

APPENDIX I

ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CREALIGHTS TECHNOLOGY CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Crealights Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [•] to [•], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages [•] to [•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the “**document**”) in connection with the [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.

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Opinion

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

Report on matters under the Rules Governing the 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 3 have been made.

[•]
Certified Public Accountants
Hong Kong
[Date]

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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 issued by 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.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

| | | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|-------|---------------------------|---------------------------|---------------------------|
| | Notes | 2023 | 2024 | 2025 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| REVENUE | 5 | 175,338 | 861,832 | 1,221,063 |
| Cost of sales | 7 | (206,642) | (760,019) | (1,111,307) |
| Gross (loss)/profit | | (31,304) | 101,813 | 109,756 |
| Other income and gains | 6 | 6,389 | 3,296 | 15,791 |
| Selling and marketing expenses | | (7,675) | (10,131) | (15,750) |
| Research and development expenses | | (42,266) | (63,797) | (104,267) |
| Administrative expenses | | (22,492) | (30,850) | (74,134) |
| Reversal of impairment/(impairment) of financial assets, net | 7 | 5,431 | (1,973) | (2,755) |
| Other expenses and losses | 6 | (13,072) | (7,559) | (9,653) |
| Finance costs | 8 | (3,252) | (8,537) | (19,126) |
| Fair value losses on derivative financial instruments | 7 | (323) | — | — |
| LOSS BEFORE TAX | 7 | (108,564) | (17,738) | (100,138) |
| Income tax expenses | 11 | — | (157) | — |
| LOSS FOR THE YEAR | | <u>(108,564)</u> | <u>(17,895)</u> | <u>(100,138)</u> |
| Attributable to: | | | | |
| Owners of the parent | 12 | <u>(108,564)</u> | <u>(17,895)</u> | <u>(100,138)</u> |
| LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | | | | |
| Basic and diluted (<i>RMB</i>) | | <u>(1.77)</u> | <u>(0.29)</u> | <u>(1.38)</u> |

Details of the Pre-[REDACTED] Investments are set out in note 29 to the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| LOSS FOR THE YEAR | (108,564) | (17,895) | (100,138) |
| OTHER COMPREHENSIVE (LOSS)/INCOME | | | |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of foreign operations | — | (321) | 114 |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX | — | (321) | 114 |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u>(108,564)</u> | <u>(18,216)</u> | <u>(100,024)</u> |

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---|--------------|--------------------|--------------------|--------------------|
| | <i>Notes</i> | 2023 | 2024 | 2025 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 13 | 132,367 | 175,641 | 231,617 |
| Right-of-use assets | 14(a) | 14,633 | 21,325 | 35,121 |
| Intangible assets | 15 | 175 | 174 | 113 |
| Prepayments, other receivables and other assets | 17 | 8,215 | 36,630 | 55,067 |
| Time deposits | 20 | 10,930 | 930 | 21,140 |
| Total non-current assets | | <u>166,320</u> | <u>234,700</u> | <u>343,058</u> |
| CURRENT ASSETS | | | | |
| Inventories | 22 | 126,340 | 324,591 | 616,988 |
| Trade and bills receivables | 21 | 63,816 | 275,033 | 438,685 |
| Prepayments, other receivables and other assets | 17 | 29,260 | 68,772 | 94,952 |
| Financial assets at fair value through profit or loss | 19 | 12,018 | — | — |
| Time deposits | 20 | — | 30,480 | 2,290 |
| Pledged deposits | 20 | 6,403 | 3,325 | — |
| Cash and cash equivalents | 20 | 32,967 | 74,963 | 334,040 |
| Total current assets | | <u>270,804</u> | <u>777,164</u> | <u>1,486,955</u> |
| CURRENT LIABILITIES | | | | |
| Trade and bills payables | 24 | 56,849 | 193,719 | 328,203 |
| Other payables and accruals | 25 | 51,824 | 57,186 | 50,529 |
| Contract liabilities | 26 | — | 4,997 | 2,417 |
| Deferred income | 27 | 1,355 | 1,635 | 626 |
| Interest-bearing bank and other borrowings | 23 | 124,598 | 420,042 | 680,838 |
| Lease liabilities | 14(b) | 3,042 | 3,290 | 6,636 |
| Provision | 28 | 488 | 1,671 | 1,252 |
| Tax payable | | — | 158 | — |
| Total current liabilities | | <u>238,156</u> | <u>682,698</u> | <u>1,070,501</u> |
| NET CURRENT ASSETS | | <u>32,648</u> | <u>94,466</u> | <u>416,454</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>198,968</u> | <u>329,166</u> | <u>759,512</u> |
| NON-CURRENT LIABILITIES | | | | |
| Deferred income | 27 | 2,231 | 6,995 | 7,376 |
| Interest-bearing bank and other borrowings | 23 | 35,700 | 103,609 | 147,655 |
| Lease liabilities | 14(b) | — | 6,195 | 17,001 |
| Deferred tax liabilities | 18 | — | — | — |
| Provision | 28 | 313 | 704 | 1,733 |
| Total non-current liabilities | | <u>38,244</u> | <u>117,503</u> | <u>173,765</u> |
| NET ASSETS | | <u>160,724</u> | <u>211,663</u> | <u>585,747</u> |
| EQUITY | | | | |
| Share capital | 29 | 61,200 | 62,949 | 76,111 |
| Reserves | 30 | 99,524 | 148,714 | 509,636 |
| Total equity | | <u>160,724</u> | <u>211,663</u> | <u>585,747</u> |

Details of the Pre-[REDACTED] Investments are set out in note 29 to the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

| | <i>Note</i> | Attributable to owners of the parent | | | | |
|---|-------------|--------------------------------------|----------------|-----------------|----------------|----------------|
| | | Share capital | Share premium | Share-based | Accumulated | Total equity |
| | | | | payment reserve | losses | |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2023 | | 61,200 | 256,952 | 10,638 | (68,939) | 259,851 |
| Loss for the year | | — | — | — | (108,564) | (108,564) |
| Total comprehensive loss for the year | | — | — | — | (108,564) | (108,564) |
| Equity-settled share arrangements | 31 | — | — | 9,437 | — | 9,437 |
| At 31 December 2023 | | 61,200 | 256,952 | 20,075 | (177,503) | 160,724 |

Year ended 31 December 2024

| | <i>Notes</i> | Attributable to owners of the parent | | | | |
|--|--------------|--------------------------------------|----------------|-----------------|----------------|----------------|
| | | Share capital | Share premium | Share-based | Accumulated | Total equity |
| | | | | payment reserve | losses | |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| As at 1 January 2024 | | 61,200 | 256,952 | 20,075 | (177,503) | 160,724 |
| Loss for the year | | — | — | — | (17,895) | (17,895) |
| Exchange differences related to foreign operations | | — | — | — | (321) | (321) |
| Total comprehensive loss for the year | | — | — | — | (18,216) | (18,216) |
| Capital paid in by shareholders | 29 | 1,749 | 58,251 | — | — | 60,000 |
| Equity-settled share arrangements | 31 | — | — | 9,155 | — | 9,155 |
| As at 31 December 2024 | | 62,949 | 315,203 | 29,230 | (195,719) | 211,663 |

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Year ended 31 December 2025

| | | Attributable to owners of the parent | | | | |
|--------------|---|--------------------------------------|----------------|--------------------|------------------|----------------|
| | | Share-based | | | Accumulated | |
| | | Share capital | Share premium | payment reserve | losses | Total equity |
| <i>Notes</i> | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | As at 1 January 2025 | 62,949 | 315,203 | 29,230 | (195,719) | 211,663 |
| | Loss for the year | — | — | — | (100,138) | (100,138) |
| | Exchange differences related to foreign operations | — | — | — | 114 | 114 |
| | Total comprehensive loss for the year | — | — | — | (100,024) | (100,024) |
| | Capital paid in by shareholders | 13,162 | 446,838 | — | — | 460,000 |
| | Equity-settled share arrangements | — | — | 19,060 | — | 19,060 |
| | Shares issuance cost | — | (4,952) | — | — | (4,952) |
| | As at 31 December 2025 | <u>76,111</u> | <u>757,089</u> | <u>48,290</u> | <u>(295,743)</u> | <u>585,747</u> |

