables and accruals	26	32,418	39,713	79,482
Lease liabilities	16	4,348	4,368	2,742
Income tax payable		4,780	2,097	2,352
Provisions	25	2,674	3,108	5,549
Total current liabilities		209,603	252,299	380,155
NET CURRENT ASSETS		235,517	283,107	333,629
TOTAL ASSETS LESS CURRENT LIABILITIES		327,185	372,423	420,212
NON-CURRENT LIABILITIES				
Lease liabilities	16	8,437	3,893	817
Total non-current liabilities		8,437	3,893	817
Net assets		318,748	368,530	419,395
EQUITY				
Equity attributable to owners of the parent				
Share capital	28	45,000	45,000	45,000
Reserves	30	273,748	323,530	374,395
Total equity		318,748	368,530	419,395

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Shenzhen Image Technology Co., Ltd. (the "**Company**") is incorporated as a limited liability company in the People's Republic of China ("**PRC**") in October 2008 and was converted into a joint stock company in October 2020. The registered office of the Company is located at Room 201, 2nd, 3rd & 4th Floors, No.2 Workshop, Intersection of Tantou Shubiankeng Road and Songgang Boulevard, Tantou Community, Songgang Sub-district, Bao'an District, Shenzhen City, Guangdong province, China.

During the Relevant Periods, the Company and its subsidiaries (collectively the "**Group**") were involved in the research, manufacturing and sale of optical inspection equipment and electrical testing equipment of printed circuit board ("**PCB**").

Pursuant to the 2026 acting-in-concert agreement, Mr. Wu Linquan and Mr. Lin Yonghua agreed to act in concert in exercising the voting rights attached to the shares of the Company held directly and indirectly by them in relation to matters at the shareholders' meeting. As of the date of this report, Mr. Wu Linquan, Mr. Lin Yonghua, Shenzhen Haokaiyi Industrial Co., Ltd., Shenzhen Heyangsheng Investment Co., Ltd. and Shenzhen Huakaijun Investment Enterprise (General Partnership) as a group of the controlling shareholders of the Group were collectively entitled to control the voting rights attaching to approximately 84.85% of the total issued shares of the Company.

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 major subsidiaries are set out below:

Name	Place and date of establishment and place of operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shenzhen Kaima Times Technology Co., Ltd.* (深圳市凱碼時代科技有限公司) *(note a)*	Chinese mainland April 12, 2010	RMB10,000,000	100%	—	Research and development, manufacturing and trading of equipment
Hong Kong IMAGE Technology Co., Limited* (香港宜美智科技股份有限公司) *(note b)*	Hong Kong June 6, 2023	HK$3,500,000	100%	—	Trading of equipment

Notes:

* The English names of the above company registered in the PRC represents the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.

(a) The entity's statutory financial statements for the years ended December 31, 2023 and 2024, prepared in accordance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance, were audited by Shenzhen Tianda Lianhe Certified Public Accountants (深圳天大聯合會計師事務所), certified public accountants firm registered in the PRC. As at the date of this report, no audited financial statements have been prepared for these entities for the years ended December 31, 2025.

(b) The statutory financial statements of this entity for the year ended December 31, 2023 and 2024 prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standard were audited by Brilliance Man&Co. CPA Limited, certified public accountants registered in Hong Kong. As at the date of this report, no audited financial statements have been prepared for these entities for the years ended December 31, 2025.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which has been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries (collectively referred to as the "**Group**") 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.

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 IFRS ACCOUNTING STANDARDS

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its* Associate or Joint Venture[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 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 a detailed assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

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 the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a 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.

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 the Relevant Periods 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:

Electronic equipment and others	19.2% to 31.67%
Machinery	9.6% to 31.67%
Motor vehicles	23.75%
Leasehold improvement	Over the shorter of the remaining lease terms and estimated useful lives

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.

Research and development costs

All research costs are charged to the statement of 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:

Buildings	2 to 7 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, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. 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 machinery and equipment and employee dormitory (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). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets 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 IFRS 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.

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 the statement of profit or loss.

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 expected 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 considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

Debt investments at fair value through other comprehensive income and 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 and contract assets 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, 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, payables, as appropriate.

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

The Group's financial liabilities include trade and bills payables and other payables.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and bills payables and other payables and accruals)

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. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. 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.

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 each of Relevant Periods 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 equipment for general repairs of defects occurring during the warranty period. 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 each of Relevant Periods, 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 each of Relevant Periods 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, 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 carryforward 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 carryforward 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, 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 the Relevant Periods 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 the Relevant Periods 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 Relevant Periods.

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 IFRS 15.

(a) Sale of equipment

Sale of equipment mainly include sale of optical inspection equipment and electrical testing equipment. Revenue from the sale of equipment is recognised at the point in time when control of the goods is transferred to the customer, which is generally upon completion of installation, commissioning and acceptance tests, as agreed in the sales contracts.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. The Group has not provided any additional services or product quality warranty, so the product quality warranty does not constitute a separate performance obligation.

(b) Maintenance service and related sales

Maintenance service mainly include rendering after-sales service and sales of maintenance spare parts. The Group provides after-sales services to customers, including repair and maintenance. Revenue from after-sales services is recognised on a straight-line basis over the contract. Revenue from the sale of maintenance spart parts is recognised at the point in time when control of the goods is transferred to the customer, which are generally on delivery of the goods as agreed in the sales contracts.

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.

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 costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, 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 restricted shares schemes. Employees 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 cost of equity-settled transactions is recognised in employee benefit expense, 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 of Relevant Periods 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 taken into account 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 restricted shares 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.

Other employee benefits

Pension scheme

The employees of the Company and Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and these subsidiaries are required to contribute a certain proportion of its 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. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

Housing fund and other social insurances — Chinese mainland

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 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's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

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 its Historical Financial Information. The Group will adjust the amounts recognised in its 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 its 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 Historical Financial Information 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 each of Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of each of Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the 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:

Research and development costs

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.

Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

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 differences 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.

The Group had unrecognised deferred tax assets in respect of tax losses and deductible temporary differences. These tax losses and deductible temporary differences related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses and deductible temporary differences as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward and deductible temporary differences. Further details on deferred taxes are disclosed in note 27 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the each of 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.

Inventory provision determined on net realisable value

According to the inventory accounting policy, the Group measures the inventory at the lower of cost and net realisable value, and makes inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than their net realisable value. At the end of each of Relevant Periods, the Group reviews whether individual inventory items are obsolete or stagnant and whether their net realisable value is lower than their cost. The impairment of inventory is based on the assessment of the inventory's merchantability and its net realisable value. Identification of inventory impairment requires management to make judgements and estimates based on solid evidence and factors such as the purpose of holding the inventory and the impact of events after the end of each of Relevant Periods. The difference between the actual result and the original estimate will affect the carrying amount of inventories and the accrual or reversal of inventory provision during the period in which the estimate is changed.

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

The Group performed individual assessment on certain customers. These evaluations focused on the customer's settlement history and current and future ability to pay, and took into account the information specific to the customer as well as pertaining to the current and future economic environment in which the customer operates.