These reserve accounts comprise the consolidated reserves of RMB99,524,000, RMB148,714,000 and RMB509,636,000 in the consolidated statements of financial position as at 2023, 2024 and 2025, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Notes | Year ended | Year ended | Year ended |
|---|-------|-----------------|------------------|------------------|
| | | 31 December | 31 December | 31 December |
| | | 2023 | 2024 | 2025 |
| | | RMB'000 | RMB'000 | RMB'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Loss before tax | | (108,564) | (17,738) | (100,138) |
| Adjustments for: | | | | |
| Finance costs | 8 | 3,252 | 8,537 | 19,126 |
| Interest income | 6 | (1,787) | (1,288) | (3,684) |
| Depreciation of property, plant and equipment | 7 | 17,980 | 21,199 | 24,861 |
| Depreciation of right-of-use assets | 7 | 2,936 | 3,201 | 5,757 |
| Amortization of other intangible assets | 7 | 108 | 97 | 104 |
| Impairment of inventories | 7 | 41,498 | 35,857 | 73,623 |
| (Reversal of impairment)/impairment of financial assets, net | 7 | (5,431) | 1,973 | 2,755 |
| Share-based payment expense | 7 | 9,437 | 9,155 | 19,060 |
| Foreign exchange difference, net | 6 | 2,612 | 7,327 | 4,284 |
| Fair value losses on derivative financial instruments | 7 | 323 | — | — |
| Gain on disposal of financial assets at fair value through profit or loss | 6 | (730) | (116) | (1,511) |
| Impairment of items of property, plant and equipment | 6 | 10,459 | — | — |
| Loss on disposal of items of property, plant and equipment, net | | — | — | 50 |
| Loss on disposal of derivative financial instruments | 6 | 1,078 | 805 | 55 |
| | | <u>(26,829)</u> | <u>69,009</u> | <u>44,342</u> |
| Increase in inventories | | (107,731) | (234,108) | (366,020) |
| Increase in trade and bills receivables | | (8,940) | (212,317) | (166,923) |
| Increase in prepayments, other receivables and other assets | | (7,718) | (29,000) | (11,942) |
| (Increase)/decrease in pledged deposits | | (6,403) | 3,078 | 3,325 |
| (Decrease)/increase in deferred income | | (691) | 5,044 | (628) |
| Increase in trade and bills payables | | 65,514 | 125,562 | 134,484 |
| Increase in other payables and accruals | | 1,817 | 11,353 | 6,393 |
| (Decrease)/increase in contract liabilities | | — | 4,997 | (2,580) |
| (Decrease)/increase in provision | | (61) | 1,574 | 610 |
| Cash flow used in operations | | <u>(91,042)</u> | <u>(254,808)</u> | <u>(358,939)</u> |
| Income tax paid | | — | — | (158) |
| Net cash flows used in operating activities | | <u>(91,042)</u> | <u>(254,808)</u> | <u>(359,097)</u> |

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| | | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|-------|---------------------------|---------------------------|---------------------------|
| | Notes | 2023 | 2024 | 2025 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Decrease/(increase) in time deposits | | 3,047 | (20,480) | 8,390 |
| Purchases of financial assets at fair value through profit or loss | | (444,000) | (122,000) | (675,000) |
| Proceeds from disposals of financial assets at fair value through profit or loss | | 431,652 | 133,329 | 676,456 |
| Purchases of items of property, plant and equipment | | (91,291) | (98,953) | (124,109) |
| Purchases of intangible assets | | — | (96) | (43) |
| Interest received | | 1,788 | 1,288 | 3,274 |
| Net cash flows used in investing activities | | <u>(98,804)</u> | <u>(106,912)</u> | <u>(111,032)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Capital paid in shareholders | | — | 60,000 | 460,000 |
| New bank loan and other borrowings | 32 | 142,484 | 536,742 | 878,237 |
| Repayment of bank loans and other borrowings | 32 | (64,853) | (173,466) | (573,733) |
| Interest paid | 32 | (2,789) | (8,389) | (18,251) |
| Repayment of lease liabilities | 32 | (3,095) | (3,521) | (5,938) |
| Share issuance costs | | — | — | (4,952) |
| Deferred [REDACTED] expenditures | | — | — | [REDACTED] |
| Net cash flows generated from financing activities | | <u>71,747</u> | <u>411,366</u> | <u>733,376</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | | | |
| Cash and cash equivalents at the beginning of year | | (118,099) | 49,646 | 263,247 |
| Effect of foreign exchange rate changes, net | | 153,677 | 32,967 | 74,963 |
| | | <u>(2,611)</u> | <u>(7,650)</u> | <u>(4,170)</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | <u>32,967</u> | <u>74,963</u> | <u>334,040</u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | | |
| Cash and bank balances | | 50,300 | 109,698 | 357,470 |
| Less: Time deposits with original maturity of over three months when acquired | | 10,930 | 31,410 | 23,430 |
| Less: Restricted bank deposits | | 6,403 | 3,325 | — |
| Cash and cash equivalents as stated in the statement of financial position and statement of cash flows | | <u>32,967</u> | <u>74,963</u> | <u>334,040</u> |

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

| | | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---|--------------|--------------------|--------------------|--------------------|
| | <i>Notes</i> | 2023 | 2024 | 2025 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 13 | 62,082 | 104,896 | 37,633 |
| Right-of-use assets | 14(a) | 2,678 | 9,202 | 8,324 |
| Intangible assets | | 175 | 174 | — |
| Prepayments, other receivables and other assets | 17 | 8,516 | 36,931 | 1,651 |
| Time deposits | 20 | 10,930 | 930 | 21,140 |
| Investments in subsidiaries | 16 | 24,090 | 36,612 | 168,161 |
| Total non-current assets | | <u>108,471</u> | <u>188,745</u> | <u>236,909</u> |
| CURRENT ASSETS | | | | |
| Inventories | 22 | 126,340 | 324,591 | 1,051 |
| Trade and bills receivables | 21 | 63,816 | 291,174 | 888,924 |
| Prepayments, other receivables and other assets | 17 | 25,738 | 58,008 | 584,688 |
| Financial assets at fair value through profit or loss | 19 | 10,000 | — | — |
| Time deposits | 20 | — | 30,480 | 2,290 |
| Pledged deposits | 20 | 6,403 | 3,325 | — |
| Cash and cash equivalents | 20 | 32,907 | 52,707 | 236,993 |
| Total current assets | | <u>265,204</u> | <u>760,285</u> | <u>1,713,946</u> |
| CURRENT LIABILITIES | | | | |
| Trade and bills payables | 24 | 56,323 | 193,328 | 305,655 |
| Other payables and accruals | 25 | 8,524 | 31,076 | 86,973 |
| Contract liabilities | 26 | — | 3,783 | 1,079 |
| Deferred income | 27 | 1,355 | 1,635 | 626 |
| Interest-bearing bank and other borrowings | 23 | 107,869 | 413,681 | 630,796 |
| Lease liabilities | 14(b) | 3,042 | 3,010 | 1,551 |
| Deferred tax liabilities | | — | — | — |
| Provision | | 488 | 1,671 | 934 |
| Total current liabilities | | <u>177,601</u> | <u>648,184</u> | <u>1,027,614</u> |
| NET CURRENT ASSETS | | <u>87,603</u> | <u>112,101</u> | <u>686,332</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>196,074</u> | <u>300,846</u> | <u>923,241</u> |
| NON-CURRENT LIABILITIES | | | | |
| Deferred income | 27 | 2,231 | 3,495 | 3,872 |
| Interest-bearing bank and other borrowings | 23 | 21,700 | 61,109 | 92,107 |
| Lease Liabilities | 14(b) | — | 6,050 | 7,365 |
| Provision | | 313 | 704 | 1,415 |
| Total non-current liabilities | | <u>24,244</u> | <u>71,358</u> | <u>104,759</u> |
| NET ASSETS | | <u>171,830</u> | <u>229,488</u> | <u>818,482</u> |
| EQUITY | | | | |
| Share capital | 29 | 61,200 | 62,949 | 76,111 |
| Reserves | 30 | 110,630 | 166,539 | 742,371 |
| Total equity | | <u>171,830</u> | <u>229,488</u> | <u>818,482</u> |

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Crealights Technology Co., Ltd. (the “**Company**”) is a joint stock limited company registered in the People’s Republic of China (“**PRC**”). The registered office of the Company is located at Room 101, 1st Floor, Building 3, Courtyard 10, Liangshuihe 1st Street, Beijing Economic-Technological Development Area, Beijing, PRC.

During the Relevant Periods, the Company’s subsidiaries were principally involved in the business of manufacturing and sale of optical transceivers.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

| Name | Notes | Place and date of incorporation/ registration and place of operations | Nominal value of issued ordinary share capital/registered capital | Percentage of equity directly attributable to the Company held | Principal activities |
|--|-------|---|---|--|---|
| 南通海光芯創科技有限公司 (Nantong Crealights Technology Co., Ltd. (“ Nantong Crealights ”)) | a | PRC/Chinese Mainland 28 October 2020 | RMB200,000,000 | 100% | Research and development (“ R&D ”) and manufacture of optical transceivers |
| 北京海光芯誠半導體科技有限公司 (Beijing Crealights Technology Co., Ltd. (“ Beijing Crealights ”)) | a | PRC/Chinese Mainland 9 April 2024 | RMB10,000,000 | 100% | R&D and manufacture of optical transceivers |
| 南京海芯誠科技有限公司 (Nanjing Crealights Technology Co., Ltd. (“ Nanjing Crealights ”)) | a | PRC/Chinese Mainland 17 February 2025 | RMB100,000,000 | 100% | R&D and manufacture of optical transceivers |
| 蘇州海光芯誠科技有限公司 (Suzhou Crealights Technology Co., Ltd. (“ Suzhou Crealights ”)) | a | PRC/Chinese Mainland 7 July 2025 | RMB60,000,000 | 100% | R&D and manufacture of optical transceivers |
| Crealights Technology Pte. Ltd. (“ Singapore Crealights ”) | b | Singapore 19 December 2023 | USD3,000 | 100% | Sale of optical transceivers |

The English names of all group companies registered in the Chinese Mainland represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Notes:

- (a) No audited financial statements have been prepared for these entities during the Relevant Periods.
- (b) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared under Financial Reporting Standards in Singapore (FRSs) for Non-Publicly Accountable Entities were audited by Chan Leng Leng & Co., certified public accountants registered in Singapore.

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2.1 BASIS OF PREPARATION

As set out in note 29 to the Historical Financial Information, certain of the ordinary shares issued by the Company included redemption right granted to certain shareholders according to their investment agreements entered into with the Company. Pursuant to the supplemental agreements entered into subsequently between the Company and the foregoing shareholders in relation to the termination of redemption right granted by the Company are void ab initio, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the Company’s directors considered that it is appropriate to present such capital paid in by those shareholders with redemption right as equity throughout the Relevant Periods.

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 (the “IASB”).

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for derivative financial instruments and financial assets at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

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

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

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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.

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.

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

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below:

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

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent

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(ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group’s financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

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IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

IAS 7 Statement of Cash Flows: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy by applying the general price index in accordance with paragraph 34 of IAS 29, *Financial Reporting in Hyperinflationary Economies*. The amendments introduce certain additional disclosures. Early application is permitted. The amendments are not expected to have a significant impact on the Group’s financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

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

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.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements 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

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.

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

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial 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.

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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 consolidated statements of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset 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/amortization) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to consolidated statement of 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.

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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 consolidated statements of 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:

| | |
|--------------------------------------|--------------|
| Office and other equipment | 19.00% |
| Electronic devices | 31.67% |
| Machinery equipment | 9.50%–19.00% |
| Motor vehicles | 9.50% |
| Leasehold improvements | 20.00% |

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 the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

Intangible assets

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

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 3 to 5 years.

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Patents and license

Patents and license are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Research and development costs

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

Expenditure incurred on projects to develop new products is capitalized 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:

| | |
|----------------------------|--------------|
| Office buildings | 2 to 8 years |
| Leasehold land | 50 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

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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 (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 equipment that is 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.

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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 the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

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

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

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

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

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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.

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.

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

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables 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

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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, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities at amortised cost

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

The Group’s financial liabilities include trade and bills payables, other payables and accruals and interest-bearing bank and other borrowings, lease liabilities.

Subsequent measurement

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

After initial recognition, trade and other payables, and interest-bearing borrowings 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 the statement of 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 the statement of 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 the statement of profit or loss.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

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Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average 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, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

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

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

Income tax

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

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

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

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

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

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

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

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

Government subsidies

Government subsidies 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.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

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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.

Sale of products

Revenue is recognised when the control of the optical transceivers is transferred to the customer, that is, when the products have been delivered to the specific location of the customer and the customer has confirmed the acceptance of the products. The Group recognises trade receivable upon receipt of the signed receipt after the delivery of goods to the customer, as this represents the point in time when the consideration right becomes unconditional, as it only takes some time before the payment is due.

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 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).

Share-based payments

The Company operates a share-based payment expense. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the Historical Financial Information.

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 reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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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 an award unless there are also service and/or performance conditions.

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

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

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

Employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to consolidated statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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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 financial statements. The Group will adjust the amounts recognised in its financial statements 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 financial statements, 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.

Foreign currencies

This Historical Financial Information is presented in Renminbi, 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 exchange rates that approximate to those prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items .

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, are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their consolidated statements of profit or loss are translated into Renminbi 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 the statement of 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.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgement

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

Revenue recognition

The determination of whether revenues should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. In determining whether the Group acts as the principal or an agent, the Group follows the accounting guidance for principal-agent considerations in IFRS 15.

Estimation uncertainty

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 financial statements:

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. 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 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 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 is disclosed in note 17 and note 21 to the Historical Financial Information.

Provision of inventories

The Group reviews the ageing analysis of the Group’s inventories at the end of each reporting period, and makes provision for obsolete items when events or changes in circumstances show that the balance of inventories may not be realisable. The assessment of the provision amount involves

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management judgement and estimates by considering historical consumption. Where the actual outcome is different from the original estimate, such differences will have an impact on the carrying value of the inventories and provision charge/write-back in the period in which such estimate has been changed.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each reporting period. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or a cash-generating unit are undertaken, management must estimate the expected future cash flows from the asset or a cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. OPERATING SEGMENT INFORMATION

The Group is engaging in the research and development, manufacture and sale of optical transceivers, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group’s senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--------------------------------------|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| North America | | | |
| — United States of America | 84,784 | 121,207 | 93,798 |
| Asia | | | |
| — Chinese Mainland | 76,124 | 623,555 | 1,099,262 |
| — Malaysia | — | 108,865 | 13,690 |
| — Rest of Asia | 11,790 | 5,539 | 9,705 |
| Europe and others | 2,640 | 2,666 | 4,608 |
| Total revenue | <u>175,338</u> | <u>861,832</u> | <u>1,221,063</u> |

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

(b) Non-current assets

All the non-current assets of the Group are physically located in Chinese Mainland.

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Information about major customers

Information about external customers from which the revenue amounted to over 10% of the total revenue of the Group for the years ended 31 December 2023, 2024 and 2025 was set forth below:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|----------------------|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Customer A | 62,773 | 217,215 | 256,757 |
| Customer B | * | * | 251,561 |
| Customer C | 84,816 | 117,092 | * |
| Customer D | * | 100,555 | * |
| Customer E | * | * | 183,340 |
| Customer F | * | * | 180,590 |

* Less than 10% of the Group’s revenue.

5. REVENUE

An analysis of revenue is as follows:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Revenue from contracts with customers | 175,338 | 861,832 | 1,221,063 |

(a) Disaggregated revenue information

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Types of goods or services | | | |
| Active Optical Cables (“AOC”). | 46,057 | 151,116 | 248,127 |
| Optical transceivers | 123,845 | 589,721 | 923,944 |
| Others | 5,436 | 120,995 | 48,992 |
| Total | 175,338 | 861,832 | 1,221,063 |
| Timing of revenue recognition | | | |
| Goods transferred at a point in time. | 175,338 | 861,832 | 1,221,063 |

The revenue derived from each of the geographical market has been set out above.

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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 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period | — | — | 4,997 |

(b) Performance obligations

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

Sale of AOC and optical transceivers

The performance obligation is satisfied when the products have been delivered to the specific location of the customer and the customer has confirmed the acceptance of products and payments is generally due within 30 to 90 days from received invoice.

All amounts of transaction prices allocated to the performance obligations of sale of optical transceivers are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus directors applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each reporting period.

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6. OTHER INCOME AND GAINS, OTHER EXPENSES AND LOSSES

| | | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|-------------|---------------------------|---------------------------|---------------------------|
| | | 2023 | 2024 | 2025 |
| | <i>Note</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Other income | | | | |
| Interest income | | 1,787 | 1,288 | 3,684 |
| Government subsidies* | | 4,950 | 2,697 | 10,700 |
| Others | | — | — | 1 |
| Total other income | | <u>6,737</u> | <u>3,985</u> | <u>14,385</u> |
| Gains | | | | |
| Gains on disposal of financial assets at fair value through profit or loss | 7 | 730 | 116 | 1,511 |
| Losses on disposal of derivative financial instruments | 7 | (1,078) | (805) | (55) |
| Loss on disposal of items of property, plant and equipment | | — | — | (50) |
| Total gains | | <u>(348)</u> | <u>(689)</u> | <u>1,406</u> |
| Total other income and gains | | <u>6,389</u> | <u>3,296</u> | <u>15,791</u> |
| Other expenses and losses | | | | |
| Exchange differences, net | | (2,612) | (7,327) | (4,284) |
| Impairment of items of property, plant and equipment | | (10,459) | — | — |
| Others | | (1) | (232) | (5,369) |
| Other expenses and losses | | <u>(13,072)</u> | <u>(7,559)</u> | <u>(9,653)</u> |

* Subsidies were received for the Group’s operating businesses and there were no unfulfilled conditions or contingencies relating to these subsidies during the Relevant Periods.

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7. LOSS BEFORE TAX

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

| | | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|--------------|---------------------------|---------------------------|---------------------------|
| | | 2023 | 2024 | 2025 |
| | <i>Notes</i> | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Cost of inventories sold* | | 206,642 | 760,019 | 1,111,307 |
| Depreciation of property, plant and equipment. | <i>13</i> | 17,980 | 21,199 | 24,861 |
| Depreciation of right-of-use assets. | <i>14</i> | 2,936 | 3,201 | 5,757 |
| Amortisation of intangible assets. | <i>15</i> | 108 | 97 | 104 |
| [REDACTED]. | | — | — | [REDACTED] |
| Employee benefit expense (including directors’ and chief executive’s remuneration (<i>note 9</i>)): | | | | |
| Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans). | | 44,679 | 63,517 | 87,319 |
| Share-based payment expense | | 9,437 | 9,155 | 19,060 |
| Impairment of inventories. | <i>22</i> | 41,498 | 35,857 | 73,623 |
| (Reversal of impairment)/impairment of financial assets, net. | | (5,431) | 1,973 | 2,755 |
| Impairment of items of property, plant and equipment. | <i>13</i> | 10,459 | — | — |
| Fair value gains on derivative financial instruments | | 323 | — | — |
| Losses on disposal of financial assets at fair value through profit or loss | | (730) | (116) | (1,511) |
| Loss on disposal of derivative financial instruments. | | 1,078 | 805 | 55 |
| | | <u>1,078</u> | <u>805</u> | <u>55</u> |

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

8. FINANCE COSTS

An analysis of finance costs is as follows:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Interest on bank and other borrowings | 3,050 | 8,466 | 18,589 |
| Interest on lease liabilities. | 202 | 71 | 537 |
| Total | <u>3,252</u> | <u>8,537</u> | <u>19,126</u> |

Details of the Pre-[REDACTED] Investments are set out in note 29 to the Historical Financial Information.