The Group uses a provision matrix to calculate ECLs for the remaining trade receivables and bills receivables and contract assets. The provision rates are based on days past due 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 product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing 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 the customer's current and future ability to pay and 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 bills receivables and contract assets is disclosed in note 18 and note 20 to the Historical Financial Information, respectively.

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 (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Valuation of the share-based payment

The fair value for the restricted shares is established by using valuation techniques. The valuation model is sensitive to changes in certain key inputs including terminal growth rate and risk-free rate that require significant management estimates. Any changes in the estimates and assumptions will affect the fair values of the restricted shares. The details of share-based payment is disclosed in note 29.

For management purposes, the Group has only one reportable operating segment. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in one single operating segment, i.e., research, manufacturing and trading of manufacturing equipment of optical inspection and electrical testing. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the board of directors of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	321,037	445,485	630,122
Other countries/region	18,750	30,425	133,575
Total revenue	339,787	475,910	763,697

(b) Non-current assets

The geographical information of non-current assets is not presented as more than 95% of the non-current assets of the Group are located in Chinese mainland.

Information about major customers

Revenue from the major customers which amounted to 10% or more of the Group's revenue is set out below:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	N/A*	104,612	131,180
Customer B	N/A*	59,436	N/A*
Customer C	N/A*	N/A*	87,790

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE

All revenue stems from contracts with customers during all Relevant Periods.

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sale of equipment	302,057	436,143	719,541
Maintenance service and related sales	37,730	39,767	44,156
Total	339,787	475,910	763,697
Geographical markets			
Chinese mainland	321,037	445,485	630,122
Other countries/regions	18,750	30,425	133,575
Total	339,787	475,910	763,697
Times of revenue recognition			
Goods transferred at a point in time	330,454	462,007	749,480
Services transferred over time	9,333	13,903	14,217
Total	339,787	475,910	763,697

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

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year:	54,777	60,464	101,019

(b) Performance obligations

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

Sale of equipment

The performance obligation is satisfied upon delivery of the equipment and completion of installation and customer acceptance. Payment is generally due in instalments within one year upon customer acceptance, except for certain customers, where payment in advance is normally required.

Maintenance services and related sales

The performance obligation of maintenance services is satisfied over time as services are rendered. Maintenance service contracts normally are billed on a quarterly or monthly basis subject to the terms stipulated in service agreements. The performance obligation of sales of maintenance spare parts is satisfied upon delivery of the maintenance spare parts and payment is generally due within 30 to 60 days from delivery.

All the amounts of transaction prices allocated to the performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

An analysis of other income and gains, net, is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants*	26,876	17,011	25,613
Bank interest income	6,259	6,255	8,747
Others	118	246	591
Total other income	33,253	23,512	34,951
Gains			
Foreign exchange gain, net	2,191	3,023	—
	35,444	26,535	34,951

* Government grants related to income that is received or receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period upon actual receipt. There are no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT BEFORE TAX

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

		Year ended December 31		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold*		170,099	235,385	398,608
Cost of services provided*		19,525	18,163	24,986
Depreciation of property, plant and equipment**	15	4,120	4,253	3,757
Depreciation of right-of-use assets**	16(a)	8,130	8,029	7,585
Research and development costs***		43,877	45,894	53,149
Employee benefit expense (excluding directors' and supervisors' remuneration *(note 10)*):				
Wages and salaries		82,571	99,648	132,251
Pension scheme contributions		2,052	3,497	6,234
Equity-settled share based payment expense		3,363	3,508	3,366
Foreign exchange differences, net		(2,191)	(3,023)	3,344
Impairment of financial and contract assets	20	45	48	68
Impairment of trade receivables and bills receivables	18	6,028	9,934	4,720
Impairment of financial assets included in prepayments, other receivables and other assets		2	6	23
		6,075	9,988	4,811
Write-down of inventories to net realisable value*		4,360	2,578	8,000
Product warranty provision	25	4,231	7,346	14,032
Expense relating to short-term leases and low-value assets	16(c)	194	135	338
Auditor's remuneration		181	190	477
Bank interest income	6	(6,259)	(6,255)	(8,747)
Loss on disposal of property, plant and equipment and right-of-use assets	9	—	105	—

* Cost of inventories sold, cost of services provided and write-down of inventories to net realisable value for the Relevant Periods are included in "Cost of sales" in profit or loss.

** The depreciation of property, plant and equipment, and right-of-use assets for the Relevant Periods are included in "Cost of sales", "Administrative expenses", "Selling and marketing expenses" and "Research and development expenses" in profit or loss.

*** Research and development expenses include expenses relating to depreciation of property, plant and equipment and right-of-use assets, and employee benefit expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	1,196	816	514

9. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Foreign exchange loss, net	—	—	3,344
Loss on disposal of property, plant and equipment and right-of-use assets	—	105	—
Non-operating expense	412	250	438
Total	412	355	3,782

10. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the Relevant Periods, is as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fees	120	120	120
Other emoluments:			
Salaries, allowances and benefits in kind	4,369	5,917	6,242
Share-based payment compensation	230	230	230
Pension scheme contributions	117	126	147
Subtotal	4,716	6,273	6,619
Total	4,836	6,393	6,739

During the Relevant Periods, supervisors were granted share awards, in respect of their services to the Group, under the restricted share incentive plan of the Group, further details of which are included in the disclosures in note 29 to the Historical Financial Information. The fair value of such restricted share awards, which has been recognised in profit or loss over the vesting period, 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 remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Gong Qichun (i)	60	60	60
Ye Xiaodong (ii)	60	60	60
Total	120	120	120

(i) Mr. Gong Qichun was appointed as an independent non-executive director of the Company with effect from November 13, 2020.

(ii) Mr. Ye Xiaodong was appointed as independent non-executive directors of the Company with effect from November 13, 2020. He resigned as an independent non-executive director of the Company on March 23, 2026. Mr. Xiang Baichun and Ms. Luobaiyun were subsequently appointed as independent non-executive directors of the Company with effect from March 23, 2026.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors and supervisors

Year ended December 31, 2023

	Salaries, allowances and benefits in kind *RMB'000*	**Performance related bonuses** *RMB'000*	**Share-based payment compensation** *RMB'000*	**Pension scheme contributions** *RMB'000*	**Total remuneration** *RMB'000*
Executive directors:					
Lin Yonghua (i)	824	524	—	25	1,373
Wu Linquan (ii)	824	524	—	25	1,373
Chen Shengpeng (iii)	499	178	—	25	702
Subtotal	2,147	1,226	—	75	3,448
Supervisors:					
Lin Hui (iv)	149	12	20	8	189
Wang Zhenghua (iv)	352	221	166	17	756
He Yanfang (iv)	152	110	44	17	323
Subtotal	653	343	230	42	1,268
Total	2,800	1,569	230	117	4,716

Year ended December 31, 2024

	Salaries, allowances and benefits in kind *RMB'000*	**Performance related bonuses** *RMB'000*	**Share-based payment compensation** *RMB'000*	**Pension scheme contributions** *RMB'000*	**Total remuneration** *RMB'000*
Executive directors:					
Lin Yonghua (i)	1,464	524	—	26	2,014
Wu Linquan (ii)	1,464	524	—	26	2,014
Chen Shengpeng (iii)	712	144	—	26	882
Subtotal	3,640	1,192	—	78	4,910
Supervisors:					
Lin Hui (iv)	148	32	20	10	210
Wang Zhenghua (iv)	345	240	166	19	770
He Yanfang (iv)	170	150	44	19	383
Subtotal	663	422	230	48	1,363
Total	4,303	1,614	230	126	6,273

Year ended December 31, 2025

	Salaries, allowances and benefits in kind *RMB'000*	**Performance related bonuses** *RMB'000*	**Share-based payment compensation** *RMB'000*	**Pension scheme contributions** *RMB'000*	**Total remuneration** *RMB'000*
Executive directors:					
Lin Yonghua (i)	1,468	525	—	30	2,023
Wu Linquan (ii)	1,468	525	—	30	2,023
Chen Shengpeng (ii)	713	144	—	29	886
Subtotal	3,649	1,194	—	89	4,932
Supervisors:					
Lin Hui (iv)	171	70	20	14	275
Wang Zhenghua (iv)	348	398	166	22	934
He Yanfang (iv)	187	225	44	22	478
Subtotal	706	693	230	58	1,687
Total	4,355	1,887	230	147	6,619

(i) Mr. Lin Yonghua was appointed as an executive director of the Company with effect from November 13, 2020. He also serves as the chief executive officer of the Company.

(ii) Mr. Wu Linquan and Mr. Chen Shengpeng were appointed as executive directors of the Company with effect from November 13, 2020.

(iii) Ms. Luo Zhaohui was appointed as executive Director and employee representative Director of the Company on March 23, 2026.

(iv) Mr. Lin Hui, Mr. Wang Zhenghua and Ms. He Yanfang were appointed as supervisors of the Company with effect from November 13, 2020.

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended December 31, 2023, 2024 and 2025 included 2, 3 and 2 directors of the Company, respectively, details of whose remuneration are set out in note 10 to the Historical Financial Information above. Details of the remuneration for the remaining highest paid employees during the Relevant Periods are as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,637	1,976	3,344
Share-based payment compensation	523	358	523
Pension scheme contributions	35	26	64
Total	3,195	2,360	3,931

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

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
HK$500,000 to HK$1,000,000	2	—	—
HK$1,000,000 to HK$1,500,000	1	2	3
Total	3	2	3

During the Relevant Periods, certain non-director and non-chief executive highest paid employees were granted share awards, in respect of their services to the Group, under the restricted share incentive plan of the Group, further details of which are included in the disclosures in note 29 to the Historical Financial Information. The fair value of such restricted share awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information during the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

12. INCOME TAX

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 operate.

Chinese mainland

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% during the Relevant Periods unless subject to tax concession set out below.

According to the Administrative Measures for Determination of High and New Tech Enterprises, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and became effective on January 1, 2016, an enterprise recognised as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law. The Company and SHENZHEN KAIMA TIMES TECHNOLOGY CO.;LTD are subject to a preferential income tax rate of 15% during the Relevant Periods.

Additional deduction for research and development expenses

According to the Public Notice 2023 No.7 issued by the State Tax Bureau of the PRC, enterprises engaging in research and development activities are entitled to claim 100% deduction of eligible research and development expenses.

The Company, Shenzhen Image Technology Co., Ltd and Shenzhen Kaima Times Technology Co., Ltd. benefited from this tax incentive during the Relevant Periods.

Hong Kong

Pursuant to the Inland Revenue (Amendment) (No. 3) Ordinance 2018, the two-tiered profits tax rates regime will be applicable to any year of assessment commencing on or after 1 April 2018. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The subsidiaries incorporated in Hong Kong is a qualifying entity under the two-tiered profits tax rates regime.

Thailand and Vietnam

No provision for profits tax in Thailand and Vietnam was made as the Group did not have any assessable income subject to profits tax in Thailand and Vietnam during the Relevant Periods.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	8,265	19,160	29,764
Deferred income tax	(1,169)	(4,982)	(789)
Total	7,096	14,178	28,975

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	77,001	128,129	231,343
Tax at the statutory tax rate	19,250	32,032	57,836
Tax losses for which no deferred income tax asset was recognised	—	106	210
Effect of different tax rates	(7,681)	(12,950)	(22,600)
Expenses not deductible for tax	1,390	1,194	1,223
Additional deductible allowance for research and development expenses	(5,863)	(6,204)	(7,694)
Total	7,096	14,178	28,975

13. DIVIDENDS

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Dividends declared or paid during the year (tax inclusive)	30,000	30,000	30,000

The dividends of RMB30,000,000, RMB30,000,000 and RMB30,000,000 (inclusive of tax) were approved in the shareholder's meeting of the Company on August 29, 2023, November 25, 2024 and December 8, 2025 respectively. The dividend approved in 2025 is expected to be distributed before the Company's [REDACTED].

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 number of share capital outstanding during the Relevant Periods.

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

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

	Year ended December 31 2023	2024	2025
Earnings			
Earnings attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	69,905	113,951	202,368
Shares			
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation ('000)	45,000	45,000	45,000

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Electronic equipment and others *RMB'000*	Machinery *RMB'000*	Motor vehicles *RMB'000*	Leasehold Improvement *RMB'000*	Total *RMB'000*
As at December 31, 2023					
As at January 1, 2023:					
Cost	2,464	6,851	2,708	9,868	21,891
Accumulated depreciation	(1,311)	(1,199)	(1,827)	(3,626)	(7,963)
Net carrying amount	1,153	5,652	881	6,242	13,928
At January 1, 2023, net of accumulated depreciation	1,153	5,652	881	6,242	13,928
Additions	573	425	2,969	—	3,967
Depreciation provided during the year	(464)	(692)	(787)	(2,177)	(4,120)
At December 31, 2023, net of accumulated depreciation	1,262	5,385	3,063	4,065	13,775
As at December 31, 2023					
Cost	3,037	7,276	5,677	9,868	25,858
Accumulated depreciation	(1,775)	(1,891)	(2,614)	(5,803)	(12,083)
Net carrying amount	1,262	5,385	3,063	4,065	13,775

	Electronic equipment and others *RMB'000*	Machinery *RMB'000*	Motor vehicles *RMB'000*	Leasehold Improvement *RMB'000*	Total *RMB'000*
As at December 31, 2024					
As at January 1, 2024:					
Cost	3,037	7,276	5,677	9,868	25,858
Accumulated depreciation	(1,775)	(1,891)	(2,614)	(5,803)	(12,083)
Net carrying amount	1,262	5,385	3,063	4,065	13,775
At January 1, 2024, net of accumulated depreciation	1,262	5,385	3,063	4,065	13,775
Additions	31	771	—	687	1,489
Disposals	—	—	—	(406)	(406)
Depreciation provided during the year	(618)	(716)	(951)	(1,968)	(4,253)
At December 31, 2024, net of accumulated depreciation	675	5,440	2,112	2,378	10,605
As at December 31, 2024					
Cost	3,068	8,047	5,677	8,532	25,324
Accumulated depreciation	(2,393)	(2,607)	(3,565)	(6,154)	(14,719)
Net carrying amount	675	5,440	2,112	2,378	10,605