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9. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

The remuneration of directors and the supervisors of the Company recorded in each of the Relevant Periods is set out below:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Fees | 150 | 150 | 150 |
| Other emoluments: Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans) | 4,254 | 4,851 | 4,449 |
| Share-based compensation expenses | 9,133 | 9,308 | 12,690 |
| Total | <u>13,537</u> | <u>14,309</u> | <u>17,289</u> |

(a) Independent non-executive directors

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

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|------------------------|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| HaoPing Xu | 50 | 50 | 50 |
| Guiming Qiao | 50 | 50 | 50 |
| Fei Wang | 50 | 50 | 50 |
| Total | <u>150</u> | <u>150</u> | <u>150</u> |

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

- (1) In December 2020, Ms. HaoPing Xu was appointed as an independent non-executive director of the Company.
- (2) In December 2020, Mr. Guiming Qiao was appointed as an independent non-executive director of the Company.
- (3) In December 2020, Ms. Fei Wang was appointed as an independent non-executive director of the Company.

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(b) Executive director and supervisors

Year ended 31 December 2023

| | Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans) | Share-based compensation expenses | Total |
|-------------------------|---|---|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Executive directors: | | | |
| Zhaoyang Hu | 840 | 7,353 | 8,193 |
| Yong Hu | 684 | 1,590 | 2,274 |
| Hong Zhou | 566 | 148 | 714 |
| Songpu Zhang | 599 | 42 | 641 |
| Xiaogang Chen | 1,093 | — | 1,093 |
| | 3,782 | 9,133 | 12,915 |
| Supervisors: | | | |
| Xiuxiu Zhao | 233 | — | 233 |
| Hui Wang | 218 | — | 218 |
| Huaifeng Wei | 21 | — | 21 |
| | 472 | — | 472 |
| Total | 4,254 | 9,133 | 13,387 |

Year ended 31 December 2024

| | Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans) | Share-based compensation expenses | Total |
|--------------------------|---|---|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Executive directors: | | | |
| Zhaoyang Hu | 935 | 7,528 | 8,463 |
| Yong Hu | 821 | 1,590 | 2,411 |
| Hong Zhou | 693 | 148 | 841 |
| Songpu Zhang | 658 | 42 | 700 |
| Guan Wang (王冠) | 138 | — | 138 |
| Xiaogang Chen | 1,025 | — | 1,025 |
| | 4,270 | 9,308 | 13,578 |
| Supervisors: | | | |
| Xiuxiu Zhao | 269 | — | 269 |
| Hui Wang | 312 | — | 312 |
| | 581 | — | 581 |
| Total | 4,851 | 9,308 | 14,159 |

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Year ended 31 December 2025

| | Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans) | Share-based compensation expenses | Total |
|------------------------|---|---|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Executive directors: | | | |
| Zhaoyang Hu | 976 | 9,916 | 10,892 |
| Yong Hu | 880 | 2,087 | 2,967 |
| Hong Zhou | 680 | 645 | 1,325 |
| Songpu Zhang | 664 | 42 | 706 |
| Guan Wang | 663 | — | 663 |
| | 3,863 | 12,690 | 16,553 |
| Supervisors: | | | |
| Xiuxiu Zhao | 266 | — | 266 |
| Hui Wang | 320 | — | 320 |
| | 586 | — | 586 |
| Total | 4,449 | 12,690 | 17,139 |

- (1) In December 2020, Mr. Zhaoyang Hu was appointed as an executive director of the Company. During the Relevant Periods, Mr. Zhaoyang Hu served as the chief executive of the Company.
- (2) In December 2020, Mr. Yong Hu was appointed as an executive director of the Company.
- (3) In December 2020, Ms. Hong Zhou was appointed as an executive director of the Company.
- (4) In August 2022, Mr. Songpu Zhang was appointed as an executive director of the Company.
- (5) In December 2024, Mr. Guan Wang was appointed as an executive director of the Company.
- (6) In August 2022, Mr. Xiaogang Chen was appointed as an executive director of the Company and resigned in December 2024.
- (7) In December 2020, Mr. Liangliang Song was appointed as an executive director of the Company and resigned in April 2022.
- (8) In December 2020, Ms. Mengxi Jin was appointed as an executive director of the Company and resigned in June 2022.
- (9) In February 2023, Ms. Xiuxiu Zhao was appointed as a supervisor of the Company.
- (10) In December 2020, Ms. Hui Wang was appointed as a supervisor of the Company.
- (11) In December 2020, Mr. Huafeng Wei was appointed as a supervisor of the Company and resigned in January 2023.

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

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

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10. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose remunerations were the highest in the Group for the years ended 31 December 2023, 2024 and 2025 include 1, 2 and 2 directors respectively, details of whose remuneration are set out in note 9 above. Details of the remunerations of the remaining 4, 3 and 3 individuals who are neither directors nor supervisors of the Company during the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Other emoluments: | | | |
| Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans) | 3,380 | 2,658 | 3,066 |
| Share-based compensation expenses | — | — | 1,490 |
| Total | <u>3,380</u> | <u>2,658</u> | <u>4,556</u> |

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| Nil to HK\$1,000,000 | 3 | 2 | — |
| HK\$1,000,001 to HK\$1,500,000 | 1 | 1 | 3 |
| Total | <u>4</u> | <u>3</u> | <u>3</u> |

11. INCOME TAX EXPENSES

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/or operated.

Chinese Mainland

Under the Law on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate for the Group’s subsidiaries in Chinese Mainland is 25% unless subject to preferential tax rate.

The Company was qualified as a High and New Technology Enterprise (“**HNTE**”) and was entitled to a preferential tax rate of 15% during the Relevant Periods. This qualification is subject to review by the relevant tax authority every three years.

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Singapore

The subsidiary incorporated in Singapore was subject to Singapore profits tax at the rate of 17% for taxable income on any estimated assessable profits arising in Singapore during the Relevant Periods.

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current income tax | | | |
| — Chinese Mainland | — | — | — |
| — Singapore | — | 157 | — |
| Deferred tax (<i>note 18</i>) | — | — | — |
| Total tax charge for the year | <u>—</u> | <u>157</u> | <u>—</u> |

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Loss before tax | <u>(108,564)</u> | <u>(17,738)</u> | <u>(100,138)</u> |
| Tax at statutory tax rate of 15% | (16,285) | (2,661) | (15,021) |
| Effect of different tax rates | (1,161) | (723) | (6,838) |
| Additional deductible allowance for research and development expenses | (5,698) | (9,802) | (18,807) |
| Expenses not deductible for tax | 221 | 100 | 652 |
| Tax losses and deductible temporary differences not recognised | 22,923 | 13,243 | 40,014 |
| Tax charge for the year | <u>—</u> | <u>157</u> | <u>—</u> |

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

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the Relevant Periods.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the potential ordinary shares had an anti-dilutive effect on the basic loss per share amount presented.

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

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Loss | | | |
| Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation | (108,564) | (17,895) | (100,138) |
| | Number of shares | | |
| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
| | 2023 | 2024 | 2025 |
| | <i>'000</i> | <i>'000</i> | <i>'000</i> |
| Shares | | | |
| Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation | 61,200 | 61,864 | 72,351 |

Details of the Pre-[REDACTED] Investments are set out in note 29 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2023

| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|----------------------------------|-----------------------|------------------------|----------------|---------------------------|-----------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2023 | | | | | | | |
| Cost | 1,235 | 2,556 | 93,122 | 434 | 28,532 | 36,340 | 162,219 |
| Accumulated depreciation and impairment | (567) | (1,728) | (40,109) | (197) | (12,959) | — | (55,560) |
| Net carrying amount. | 668 | 828 | 53,013 | 237 | 15,573 | 36,340 | 106,659 |

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| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|----------------------------------|-----------------------|------------------------|----------------|---------------------------|-----------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2023, net of accumulated depreciation | 668 | 828 | 53,013 | 237 | 15,573 | 36,340 | 106,659 |
| Additions | 37 | 1,294 | 8,074 | — | 337 | 44,405 | 54,147 |
| Impairment | — | — | — | — | — | (10,459) | (10,459) |
| Depreciation provided during the year. | (182) | (689) | (11,309) | (86) | (5,714) | — | (17,980) |
| At 31 December 2023, net of accumulated depreciation | <u>523</u> | <u>1,433</u> | <u>49,778</u> | <u>151</u> | <u>10,196</u> | <u>70,286</u> | <u>132,367</u> |
| At 31 December 2023: | | | | | | | |
| Cost | 1,271 | 3,850 | 101,196 | 434 | 28,869 | 70,286 | 205,906 |
| Accumulated depreciation and impairment | (748) | (2,417) | (51,418) | (283) | (18,673) | — | (73,539) |
| Net carrying amount. | <u>523</u> | <u>1,433</u> | <u>49,778</u> | <u>151</u> | <u>10,196</u> | <u>70,286</u> | <u>132,367</u> |