	Electronic equipment and others *RMB'000*	Machinery *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
As at December 31, 2025					
As at January 1, 2025:					
Cost	3,068	8,047	5,677	8,532	25,324
Accumulated depreciation	(2,393)	(2,607)	(3,565)	(6,154)	(14,719)
Net carrying amount	675	5,440	2,112	2,378	10,605
At January 1, 2025, net of accumulated depreciation	675	5,440	2,112	2,378	10,605
Additions	1,223	3,005	239	3,579	8,046
Depreciation provided during the year	(515)	(789)	(865)	(1,588)	(3,757)
At December 31, 2025, net of accumulated depreciation	1,383	7,656	1,486	4,369	14,894
As at December 31, 2025					
Cost	4,291	11,052	5,916	12,111	33,370
Accumulated depreciation	(2,908)	(3,396)	(4,430)	(7,742)	(18,476)
Net carrying amount	1,383	7,656	1,486	4,369	14,894

The Company

	Electronic equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
As at December 31, 2023				
As at January 1, 2023:				
Cost	1,896	1,990	6,464	10,350
Accumulated depreciation	(1,110)	(1,412)	(2,046)	(4,568)
Net carrying amount	786	578	4,418	5,782
At January 1, 2023, net of accumulated depreciation	786	578	4,418	5,782
Additions	573	2,197	—	2,770
Depreciation provided during the year	(368)	(679)	(1,378)	(2,425)
At December 31, 2023, net of accumulated depreciation	991	2,096	3,040	6,127
As at December 31, 2023				
Cost	2,469	4,187	6,464	13,120
Accumulated depreciation	(1,478)	(2,091)	(3,424)	(6,993)
Net carrying amount	991	2,096	3,040	6,127

	Electronic equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
As at December 31, 2024				
As at January 1, 2024:				
Cost	2,469	4,187	6,464	13,120
Accumulated depreciation	(1,478)	(2,091)	(3,424)	(6,993)
Net carrying amount	991	2,096	3,040	6,127
At January 1, 2024, net of accumulated depreciation	991	2,096	3,040	6,127
Additions	31	—	684	715
Depreciation provided during the year	(523)	(659)	(1,416)	(2,598)
At December 31, 2024, net of accumulated depreciation	499	1,437	2,308	4,244
As at December 31, 2024				
Cost	2,500	4,187	7,148	13,835
Accumulated depreciation	(2,001)	(2,750)	(4,840)	(9,591)
Net carrying amount	499	1,437	2,308	4,244

	Electronic equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
As at December 31, 2025				
As at January 1, 2025:				
Cost	2,500	4,187	7,148	13,835
Accumulated depreciation	(2,001)	(2,750)	(4,840)	(9,591)
Net carrying amount	499	1,437	2,308	4,244
At January 1, 2025, net of accumulated depreciation	499	1,437	2,308	4,244
Additions	1,223	238	—	1,461
Depreciation provided during the year	(418)	(618)	(1,457)	(2,493)
At December 31, 2025, net of accumulated depreciation	1,304	1,057	851	3,212
As at December 31, 2025				
Cost	3,723	4,425	7,148	15,296
Accumulated depreciation	(2,419)	(3,368)	(6,297)	(12,084)
Net carrying amount	1,304	1,057	851	3,212

At the end of each of the Relevant Periods, no property, plant and equipment of the Group was pledged.

16. LEASES

The Group as a lessee

During the Relevant Periods, the Group entered into certain long-term lease contracts for buildings which generally have lease terms between two and seven years. 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

	Buildings
	RMB'000
As at January 1, 2023	27,319
Additions	246
Depreciation charge	(8,130)
As at December 31, 2023 and January 1, 2024	19,435
Additions	3,287
Termination of leases	(3,121)
Depreciation charge	(8,029)
As at December 31, 2024 and January 1, 2025	11,572
Additions	7,702
Depreciation charge	(7,585)
As at December 31, 2025	11,689

The Company

	Buildings
	RMB'000
As at January 1, 2023	15,178
Additions	246
Depreciation charge	(3,970)
As at December 31, 2023 and January 1, 2024	11,454
Additions	1,000
Termination of leases	(1,487)
Depreciation charge	(3,883)
As at December 31, 2024 and January 1, 2025	7,084
Depreciation charge	(3,864)
As at December 31, 2025	3,220

(b) Lease liabilities

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

The Group

		As at December 31	
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	30,529	22,211	13,244
New leases	246	3,287	7,702
Accretion of interest recognised during the year	1,196	816	514
Payments	(9,760)	(9,325)	(9,078)
Termination of leases	—	(3,745)	—
Carrying amount at the end of the year	22,211	13,244	12,382
Analysed into:			
Current portion	8,663	7,249	7,121
Non-current portion	13,548	5,995	5,261

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	16,639	12,785	8,261
New leases	246	1,000	—
Accretion of interest recognised during the year	660	441	235
Payments	(4,760)	(4,291)	(4,937)
Termination of leases	—	(1,674)	—
Carrying amount at the end of the year	12,785	8,261	3,559
Analysed into:			
Current portion	4,348	4,368	2,742
Non-current portion	8,437	3,893	817

The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

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

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	1,196	816	514
Depreciation charge of right-of-use assets	8,130	8,029	7,585
Expense relating to short-term leases and low-value assets*	194	135	338
Total amount recognised in profit or loss	9,520	8,980	8,437

Notes:

* Included in "Administrative expenses" and "Selling and marketing expenses" in profit or loss.

(d) The total cash outflow for leases is set out in note 31 to the Historical Financial Information.

17. INVENTORIES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	43,463	57,459	79,790
Work in progress	53,886	68,494	94,933
Finished goods	3,694	1,890	6,185
Goods in transit	173,469	227,816	288,605
Total	274,512	355,659	469,513

As at December 31, 2023, 2024, and 2025, the inventories were net of a write-down of approximately RMB12,782,000, RMB11,946,000 and RMB16,910,000, respectively.

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	22,263	27,653	33,793
Work in progress	30,812	32,926	54,053
Finished goods	2,282	1,132	1,464
Goods in transit	113,847	164,323	162,738
Total	169,204	226,034	252,048

As at December 31, 2023, 2024, and 2025, the inventories were net of a write-down of approximately RMB7,590,000, RMB7,399,000 and RMB11,293,000, respectively.

18. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables at amortised cost			
Trade receivables	202,956	267,311	353,362
Commercial accepted bills receivable	8,908	33,727	23,754
Bank accepted bills receivable	14,678	18,747	23,264
Impairment	(13,927)	(23,443)	(28,163)
Net carrying amount	212,615	296,342	372,217
Bills receivables at fair value through other comprehensive income			
Bank accepted bills receivable	5,576	6,210	10,398
Total	218,191	302,552	382,615
Analysed into:			
Current portion	210,253	294,366	370,791
Non-current portion	7,938	8,186	11,824
Total	218,191	302,552	382,615

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables at amortised cost			
Trade receivables	150,357	173,786	234,959
Commercial accepted bills receivable	8,348	18,220	17,529
Bank accepted bills receivable	13,744	15,487	17,498
Due from subsidiaries	1,872	29,351	64,254
Impairment	(7,937)	(15,022)	(18,202)
Net carrying amount	166,384	221,822	316,038
Bills receivables at fair value through other comprehensive income			
Bank accepted bills receivable	5,305	4,657	8,892
Total	171,689	226,479	324,930
Analysed into:			
Current portion	165,800	220,005	318,483
Non-current portion	5,889	6,474	6,447
Total	171,689	226,479	324,930

The Group's trading terms with its customers are mainly on credit. The credit period is generally 6 to 18 months. The Group seeks to maintain strict control over its outstanding receivables to minimize 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. The balances of trade receivables are non-interest-bearing.

The bills receivable at fair value through other comprehensive income are bank acceptance bills issued by certain reputable banks in the Chinese mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling. The fair value approximates to the carrying value due to the short maturity.

Transfers of financial assets

Financial assets that are derecognised in their entirety

Bills endorsed

At December 31, 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Derecognised Bills**"), with a carrying amount in aggregate of RMB10,472,000, RMB24,505,000 and RMB31,582,000. The Derecognised Bills had a maturity of one to ten months at the end of each of Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

Financial assets that are not derecognised in their entirety

Bills endorsed

The Group endorsed certain bills receivable accepted by banks or commercial entities in Chinese mainland (the "**Endorsed Bills**") with a carrying amount of RMB8,301,000, RMB16,430,000 and RMB19,440,000 to certain banks and independent third parties as at December 31, 2023, 2024 and 2025. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables. Subsequent to the endorsing, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

An aging analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of allowance for expected credit losses, is as follows:

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	181,368	247,228	340,606
1 year to 2 years	33,850	47,838	33,831
2 years to 3 years	2,829	6,687	6,918
3 years to 4 years	130	737	968
4 years to 5 years	14	62	292
Total	218,191	302,552	382,615

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	140,160	181,142	292,314
1 year to 2 years	30,291	38,318	26,241
2 years to 3 years	1,123	6,647	5,259
3 years to 4 years	115	318	939
4 years to 5 years	—	54	177
Total	171,689	226,479	324,930

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	7,899	13,927	23,443
Impairment losses, net of reversal	6,028	9,934	4,720
Amount written off as uncollectible	—	(418)	—
At end of year	13,927	23,443	28,163

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	3,720	7,937	15,022
Impairment losses, net of reversal	4,217	7,503	3,180
Amount written off as uncollectible	—	(418)	—
At end of year	7,937	15,022	18,202

The Group applies the general approach in calculating ECLs for bank acceptance bills receivable issued by reputable banks held by the Group with short-term maturities and the impairment losses were minimal at the end of each of the Relevant Periods.

For the trade and commercial notes receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at an amount equal to lifetime ECLs. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and commercial notes receivables are grouped and collectively assessed for impairment allowance. Under the simplified approach, an impairment analysis is performed at the end of each of the Relevant Periods to measure expected credit losses. The provision rates are based on the historical credit loss experience, adjusted for forward-looking factors to reflect current conditions and estimates of future economic conditions.

The following table details the risk profile of trade receivables and commercial accepted bills receivable:

The Group

	As at December 31, 2023		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Within 1 year	162,710	1%	1,595
1 year to 2 years	34,807	3%	957
2 years to 3 years	3,371	16%	543
3 years to 4 years	276	53%	146
4 years to 5 years	32	56%	18
Over 5 years	112	100%	112
Subtotal	201,308	2%	3,371
Trade receivable balance with different credit risk characteristics and being assessed separately	10,556	100%	10,556
Total	211,864	7%	13,927

	As at December 31, 2024		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Within 1 year	226,190	2%	3,920
1 year to 2 years	51,066	6%	3,227
2 years to 3 years	11,046	39%	4,359
3 years to 4 years	2,593	72%	1,856
4 years to 5 years	276	78%	214
Over 5 years	145	100%	145
Subtotal	291,316	5%	13,721
Trade receivable balance with different credit risk characteristics and being assessed separately	9,722	100%	9,722
Total	301,038	8%	23,443

	As at December 31, 2025		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Within 1 year	314,042	2%	7,098
1 year to 2 years	37,312	9%	3,481
2 years to 3 years	12,668	45%	5,750
3 years to 4 years	2,203	56%	1,235
4 years to 5 years	752	61%	460
Over 5 years	417	100%	417
Subtotal	367,394	5%	18,441
Trade receivable balance with different credit risk characteristics and being assessed separately	9,722	100%	9,722
Total	377,116	7%	28,163

The Company

	As at December 31, 2023		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Within 1 year	120,418	1%	1,179
1 year to 2 years	31,148	3%	857
2 years to 3 years	1,339	16%	216
3 years to 4 years	243	53%	128
4 years to 5 years	—	56%	—
Over 5 years	96	100%	96
Subtotal	153,244	2%	2,476
Trade receivable balance with different credit risk characteristics and being assessed separately	5,461	100%	5,461
Due from subsidiaries	1,872	0%	—
Total	160,577	5%	7,937

	As at December 31,2024		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Within 1 year	134,006	2%	2,361
1 year to 2 years	40,903	6%	2,585
2 years to 3 years	10,981	39%	4,333
3 years to 4 years	1,121	72%	802
4 years to 5 years	243	78%	189
Over 5 years	96	100%	96
Subtotal	187,350	6%	10,366
Trade receivable balance with different credit risk characteristics and being assessed separately	4,656	100%	4,656
Due from subsidiaries	29,351	0%	—
Total	221,357	7%	15,022

	As at December 31, 2025		
	Gross carrying amount	**Expected credit loss rate**	**Expected credit losses**
	RMB'000		*RMB'000*
Within 1 year	206,334	2%	4,663
1 year to 2 years	28,941	9%	2,700
2 years to 3 years	9,629	45%	4,371
3 years to 4 years	2,136	56%	1,197
4 years to 5 years	456	61%	279
Over 5 years	336	100%	336
Subtotal	247,832	5%	13,546
Trade receivable balance with different credit risk characteristics and being assessed separately	4,656	100%	4,656
Due from subsidiaries	64,254	0%	—
Total	316,742	6%	18,202

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Prepayments	1,378	1,235	1,544
Deposits	246	666	3,547
Value added tax recoverable	17,290	17,337	22,280
Loan to employees	540	430	430
Other receivables	345	486	102
Subtotal	19,799	20,154	27,903
Less: Impairment losses	(8)	(14)	(37)
Total current portion	19,791	20,140	27,866
Non-current portion			
Prepayments for acquisition of non-current assets	550	944	1,454
Long-term deposits	2,970	2,485	2,936
Subtotal	3,520	3,429	4,390
Less: Impairment losses	—	—	—
Total non-current portion	3,520	3,429	4,390
Total	23,311	23,569	32,256

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Prepayments	1,060	522	670
Deposits	141	239	3,408
Value added tax recoverable	10,210	8,722	13,839
Loan to employees	540	430	430
Other receivables	260	321	1,040
Subtotal	12,211	10,234	19,387
Less: Impairment losses	(7)	(8)	(35)
Total current portion	12,204	10,226	19,352
Non-current portion			
Long-term deposits	1,542	1,541	1,542
Total	13,746	11,767	20,894

The balances are interest-free and are not secured with collateral.