31 December 2024

| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|----------------------------------|-----------------------|------------------------|----------------|---------------------------|-----------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2024: | | | | | | | |
| Cost | 1,271 | 3,850 | 101,196 | 434 | 28,869 | 70,286 | 205,906 |
| Accumulated depreciation and impairment | (748) | (2,417) | (51,418) | (283) | (18,673) | — | (73,539) |
| Net carrying amount. | <u>523</u> | <u>1,433</u> | <u>49,778</u> | <u>151</u> | <u>10,196</u> | <u>70,286</u> | <u>132,367</u> |
| At 1 January 2024, net of accumulated depreciation | 523 | 1,433 | 49,778 | 151 | 10,196 | 70,286 | 132,367 |
| Additions | 38 | 999 | 62,667 | — | 416 | 353 | 64,473 |
| Depreciation provided during the year. | (188) | (686) | (14,438) | (86) | (5,801) | — | (21,199) |
| At 31 December 2024, net of accumulated depreciation | <u>373</u> | <u>1,746</u> | <u>98,007</u> | <u>65</u> | <u>4,811</u> | <u>70,639</u> | <u>175,641</u> |
| At 31 December 2024: | | | | | | | |
| Cost | 1,309 | 4,849 | 163,863 | 434 | 29,285 | 70,639 | 270,379 |
| Accumulated depreciation and impairment | (936) | (3,103) | (65,856) | (369) | (24,474) | — | (94,738) |
| Net carrying amount. | <u>373</u> | <u>1,746</u> | <u>98,007</u> | <u>65</u> | <u>4,811</u> | <u>70,639</u> | <u>175,641</u> |

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ACCOUNTANTS’ REPORT

31 December 2025

| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Construction in progress | Total |
|---|----------------------------------|-----------------------|------------------------|----------------|---------------------------|-----------------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2025: | | | | | | | |
| Cost | 1,309 | 4,849 | 163,863 | 434 | 29,285 | 70,639 | 270,379 |
| Accumulated depreciation and impairment | (936) | (3,103) | (65,856) | (369) | (24,474) | — | (94,738) |
| Net carrying amount. | <u>373</u> | <u>1,746</u> | <u>98,007</u> | <u>65</u> | <u>4,811</u> | <u>70,639</u> | <u>175,641</u> |
| At 1 January 2025 net of accumulated depreciation | 373 | 1,746 | 98,007 | 65 | 4,811 | 70,639 | 175,641 |
| Additions | 209 | 1,513 | 54,182 | 515 | — | 24,468 | 80,887 |
| Disposals | — | — | (50) | — | — | — | (50) |
| Depreciation provided during the year. . | (188) | (967) | (19,561) | (43) | (4,102) | — | (24,861) |
| Transfers | — | — | 33 | — | 31,345 | (31,378) | — |
| At 31 December 2025, net of accumulated depreciation | <u>394</u> | <u>2,292</u> | <u>132,611</u> | <u>537</u> | <u>32,054</u> | <u>63,729</u> | <u>231,617</u> |
| At 31 December 2025: | | | | | | | |
| Cost | 1,519 | 6,362 | 217,961 | 949 | 60,630 | 63,729 | 351,150 |
| Accumulated depreciation and impairment | (1,125) | (4,070) | (85,350) | (412) | (28,576) | — | (119,533) |
| Net carrying amount. | <u>394</u> | <u>2,292</u> | <u>132,611</u> | <u>537</u> | <u>32,054</u> | <u>63,729</u> | <u>231,617</u> |

During the Relevant Periods, the Group recorded continuous net losses. and there were indications of impairment.

The Group performed impairment tests on a cash-generating unit (“CGU”) which engaged in production of optoelectronic interconnection products amounting to RMB73,452,000, RMB127,315,000 and RMB156,582,000 at the end of each of Relevant Periods, respectively.

The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections of financial budgets approved by the Group’s management. The budgeted sales and margins are estimated based on historical information achieved and expected market development.

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Below sets out key assumptions as adopted by the Group’s management in the impairment assessment:

| | As at 31 December | | |
|--------------------------------------|-------------------|--------|--------|
| | 2023 | 2024 | 2025 |
| Annual revenue growth rate | 0%–322% | 0%–55% | 0%–16% |
| Discount rate (before tax) | 14.4% | 14.8% | 12.7% |

The management believes that, any reasonably possible change in the key parameters would not cause the CGU’s carrying amount to exceed its recoverable amount. The management determined that there was no impairment of its CGUs during the Relevant Periods.

Due to the prolonged suspension of a factory construction of the Group, the Company’s management has identified a risk of impairment and therefore engaged external appraisers to assess the asset relating to the factory under construction at 31 December 2023, 2024 and 2025. The recoverable amount is determined on the basis of fair value less costs of disposal. The fair value has been arrived at with the adoption of the hypothetical development method on the assumption that construction in progress would be developed to a usable state in accordance with the established development plan. To determine the fair value of the factory assets, a direct comparison is made using rental data that is available and comparable in the relevant market, and the construction and other costs expected to be incurred from the valuation date to the completion of development are deducted. The fair value is measured at level 3 of the fair value hierarchy. According to the impairment assessment, amount of RMB10,459,000, nil and nil was recognized in the statement of profit or loss, respectively, for the asset relating to the factory under construction.

As at 31 December 2025, certain construction in progress of the Group with a net carrying value of approximately RMB63,729,000 was pledged to secure interest-bearing bank and other borrowings of the Group.

The Company

31 December 2023

| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Total |
|--|----------------------------|--------------------|---------------------|----------------|------------------------|----------|
| | RMB’000 | RMB’000 | RMB’000 | RMB’000 | RMB’000 | RMB’000 |
| At 1 January 2023: | | | | | | |
| Cost | 1,235 | 2,556 | 93,122 | 434 | 28,532 | 125,879 |
| Accumulated depreciation | (567) | (1,728) | (40,109) | (197) | (12,959) | (55,560) |
| Net carrying amount | 668 | 828 | 53,013 | 237 | 15,573 | 70,319 |
| At 1 January 2023, net of accumulated depreciation | 668 | 828 | 53,013 | 237 | 15,573 | 70,319 |
| Additions | 38 | 1,294 | 8,075 | — | 337 | 9,744 |
| Depreciation provided during the year | (183) | (689) | (11,309) | (86) | (5,714) | (17,981) |
| At 31 December 2023, net of accumulated depreciation. | 523 | 1,433 | 49,779 | 151 | 10,196 | 62,082 |
| At 31 December 2023: | | | | | | |
| Cost | 1,273 | 3,850 | 101,197 | 434 | 28,869 | 135,623 |
| Accumulated depreciation | (750) | (2,417) | (51,418) | (283) | (18,673) | (73,541) |
| Net carrying amount | 523 | 1,433 | 49,779 | 151 | 10,196 | 62,082 |

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31 December 2024

| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Total |
|--|----------------------------------|-----------------------|------------------------|----------------|---------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2024: | | | | | | |
| Cost | 1,273 | 3,850 | 101,197 | 434 | 28,869 | 135,623 |
| Accumulated depreciation | (750) | (2,417) | (51,418) | (283) | (18,673) | (73,541) |
| Net carrying amount | <u>523</u> | <u>1,433</u> | <u>49,779</u> | <u>151</u> | <u>10,196</u> | <u>62,082</u> |
| At 1 January 2024, net of accumulated depreciation | 523 | 1,433 | 49,779 | 151 | 10,196 | 62,082 |
| Additions | 14 | 931 | 62,644 | — | 416 | 64,005 |
| Depreciation provided during the year | (186) | (681) | (14,437) | (86) | (5,801) | (21,191) |
| At 31 December 2024, net of accumulated depreciation. | <u>351</u> | <u>1,683</u> | <u>97,986</u> | <u>65</u> | <u>4,811</u> | <u>104,896</u> |
| At 31 December 2024: | | | | | | |
| Cost | 1,287 | 4,781 | 163,841 | 434 | 29,285 | 199,628 |
| Accumulated depreciation | (936) | (3,098) | (65,855) | (369) | (24,474) | (94,732) |
| Net carrying amount | <u>351</u> | <u>1,683</u> | <u>97,986</u> | <u>65</u> | <u>4,811</u> | <u>104,896</u> |

31 December 2025

| | Office and other equipment | Electronic devices | Machinery equipment | Motor vehicles | Leasehold improvements | Total |
|---|----------------------------------|-----------------------|------------------------|----------------|---------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2025: | | | | | | |
| Cost | 1,287 | 4,781 | 163,841 | 434 | 29,285 | 199,628 |
| Accumulated depreciation | (936) | (3,098) | (65,855) | (369) | (24,474) | (94,732) |
| Net carrying amount | <u>351</u> | <u>1,683</u> | <u>97,986</u> | <u>65</u> | <u>4,811</u> | <u>104,896</u> |
| At 1 January 2025 net of accumulated depreciation | 351 | 1,683 | 97,986 | 65 | 4,811 | 104,896 |
| Additions | — | 1,372 | 35,933 | — | — | 37,305 |
| Disposals | (206) | (2,091) | (79,915) | (22) | (1,559) | (83,793) |
| Depreciation provided during the year | (145) | (766) | (16,569) | (43) | (3,252) | (20,775) |
| At 31 December 2025, net of accumulated depreciation. | <u>—</u> | <u>198</u> | <u>37,435</u> | <u>—</u> | <u>—</u> | <u>37,633</u> |
| At 31 December 2025: | | | | | | |
| Cost | — | 201 | 40,840 | — | — | 41,041 |
| Accumulated depreciation | — | (3) | (3,405) | — | — | (3,408) |
| Net carrying amount | <u>—</u> | <u>198</u> | <u>37,435</u> | <u>—</u> | <u>—</u> | <u>37,633</u> |

14. LEASES

The Group as a lessee

The Group has lease contracts for leasehold land and office buildings used in its operations. Leases of leasehold land generally have lease terms of 50 years and office buildings generally have lease terms between 2 and 8 years.