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

20. CONTRACT ASSETS

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Retention receivables	5,754	6,147	7,610
Less: impairment	(56)	(104)	(172)
Net carrying amount	5,698	6,043	7,438

Contract assets are initially recognised for revenue earned from the sale of equipments as the receipt of consideration is conditional on successful assurance during the warranty periods. When the warranty period expires, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in Relevant Periods was the result of the increase in the ongoing sale of equipments at the end of each of the Relevant Periods.

The expected timing of recovery or settlement for contract assets as at December 31 is as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	4,672	4,646	6,869
Over one year	1,026	1,397	569
Total	5,698	6,043	7,438

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

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	11	56	104
Impairment losses, net	45	48	68
At the end of the year	56	104	172

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 and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on historical data adjusted by forward-looking information. The calculation is adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

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

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Expected credit loss rate	1%	2%	2%
Gross carrying amount	5,754	6,147	7,610
Expected credit losses	56	104	172

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Retention receivables	4,785	5,248	5,668
Less: impairment	(47)	(89)	(128)
Net carrying amount	4,738	5,159	5,540

The expected timing of recovery or settlement for contract assets as at December 31 is as follows:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	3,712	3,762	5,127
Over one year	1,026	1,397	413
Total	4,738	5,159	5,540

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

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	8	47	89
Impairment losses, net	39	42	39
At the end of the year	47	89	128

The Company

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

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Expected credit loss rate	1%	2%	2%
Gross carrying amount	4,785	5,248	5,668
Expected credit losses	47	89	128

21. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment cost	62,692	64,555	66,417
Impairment	—	—	—
Total	62,692	64,555	66,417

Notes:

The Company's outstanding balances with its subsidiaries are disclosed in note 1 to the Historical Financial Information.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	172,229	208,387	362,969
Denominated in:			
United States Dollar ("**USD**")	124,538	161,400	253,476
Hong Kong Dollar ("**HKD**")	408	38	100
Thailand Baht ("**THB**")	—	134	131
Renminbi ("**RMB**")	47,353	46,815	109,262
Total	172,299	208,387	362,969

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	94,200	75,379	118,774
Denominated in:			
United States Dollar ("**USD**")	52,267	44,502	66,652
Renminbi ("**RMB**")	41,933	30,877	52,122
Total	94,200	75,379	118,774

The RMB is not freely convertible 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 authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. As at December 31, 2023, 2024 and 2025, the Group and the Company have assessed the credit risk of cash and cash equivalents to be minimal as they were placed in reputable financial institutions.

The carrying amounts of the cash and cash equivalents approximated to their fair values due to its short-term maturity.

23. TRADE PAYABLES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	104,640	149,762	252,625

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	105,709	132,431	209,958

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	103,692	146,454	251,350
1 to 2 years	521	2,908	1,071
2 to 3 years	331	38	124
over 3 years	96	362	80
Total	104,640	149,762	252,625

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	105,392	129,284	208,828
1 to 2 years	57	2,885	1,024
2 to 3 years	200	2	104
over 3 years	60	260	2
Total	105,709	132,431	209,958

Trade and bills payables are non-interest-bearing and are normally settled within three months. As at the end of each of the Relevant Periods, the carrying amounts of trade and bills payables approximated to their fair values.

24. CONTRACT LIABILITIES

The Group

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sale of equipment	68,848	123,177	147,836

The Company

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sale of equipment	59,674	70,582	80,072

The contract liabilities represent the advances received from customers and are generally expected to be recognised as revenue within one year after the end of each of the Relevant Periods. The increase in contract liabilities was because a larger portion of products sold had not been delivered or accepted by customers while the advance from customers had been received. The increase was also in line with the revenue growth.

25. PROVISION

The Group

	Warranty
	RMB'000
At January 1, 2023	4,616
Provision for the year	4,231
Amounts utilised during the year	(4,775)
At December 31, 2023 and January 1, 2024	4,072
Provision for the year	7,346
Amounts utilised during the year	(5,088)
At December 31, 2024 and January 1, 2025	6,330
Provision for the year	14,032
Amounts utilised during the year	(8,505)
At December 31, 2025	11,857

The Company

	Warranty
	RMB'000
At January 1, 2023	3,396
Provision for the year	3,432
Amounts utilised during the year	(4,154)
At December 31, 2023 and January 1, 2024	2,674
Provision for the year	4,603
Amounts utilised during the year	(4,169)
At December 31, 2024 and January 1, 2025	3,108
Provision for the year	9,469
Amounts utilised during the year	(7,028)
At December 31, 2025	5,549

The Group generally provides warranties from 12 months to 24 months to its customers on certain of its 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.

26. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	27,741	35,207	49,303
Other tax payables	925	683	1,194
Dividend payable	—	—	27,007
Other payable	12,338	15,644	23,609
Total	41,004	51,534	101,113

The Company

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	19,323	24,271	33,624
Other tax payables	504	538	749
Dividend payable	—	—	27,007
Other payable	12,591	14,904	18,102
Total	32,418	39,713	79,482

27. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

The Group

	Impairment of inventories *RMB'000*	Impairment losses on financial assets *RMB'000*	Warranty *RMB'000*	Tax losses *RMB'000*	Temporary difference on unrealised profit from intro-group transactions *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At January 1, 2023	1,936	1,188	693	—	189	4,579	8,585
Deferred tax (charged)/ credited to profit or loss	(19)	911	(82)	25	399	(1,248)	(14)
Gross deferred tax assets at December 31, 2023 and January 1, 2024	1,917	2,099	611	25	588	3,331	8,571
Deferred tax (charged)/ credited to profit or loss	(125)	1,435	339	(21)	3,521	(1,313)	3,836
Gross deferred tax assets at December 31, 2024 and January 1, 2025	1,792	3,534	950	4	4,109	2,018	12,407
Deferred tax credited/ (charged) to profit or loss	745	723	829	2	(1,362)	(143)	794
Gross deferred tax assets at December 31, 2025	2,537	4,257	1,779	6	2,747	1,875	13,201

The Company

	Impairment of inventories *RMB'000*	Impairment losses on financial assets *RMB'000*	Warranty *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At January 1, 2023	1,071	560	509	2,496	4,636
Deferred tax credited/(charged) to profit or loss	68	638	(108)	(578)	20
Gross deferred tax assets at December 31, 2023 and January 1, 2024	1,139	1,198	401	1,918	4,656
Deferred tax (charged)/credited to profit or loss	(29)	1,070	65	(679)	427
Gross deferred tax assets at December 31, 2024 and January 1, 2025	1,110	2,268	466	1,239	5,083
Deferred tax credited/(charged) to profit or loss	584	487	366	(705)	732
Gross deferred tax assets at December 31, 2025	1,694	2,755	832	534	5,815

Deferred tax liabilities

The Group

	Right-of-use assets *RMB'000*
At January 1, 2023	4,098
Deferred tax credited to profit or loss	(1,183)
Gross deferred tax liabilities at December 31, 2023 and January 1, 2024	2,915
Deferred tax credited to profit or loss	(1,146)
Gross deferred tax liabilities at December 31, 2024 and January 1, 2025	1,769
Deferred tax charged to profit or loss	5
Gross deferred tax liabilities at December 31, 2025	1,774

The Company

	Right-of-use assets *RMB'000*
At January 1, 2023	2,277
Deferred tax credited to profit or loss	(559)
Gross deferred tax liabilities at December 31, 2023 and January 1, 2024	1,718
Deferred tax credited to profit or loss	(656)
Gross deferred tax liabilities at December 31, 2024 and January 1, 2025	1,062
Deferred tax credited to profit or loss	(579)
Gross deferred tax liabilities at December 31, 2025	483

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

The Group

	As at December 31		
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	5,656	10,638	11,427

The Company

	As at December 31		
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000*
Net deferred tax assets recognised in the statement of financial position	2,938	4,021	5,332

As at December 31, 2023, 2024, and 2025, the Group had unutilised tax losses of approximately Nil, RMB530,000, and RMB1,608,000, which will expire in one to five years for offsetting against future taxable profits. Due to the unpredictability of future profit streams, no deferred tax assets had been recognised for the above unused tax losses and deductible temporary differences.

28. SHARE CAPITAL

The Group and the Company

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

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid:			
45,000,000 ordinary shares of RMB1 each	45,000	45,000	45,000

29. SHARE-BASED PAYMENT

The Group adopted the employee incentive scheme ("Employee Incentive Scheme") pursuant to the resolutions of the shareholders' meeting of the Company passed on December 16, 2018 and December 22, 2019, for the purpose of recognising the contributions by the employees, directors and officers of any member of the Group by providing them with incentives in order to retain them for the continual operation and development of the Group and attracting suitable personnel for further development of the Group. Shenzhen Weishengyuan Investment Enterprise (Limited Partnership) (深圳為盛源管理諮詢企業(有限合夥)) ("Shenzhen Weishengyuan"), Shenzhen Huatengxin Investment Enterprise (Limited Partnership) (深圳市華騰新投資企業(有限合夥)) ("Shenzhen Huatengxin") and Shenzhen Heyangde Management Consulting Enterprise (Limited Partnership) (深圳市和洋德管理諮詢企業(有限合夥)) ("Shenzhen Heyangde") were established and designated as share incentive platforms to grant the awards to the eligible participants. The Group has no control over these share incentive platforms.

In December 2018, Shenzhen Weishengyuan and Shenzhen Huatengxin, granted 1,935,253 (after conversion into a joint stock company in 2020) restricted shares of the Company to 77 eligible employees at the subscription price of each restricted share is RMB7.01, which shall vest in the portions of 40%, 30% and 30% on the first, second and third anniversaries of the successful [REDACTED]. The [REDACTED] condition would be satisfied when the ordinary shares of the Company are successfully [REDACTED] on a recognised stock exchange.

In December 2019, Shenzhen Heyangde, granted 302,670 (after conversion into a joint stock company in 2020) restricted shares of the Company to 22 eligible employees at the subscription price of each restricted share is RMB8.95, which shall vest in the portions of 40%, 30% and 30% on the first, second and third anniversaries of the successful [REDACTED].

During the year ended 31 December 2023, an aggregation of 28,879 shares were forfeited and an aggregation of 12,835 shares were re-granted to eligible employees of the Group at exercise prices of RMB7.01 per share. Such re-granted restricted shares have a vesting period according to respective schemes started from the re-grant date.

During the year ended 31 December 2025, an aggregation of 26,738 shares were forfeited and an aggregation of 18,183 shares were re-granted to eligible employees of the Group at exercise prices of RMB7.01 and RMB8.95 per share, respectively. Such re-granted restricted shares have a vesting period according to respective schemes started from the grant date.

The following restricted shares were outstanding during the Relevant Periods:

	2023	**2024**	**2025**
	Number of restricted shares		
At 1 January	2,154,497	2,138,453	2,138,453
Granted during the year	12,835	—	18,183
Forfeited during the year	(28,879)	—	(26,738)
At 31 December	2,138,453	2,138,453	2,129,898

During the Relevant Periods, share-based payment compensation expenses were charged to profit or loss are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity-settled share-based payments	3,593	3,738	3,596

The fair values of the restricted shares granted to the directors, senior management and employees during the grant dates were estimated as at the date of grant using the discounted cash flow method, taking into account the terms and conditions upon which the restricted shares units were granted. The following table lists the key inputs to the model used:

	At grant dates during the Relevant Periods
Years of forecast period	Five years
Terminal growth rate (%)	2.00%
Pre-tax discount rate (%)	15.52%–17.19%
Discount for lack of marketability	13.57%–33.50%

30. 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.

(a) Capital reserve

The capital reserve represents the excess of net assets converted over nominal value of the ordinary shares was credited to the Company's capital reserve when the Company converted into a joint stock company and the difference between the aggregate of the then net assets of the subsidiary acquired and the consideration paid by the Group for the business combination under common control.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share options as set out in note 29 to the Historical Financial Information.

(c) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of its registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies. The statutory reserve balance of the Group has reached 50% of its registered capital during the Relevant Periods.

(d) Exchange fluctuation reserve

The exchange fluctuation represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

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	Statutory Reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	142,869	10,554	22,500	62,913	238,836
Profit for the year	—	—	—	61,319	61,319
Total comprehensive income for the year	—	—	—	61,319	61,319
Dividends declared	—	—	—	(30,000)	(30,000)
Share-based payment compensation	—	3,593	—	—	3,593
At December 31, 2023	142,869	14,147	22,500	94,232	273,748
At January 1, 2024	142,869	14,147	22,500	94,232	273,748
Profit for the year	—	—	—	76,044	76,044
Total comprehensive income for the year	—	—	—	76,044	76,044
Dividends declared	—	—	—	(30,000)	(30,000)
Share-based payment compensation	—	3,738	—	—	3,738
At December 31, 2024	142,869	17,885	22,500	140,276	323,530
At January 1, 2025	142,869	17,885	22,500	140,276	323,530
Profit for the year	—	—	—	77,269	77,269
Total comprehensive income for the year	—	—	—	77,269	77,269
Dividends declared	—	—	—	(30,000)	(30,000)
Share-based payment compensation	—	3,596	—	—	3,596
At December 31, 2025	142,869	21,481	22,500	187,545	374,395

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended December 31, 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB246,000, RMB3,287,000, and RMB7,702,000, respectively, in respect of lease arrangements for buildings.

During the Relevant Periods, the Group had non-cash reduction to trade payables of RMB21,345,000, RMB60,707,000 and RMB78,112,000, respectively, in respect of bills receivables endorsed that are derecognised in their entirety.

During the Relevant Periods, the Group had non-cash reduction to trade payables of RMB9,912,000, RMB28,408,000 and RMB26,420,000, respectively, in respect of bills receivables endorsed that are not derecognised in their entirety.

(b) Changes in liabilities arising from financing activities

	Lease liabilities *RMB'000*
At January 1, 2023	30,529
Changes from financing cash flows	(9,760)
New lease addition	246
Accretion of interest	1,196
At December 31, 2023 and January 1, 2024	22,211
Changes from financing cash flows	(9,325)
New lease addition	3,287
Accretion of interest	816
Lease termination	(3,745)
At December 31, 2024 and January 1, 2025	13,244
Changes from financing cash flows	(9,078)
New lease addition	7,702
Accretion of interest	514
At December 31, 2025	12,382

(c) Total cash outflow for leases

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

	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000*
Within operating activities	194	135	338
Within financing activities	9,760	9,325	9,078
Total	9,954	9,460	9,416

32. PLEDGE OF ASSETS

As at December 31, 2023, 2024 and 2025, the Group had no pledge of assets.