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(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:

| | | Office buildings | Leasehold land | Total |
|---|-------------|-------------------------|-----------------------|----------------|
| | <i>Note</i> | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| As at 1 January 2023 | | 5,362 | 12,207 | 17,569 |
| Depreciation for the year | 7 | (2,684) | (252) | (2,936) |
| As at 31 December 2023 and 1 January 2024 | | 2,678 | 11,955 | 14,633 |
| Additions | | 9,893 | — | 9,893 |
| Depreciation for the year | 7 | (2,948) | (253) | (3,201) |
| As at 31 December 2024 and 1 January 2025 | | 9,623 | 11,702 | 21,325 |
| Additions | | 19,553 | — | 19,553 |
| Depreciation for the year | 7 | (5,504) | (253) | (5,757) |
| As at 31 December 2025 | | 23,672 | 11,449 | 35,121 |

As of 31 December 2023, 2024 and 2025, the Group’s leasehold land with net carrying values of approximately RMB11,955,000, RMB11,702,000, and RMB11,449,000, respectively, were pledged to secure interest-bearing bank and other borrowings of the Group.

(b) Lease liabilities

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

| | | 31 December | 31 December | 31 December |
|--|-------------|--------------------|--------------------|--------------------|
| | | 2023 | 2024 | 2025 |
| | <i>Note</i> | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| At beginning of year | | 5,935 | 3,042 | 9,485 |
| New leases | | — | 9,893 | 19,553 |
| Accretion of interest recognised during the year | 8 | 202 | 71 | 537 |
| Payments | | (3,095) | (3,521) | (5,938) |
| At end of year | | 3,042 | 9,485 | 23,637 |
| Analysed into: | | | | |
| Current portion | | 3,042 | 3,290 | 6,636 |
| Non-current portion | | — | 6,195 | 17,001 |

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

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|---|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Interest on lease liabilities | 202 | 71 | 537 |
| Depreciation of right-of-use assets | 2,936 | 3,201 | 5,757 |
| Total amount recognised in profit or loss | <u>3,138</u> | <u>3,272</u> | <u>6,294</u> |

(d) The total cash outflows for leases are set out in note 32(b).

The Company as a lessee

The Company has lease contracts for office buildings used in its operations. Leases of leasehold land generally have lease terms of 50 years and office buildings generally have lease terms between 2 and 8 years.

(a) Right-of-use assets

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

| | Office buildings | Leasehold land | Total |
|--|------------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| As at 1 January 2023 | 5,362 | — | 5,362 |
| Depreciation for the year | (2,684) | — | (2,684) |
| As at 31 December 2023 and 1 January 2024 | 2,678 | — | 2,678 |
| Additions | 9,331 | — | 9,331 |
| Depreciation for the year | (2,807) | — | (2,807) |
| As at 31 December 2024 and 1 January 2025 | 9,202 | — | 9,202 |
| Additions | 9,365 | — | 9,365 |
| Disposals | (6,610) | — | (6,610) |
| Depreciation for the year | (3,633) | — | (3,633) |
| As at 31 December 2025 | <u>8,324</u> | <u>—</u> | <u>8,324</u> |

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(b) Lease liabilities

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

| | 31 December | 31 December | 31 December |
|--|--------------------|--------------------|--------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| At beginning of year | 5,935 | 3,042 | 9,060 |
| New leases | — | 9,331 | 9,365 |
| Accretion of interest recognised during the year | 202 | 62 | 309 |
| Payments | (3,095) | (3,375) | (3,268) |
| Disposals | — | — | (6,550) |
| At end of year | <u>3,042</u> | <u>9,060</u> | <u>8,916</u> |
| Analysed into: | | | |
| Current portion | 3,042 | 3,010 | 1,551 |
| Non-current portion | — | 6,050 | 7,365 |

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

| | Year ended | Year ended | Year ended |
|--|--------------------|--------------------|--------------------|
| | 31 December | 31 December | 31 December |
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Interest on lease liabilities | 202 | 62 | 309 |
| Depreciation charge of right-of-use assets | 2,684 | 2,807 | 3,633 |
| Total amount recognised in profit or loss | <u>2,886</u> | <u>2,869</u> | <u>3,942</u> |

15. INTANGIBLE ASSETS

| | Software | Patents and license | Total |
|---|-----------------|----------------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| 31 December 2023 | | | |
| At 1 January 2023: | | | |
| Cost | 1,077 | 24 | 1,101 |
| Accumulated amortization | (794) | (24) | (818) |
| Net carrying amount | <u>283</u> | <u>—</u> | <u>283</u> |
| Cost at 1 January 2023, net of accumulated amortization | 283 | — | 283 |
| Amortization during the year | (108) | — | (108) |
| At 31 December 2023, net of accumulated amortization | <u>175</u> | <u>—</u> | <u>175</u> |
| At 31 December 2023 | | | |
| Cost | 1,077 | 24 | 1,101 |
| Accumulated amortization | (902) | (24) | (926) |
| Net carrying amount | <u>175</u> | <u>—</u> | <u>175</u> |

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| | <u>Software</u> | <u>Patents and license</u> | <u>Total</u> |
|---|-----------------|----------------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| 31 December 2024 | | | |
| At 1 January 2024: | | | |
| Cost | 1,077 | 24 | 1,101 |
| Accumulated amortization | (902) | (24) | (926) |
| Net carrying amount | <u>175</u> | <u>—</u> | <u>175</u> |
| Cost at 1 January 2024, net of accumulated amortization | 175 | — | 175 |
| Additions | 96 | — | 96 |
| Amortization during the year | (97) | — | (97) |
| At 31 December 2024, net of accumulated amortization | <u>174</u> | <u>—</u> | <u>174</u> |
| At 31 December 2024 | | | |
| Cost | 1,173 | 24 | 1,197 |
| Accumulated amortization | (999) | (24) | (1,023) |
| Net carrying amount | <u>174</u> | <u>—</u> | <u>174</u> |
| 31 December 2025 | | | |
| At 1 January 2025: | | | |
| Cost | 1,173 | 24 | 1,197 |
| Accumulated amortization | (999) | (24) | (1,023) |
| Net carrying amount | <u>174</u> | <u>—</u> | <u>174</u> |
| Cost at 1 January 2025, net of accumulated amortization | 174 | — | 174 |
| Additions | 43 | — | 43 |
| Amortization during the year | (104) | — | (104) |
| At 31 December 2025, net of accumulated amortization | <u>113</u> | <u>—</u> | <u>113</u> |
| At 31 December 2025 | | | |
| Cost | 1,216 | 24 | 1,240 |
| Accumulated amortization | (1,103) | (24) | (1,127) |
| Net carrying amount | <u>113</u> | <u>—</u> | <u>113</u> |

16. INVESTMENTS IN SUBSIDIARIES

The Company

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Investments, at cost | 27,000 | 39,522 | 171,071 |
| Impairment losses on investment in subsidiaries | (2,910) | (2,910) | (2,910) |
| Investments in subsidiaries | <u>24,090</u> | <u>36,612</u> | <u>168,161</u> |

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17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current: | | | |
| Other tax recoverable | 19,894 | 36,488 | 49,001 |
| Prepayments | 8,120 | 25,320 | 35,376 |
| Rebate receivables from suppliers | — | — | 3,696 |
| Deposits paid | 2,122 | 7,397 | 4,314 |
| Advances to employees | 439 | 685 | 1,009 |
| Due from a director | — | 1,012 | — |
| Deferred [REDACTED] expenditures | — | — | [REDACTED] |
| Others | — | 58 | 21 |
| | <u>30,575</u> | <u>70,960</u> | <u>96,624</u> |
| Impairment allowance | (1,315) | (2,188) | (1,672) |
| | <u>29,260</u> | <u>68,772</u> | <u>94,952</u> |
| Non-current: | | | |
| Prepayments for acquisition of property and equipment | 8,215 | 36,630 | 55,067 |
| Total | <u>37,475</u> | <u>105,402</u> | <u>150,019</u> |

The movements in the loss allowance for impairment of other receivables are as follows:

| | | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|----------------------------------|---|---------------------------|---------------------------|---------------------------|
| | | 2023 | 2024 | 2025 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At beginning of year | | 1,175 | 1,315 | 2,188 |
| Impairment losses, net | 7 | 140 | 873 | (516) |
| At end of year | | <u>1,315</u> | <u>2,188</u> | <u>1,672</u> |

An impairment analysis is performed at each reporting date by considering the expected credit losses which are estimated by applying a loss rate approach. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

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The Company

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Current: | | | |
| Other tax recoverables | 17,178 | 39,315 | 35,720 |
| Prepayments | 8,606 | 17,525 | 4,888 |
| Due from subsidiaries* | — | — | 539,438 |
| Procurement rebate | — | — | — |
| Deposits paid | 24 | 16 | 1,438 |
| Advances to employees | 439 | 656 | — |
| Due from a director | — | 1,012 | — |
| Deferred [REDACTED] expenditures | — | — | [REDACTED] |
| Others | — | 58 | 21 |
| | <u>26,247</u> | <u>58,582</u> | <u>584,712</u> |
| Impairment allowance | (509) | (574) | (24) |
| | <u>25,738</u> | <u>58,008</u> | <u>584,688</u> |
| Non-current: | | | |
| Prepayments for acquisition of property and equipment | 8,516 | 36,931 | 1,651 |
| Total | <u>34,254</u> | <u>94,939</u> | <u>586,339</u> |

* The amount due from subsidiaries are trade in nature, unsecured, interest-free and repayable on demand. The amount due from a director bore interest at 3.24% per annum, was unsecured and had no fixed term of repayment.