33. COMMITMENTS

There were no significant contractual commitments as at the end of each of the Relevant Periods.

34. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of related parties	Relationship with the Group
Shenzhen Diltai Technology Co., Ltd.	Controlled by brother of a director of the Company
Shenzhen Hui-Xin Tong Electronics Co., Ltd.	Controlled by brother of a director of the Company

Notes:

(i) The name of the companies represent management's best efforts at translating the Chinese name of these companies, as no English name has been registered or available.

(b) Significant related party transactions

	Year ended December 31		
	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000*
Purchase of goods			
Shenzhen Diltai Technology Co., Ltd	9,132	12,650	20,101
Shenzhen Hui-Xin Tong Electronics Co., Ltd.	113	269	352
	9,245	12,919	20,453

(c) Outstanding balances with related parties:

The Group had the following outstanding balances with related parties:

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
Shenzhen Diltai Technology Co., Ltd	991	3,101	6,691
Shenzhen Hui-Xin Tong Electronics Co., Ltd.	71	81	169
	1,062	3,182	6,860

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

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	6,102	7,837	8,613
Pension scheme contributions	183	196	231
Share-based payment compensation	509	509	509
Total compensation paid to key management personnel	6,794	8,542	9,353

Further details of directors' and the chief executive's emoluments are included in note 10 to the Historical Financial Information.

35. 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 December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets fair value through other comprehensive income:			
Trade and bills receivables	5,576	6,210	10,398
Financial assets at amortised cost:			
Trade and bills receivables	212,615	296,342	372,217
Financial assets included in prepayments, other receivables and other assets	4,093	4,053	6,978
Cash and cash equivalents	172,299	208,387	362,969
	389,007	508,782	742,164
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and bills payables	104,640	149,762	252,625
Financial liabilities included in other payables and accruals	12,338	15,644	50,616
	116,978	165,406	303,241

36. 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:

As at December 31, 2023

	Carrying amounts *RMB'000*	**Fair values** *RMB'000*
Financial assets		
Bills receivables at fair value through other comprehensive income	5,576	5,576

As at December 31, 2024

	Carrying amounts *RMB'000*	**Fair values** *RMB'000*
Financial assets		
Bills receivables at fair value through other comprehensive income	6,210	6,210

As at December 31, 2025

	Carrying amounts *RMB'000*	**Fair values** *RMB'000*
Financial assets		
Bills receivables at fair value through other comprehensive income	10,398	10,398

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade and bills payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The carrying amounts of the Group's financial instruments including interest-bearing borrowings at amortised cost were not materially different from their fair values as at December 31, 2023, 2024 and 2025.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

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

The fair values of bills receivable at fair value through other comprehensive income have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value during each of the Relevant Periods were assessed to be insignificant.

Fair value hierarchy

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

Financial instruments measured at fair value:

As at December 31, 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				
Bills receivables at fair value through other comprehensive income	—	5,576	—	5,576

As at December 31, 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				
Bills receivables at fair value through other comprehensive income	—	6,210	—	6,210

As at December 31, 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				
Bills receivables at fair value through other comprehensive income	—	10,398	—	10,398

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals. 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 and bills 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.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency	**Increase/ (decrease) in profit before tax**
	%	*RMB'000*
Year ended December 31, 2023		
If RMB strengthens against USD	5	(6,253)
If RMB weakens against USD	(5)	6,253
If RMB strengthens against HKD	5	(20)
If RMB weakens against HKD	(5)	20
Year ended December 31, 2024		
If RMB strengthens against USD	5	(8,294)
If RMB weakens against USD	(5)	8,294
If RMB strengthens against HKD	5	(2)
If RMB weakens against HKD	(5)	2
If RMB strengthens against THB	5	(148)
If RMB weakens against THB	(5)	148
Year ended December 31, 2025		
If RMB strengthens against USD	5	(13,397)
If RMB weakens against USD	(5)	13,397
If RMB strengthens against HKD	5	(5)
If RMB weakens against HKD	(5)	5
If RMB strengthens against THB	5	(132)
If RMB weakens against THB	(5)	132

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging as at December 31, 2023, 2024 and 2025

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 the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at December 31, 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*
Trade and bill receivables*	20,254	—	—	211,864	232,118
Contract asset*	—	—	—	5,754	5,754
Financial assets included in prepayments, other receivables and other assets-normal	4,101	—	—	—	4,101
Cash and cash equivalents	172,299	—	—	—	172,299
Total	196,654	—	—	217,618	414,272

As at December 31, 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*
Trade and bill receivables*	24,957	—	—	301,038	325,995
Contract asset*	—	—	—	6,147	6,147
Financial assets included in prepayments, other receivables and other assets-normal	4,067	—	—	—	4,067
Cash and cash equivalents	208,387	—	—	—	208,387
Total	237,411	—	—	307,185	544,596

As at December 31, 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*
Trade and bill receivables*	33,662	—	—	377,116	410,778
Contract asset*	—	—	—	7,610	7,610
Financial assets included in prepayments, other receivables and other assets-normal	7,015	—	—	—	7,015
Cash and cash equivalents	362,969	—	—	—	362,969
Total	403,646	—	—	384,726	788,372

* For contract assets and trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 and 20 to the Historical Financial Information.

** 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.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 18 to the Historical Financial Information.

As at December 31, 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 8.1%, 19.5% and 21.7% of the Group's trade receivables were due from the Group's largest customer and 34.7%, 40.9% and 50.3% of the Group's trade receivables were due from five largest customers, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial assets and projected cash flows from operations.

The Group's objective is to maintain continuity of funding. The maturity profile of the Group's financial liabilities and lease liabilities as 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 or on demand	Over 1 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bill payables	104,640	—	104,640
Financial liabilities included in other payables and accruals	12,338	—	12,338
Lease liabilities	9,423	14,146	23,569
Total	126,401	14,146	140,547

	As at 31 December 2024		
	Within 1 year or on demand	**Over 1 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bill payables	149,762	—	149,762
Financial liabilities included in other payables and accruals	15,644	—	15,644
Lease liabilities	7,648	6,192	13,840
Total	173,054	6,192	179,246

	As at 31 December 2025		
	Within 1 year or on demand	**Over 1 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bill payables	252,625	—	252,625
Financial liabilities included in other payables and accruals	50,616	—	50,616
Lease liabilities	7,353	6,180	13,533
Total	310,594	6,180	316,774

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 maximize 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 issue new shares. 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 the Relevant Periods.

The asset-liability ratios 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*
Total assets	732,877	929,025	1,292,801
Total liabilities	245,631	354,258	543,946
Gearing ratio	33.5%	38.1%	42.1%

Note: Asset-liability ratio is calculated by dividing total liabilities by total assets and multiplying the product by 100%.

38. EVENTS AFTER THE RELEVANT PERIODS

Pursuant to resolutions of the shareholders' meeting on January 23, 2026 and amended Employee Incentive Scheme, additional 262,377 restricted shares were granted to certain eligible grantees in January and March 2026.

39. 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 December 31, 2025.