18. DEFERRED TAX

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

Deferred tax assets

| | Impairment provision | Deferred income | Lease liabilities | Total |
|--|-------------------------|--------------------|-------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| At 1 January 2023 | — | — | 855 | 855 |
| Deferred tax credited/(charged) to the statement of profit or loss during the year | 4 | — | (453) | (449) |
| Gross deferred tax assets as at 31 December 2023 and 1 January 2024 . . | 4 | — | 402 | 406 |
| Deferred tax credited to the statement of profit or loss during the year | 17 | — | 1,063 | 1,080 |
| Gross deferred tax assets as at 31 December 2024 and 1 January 2025 . . | 21 | — | 1,465 | 1,486 |
| Deferred tax credited to the statement of profit or loss during the year | 118 | 17 | 3,464 | 3,599 |
| Gross deferred tax assets as at 31 December 2025 | <u>139</u> | <u>17</u> | <u>4,929</u> | <u>5,085</u> |

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Deferred tax liabilities

| | Financial assets at fair value through profit or loss | Right-of-use assets | Total |
|---|---|---------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At 1 January 2023 | 51 | 804 | 855 |
| Deferred tax credited to the statement of profit or loss during the year | (47) | (402) | (449) |
| Gross deferred tax liabilities as at 31 December 2023 and 1 January 2024 . . . | 4 | 402 | 406 |
| Deferred tax (credited)/charged to the statement of profit or loss during the year . | (4) | 1,084 | 1,080 |
| Gross deferred tax liabilities as at 31 December 2024 and 1 January 2025 . . . | — | 1,486 | 1,486 |
| Deferred tax charged to the statement of profit or loss during the year | — | 3,599 | 3,599 |
| Gross deferred tax liabilities as at 31 December 2025 | — | 5,085 | 5,085 |

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position.

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|---|---------------------|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Net deferred tax assets recognised in the consolidated statement of financial position | — | — | — |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | — | — | — |

The Group had tax losses arising in Chinese Mainland of RMB283,063,000, RMB344,047,000 and RMB445,170,000 as at 31 December 2023, 2024 and 2025, respectively, that would expire in one to ten years for offsetting against future taxable profits.

The Group had tax losses arising in Singapore of RMB1,528,000 as at 31 December 2025 that are available indefinitely for offsetting against future taxable profits.

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

| | As at 31 December | | |
|---|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Tax losses | 283,063 | 344,047 | 446,698 |
| Deductible temporary differences. | 104,390 | 125,326 | 218,745 |
| Total | 387,453 | 469,373 | 665,443 |

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Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and the subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--------------------------------------|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Wealth management products | 12,018 | — | — |
| | <u>12,018</u> | <u>—</u> | <u>—</u> |

The Company

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--------------------------------------|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Wealth management products | 10,000 | — | — |
| | <u>10,000</u> | <u>—</u> | <u>—</u> |

The wealth management products are purchased from creditworthy commercial banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

The Group

| | <u>31 December</u> | | |
|-------------------------------------|--------------------|----------------|----------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Current: | | | |
| Cash and cash equivalents | 32,967 | 74,963 | 334,040 |
| Time deposits | — | 30,480 | 2,290 |
| Pledged deposits | 6,403 | 3,325 | — |
| | <u>39,370</u> | <u>108,768</u> | <u>336,330</u> |
| Non-current: | | | |
| Time deposits | 10,930 | 930 | 21,140 |
| Total | <u>50,300</u> | <u>109,698</u> | <u>357,470</u> |

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.

At 31 December 2024 and 31 December 2025, time deposits were mature in three months to one year when acquired by the Group and earned interest at the time deposit rates.

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At the end of the Relevant Periods, pledged deposits were pledged to banks for issuance of bank bills. The RMB is not freely convertible into other currencies, however, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

The Company

| | 31 December | | |
|-------------------------------------|---------------|---------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Current: | | | |
| Cash and cash equivalents | 32,907 | 52,707 | 236,993 |
| Time deposits | — | 30,480 | 2,290 |
| Pledged deposits | 6,403 | 3,325 | — |
| | <u>39,310</u> | <u>86,512</u> | <u>239,283</u> |
| Non-current: | | | |
| Time deposits | 10,930 | 930 | 21,140 |
| Total | <u>50,240</u> | <u>87,442</u> | <u>260,423</u> |

21. TRADE AND BILLS RECEIVABLES

The Group

| | 31 December | 31 December | 31 December |
|---------------------------------------|---------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Trade receivables | 64,494 | 176,376 | 376,013 |
| Impairment | (678) | (1,778) | (5,049) |
| Trade receivables, net | <u>63,816</u> | <u>174,598</u> | <u>370,964</u> |
| Bills receivable | | | |
| Commercial bills | — | 90,980 | — |
| Bank bills | — | 9,455 | 67,721 |
| | <u>—</u> | <u>100,435</u> | <u>67,721</u> |
| Trade and bills receivables | <u>63,816</u> | <u>275,033</u> | <u>438,685</u> |

The Group’s trading terms with its customers are mainly on credit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 85.1%, 96.0% and 91.7% of the Group’s trade receivables were due from the Group’s five largest customers, respectively. As at 31 December 2023, 2024 and 2025, respectively, the Group had certain concentrations of credit risk as 27.4%, 34.7% and 42.5% of the Group’s trade receivables were due from the Group’s largest customer, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|----------------------------|----------------------|-----------------------|-----------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Within 1 year | 64,483 | 176,314 | 371,606 |
| 1 to 2 years | 2 | 51 | 4,357 |
| 2 to 3 years | 9 | 2 | 50 |
| Over 3 years | — | 9 | — |
| | <u>64,494</u> | <u>176,376</u> | <u>376,013</u> |
| Bills receivable | — | 100,435 | 67,721 |
| Total | <u><u>64,494</u></u> | <u><u>276,811</u></u> | <u><u>443,734</u></u> |

The Group’s bills receivable were all aged within six months and were neither past due nor impaired.

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

| | | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---|-------------|--------------------|---------------------|---------------------|
| | | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| At beginning of year | <i>Note</i> | 6,248 | 678 | 1,778 |
| Impairment losses | 7 | — | 1,100 | 3,271 |
| Reversal of impairment losses | 7 | (5,570) | — | — |
| At end of year | | <u><u>678</u></u> | <u><u>1,778</u></u> | <u><u>5,049</u></u> |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

As at 31 December 2023

| | <u>Expected credit</u> | <u>Gross carrying</u> | <u>Expected credit</u> |
|-------------------------|------------------------|-----------------------|------------------------|
| | <u>loss rate</u> | <u>amount</u> | <u>losses</u> |
| | | <i>RMB’000</i> | <i>RMB’000</i> |
| Within 1 year | 1% | 64,483 | 672 |
| 1 to 2 years | 50% | 2 | 1 |
| 2 to 3 years | 56% | 9 | 5 |
| Total | | <u><u>64,494</u></u> | <u><u>678</u></u> |

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As at 31 December 2024

| | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|-------------------------|------------------------------|--------------------------|---------------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 year | 1% | 176,314 | 1,752 |
| 1 to 2 years | 31% | 51 | 16 |
| 2 to 3 years | 50% | 2 | 1 |
| Over 3 years | 100% | 9 | 9 |
| Total | | <u>176,376</u> | <u>1,778</u> |

As at 31 December 2025

| | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|-------------------------|------------------------------|--------------------------|---------------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 year | 1% | 371,606 | 3,717 |
| 1 to 2 years | 30% | 4,357 | 1,307 |
| 2 to 3 years | 50% | 50 | 25 |
| Total | | <u>376,013</u> | <u>5,049</u> |

The Company

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|---------------------------------------|---------------------|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Trade receivables | 64,494 | 192,422 | 827,436 |
| Impairment | (678) | (1,683) | (1,833) |
| Trade receivables, net | <u>63,816</u> | <u>190,739</u> | <u>825,603</u> |
| Bills receivable | | | |
| Commercial bills | — | 90,980 | — |
| Bank bills | — | 9,455 | 63,321 |
| | — | 100,435 | 63,321 |
| Trade and bills receivables | <u>63,816</u> | <u>291,174</u> | <u>888,924</u> |

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

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|----------------------------|---------------------|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Within 1 year | 64,483 | 192,360 | 823,029 |
| 1 to 2 years | 2 | 51 | 4,357 |
| 2 to 3 years | 9 | 2 | 50 |
| Over 3 years | — | 9 | — |
| | 64,494 | 192,422 | 827,436 |
| Bills receivable | — | 100,435 | 63,321 |
| Total | <u>64,494</u> | <u>292,857</u> | <u>890,757</u> |

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The Company’s bills receivable were all aged within six months and were neither past due nor impaired.

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

| | 2023 | 2024 | 2025 |
|---|----------------|----------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| At beginning of year | 6,248 | 678 | 1,683 |
| Impairment losses | — | 1,005 | 150 |
| Reversal of impairment losses | (5,570) | — | — |
| At end of year | <u>678</u> | <u>1,683</u> | <u>1,833</u> |

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

As at 31 December 2023

| | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|-------------------------|------------------------------|--------------------------|---------------------------|
| | | <i>RMB’000</i> | <i>RMB’000</i> |
| Within 1 year | 1% | 64,483 | 672 |
| 1 to 2 years | 50% | 2 | 1 |
| 2 to 3 years | 56% | 9 | 5 |
| Total | | <u>64,494</u> | <u>678</u> |

As at 31 December 2024

| | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|---------------------------------|------------------------------|--------------------------|---------------------------|
| | | <i>RMB’000</i> | <i>RMB’000</i> |
| Within 1 year | 1% | 165,683 | 1,657 |
| 1 to 2 years | 31% | 51 | 16 |
| 2 to 3 years | 50% | 2 | 1 |
| Over 3 years | 100% | 9 | 9 |
| | | 165,745 | 1,683 |
| Due from subsidiaries | | 26,677 | — |
| Total | | <u>192,422</u> | <u>1,683</u> |

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As at 31 December 2025

| | Expected credit loss rate | Gross carrying amount | Expected credit losses |
|---------------------------------|------------------------------|--------------------------|---------------------------|
| | | <i>RMB’000</i> | <i>RMB’000</i> |
| Within 1 year | 1% | 50,091 | 501 |
| 1 to 2 years | 30% | 4,357 | 1,307 |
| 2 to 3 years | 50% | 50 | 25 |
| Over 3 years | 100% | — | — |
| | | <u>54,498</u> | <u>1,833</u> |
| Due from subsidiaries | | 772,938 | — |
| Total | | <u><u>827,436</u></u> | <u><u>1,833</u></u> |

For the amounts due from subsidiaries, the Company’s management considers that there is no significant increase in credit risk of these amounts since initial recognition and the Company provided impairment based on twelve months ECL. For the years ended 31 December 2023, 2024 and 2025, the Company assessed the impairment for ECL for amounts due from subsidiaries are insignificant and thus no loss allowance is recognized.

22. INVENTORIES

The Group

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|----------------------------|-----------------------|-----------------------|-----------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Raw materials | 107,272 | 189,462 | 239,414 |
| Work in progress | 12,911 | 26,108 | 19,404 |
| Finished goods | 71,028 | 181,496 | 445,138 |
| | <u>191,211</u> | <u>397,066</u> | <u>703,956</u> |
| Impairments | (64,871) | (72,475) | (86,968) |
| Total | <u><u>126,340</u></u> | <u><u>324,591</u></u> | <u><u>616,988</u></u> |

The Company

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|----------------------------|-----------------------|-----------------------|---------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Raw materials | 107,272 | 189,462 | 1,086 |
| Work in progress | 12,911 | 26,108 | — |
| Finished goods | 71,028 | 181,496 | 620 |
| | <u>191,211</u> | <u>397,066</u> | <u>1,706</u> |
| Impairments | (64,871) | (72,475) | (655) |
| Total | <u><u>126,340</u></u> | <u><u>324,591</u></u> | <u><u>1,051</u></u> |

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23. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2023

| | Effective interest rate | Maturity Year | RMB’000 |
|--|----------------------------|---------------|-----------------------|
| | % | | |
| Current | | | |
| Bank loans — unsecured | 3.10 to 3.85 | 2024 | 84,617 |
| Bank loans — secured | 3.55 | 2024 | 21,065 |
| Current portion of non-current bank loans — unsecured | 3.10 | 2024 | 2,187 |
| Current portion of non-current bank loans — secured | 4.40 | 2024 | 16,729 |
| | | | <u>124,598</u> |
| Non-current | | | |
| Bank loans — unsecured | 3.45 to 3.60 | 2025 | 17,470 |
| Bank loans — secured | 3.60 to 4.40 | 2025 to 2027 | 18,230 |
| | | | <u>35,700</u> |
| Total | | | <u><u>160,298</u></u> |
| Analyzed into: | | | |
| Bank loans repayable: | | | |
| Within one year or on demand | | | 124,598 |
| In the second to fifth years, inclusive | | | 35,700 |
| Total | | | <u><u>160,298</u></u> |

As at 31 December 2024

| | Effective interest rate | Maturity Year | RMB’000 |
|--|----------------------------|---------------|-----------------------|
| | % | | |
| Current | | | |
| Bank loans — unsecured | 2.80 to 3.55 | 2025 | 380,873 |
| Bank loans — secured | 3.55 | 2025 | 6,261 |
| Current portion of non-current bank loans — unsecured | 3.45 to 4.40 | 2025 | 32,872 |
| Current portion of non-current bank loans — secured | 2.80 | 2025 | 36 |
| | | | <u>420,042</u> |
| Non-current | | | |
| Bank loans — unsecured | 3.20 to 3.65 | 2026 to 2027 | 31,097 |
| Bank loans — secured | 2.30 to 4.40 | 2026 to 2027 | 72,512 |
| | | | <u>103,609</u> |
| Total | | | <u><u>523,651</u></u> |

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| | Effective interest rate | Maturity Year | RMB’000 |
|---|----------------------------|---------------|----------------|
| | % | | |
| Analyzed into: | | | |
| Bank loans repayable: | | | |
| Within one year or on demand | | | 420,042 |
| In the second to fifth years, inclusive . . . | | | 103,609 |
| Total | | | <u>523,651</u> |

As at 31 December 2025

| | Effective interest rate | Maturity Year | RMB’000 |
|---|----------------------------|---------------|----------------|
| | % | | |
| Current | | | |
| Bank loans — unsecured | 2.25 to 3.00 | 2026 | 581,253 |
| Bank loans — secured | 2.80 | 2026 | 40,034 |
| Current portion of non-current bank loans | | | |
| — unsecured | 3.20 | 2026 | 59,551 |
| | | | <u>680,838</u> |
| Non-current | | | |
| Bank loans — unsecured | 2.60 to 3.30 | 2027 to 2028 | 92,107 |
| Bank loans — secured | 2.70 to 2.80 | 2027 to 2029 | 55,548 |
| | | | <u>147,655</u> |
| Total | | | <u>828,493</u> |
| Analyzed into: | | | |
| Bank loans repayable: | | | |
| Within one year or on demand | | | 680,838 |
| In the second to fifth years, inclusive . . . | | | 147,655 |
| Total | | | <u>828,493</u> |

The company

As at 31 December 2023

| | Effective interest rate | Maturity Year | RMB’000 |
|---|----------------------------|---------------|----------------|
| | % | | |
| Current | | | |
| Bank loans — unsecured | 3.10 to 3.85 | 2024 | 84,617 |
| Bank loans — secured | 3.55 | 2024 | 21,065 |
| Current portion of non-current bank loans | | | |
| — unsecured | 3.10 | 2024 | 2,187 |
| | | | <u>107,869</u> |

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| | <u>Effective interest rate</u> | <u>Maturity Year</u> | <u>RMB’000</u> |
|---|--------------------------------|----------------------|----------------|
| | % | | |
| Non-current | | | |
| Bank loans — unsecured | 4.40 | 2025 | 17,470 |
| Bank loans — secured | 3.80 | 2025 | 4,230 |
| | | | <u>21,700</u> |
| Total | | | <u>129,569</u> |
| Analyzed into: | | | |
| Bank loans repayable: | | | |
| Within one year or on demand | | | 107,869 |
| In the second to fifth years, inclusive | | | 21,700 |
| Total | | | <u>129,569</u> |

As at 31 December 2024

| | <u>Effective interest rate</u> | <u>Maturity Year</u> | <u>RMB’000</u> |
|---|--------------------------------|----------------------|----------------|
| | % | | |
| Current | | | |
| Bank loans — unsecured | 2.80 to 3.55 | 2025 | 380,872 |
| Current portion of non-current bank loans — unsecured | 3.45 to 4.40 | 2025 | 32,809 |
| | | | <u>413,681</u> |
| Non-current | | | |
| Bank loans — unsecured | 3.20 to 3.65 | 2026 to 2027 | 31,097 |
| Bank loans — secured | 2.30 | 2026 | 30,012 |
| | | | <u>61,109</u> |
| Total | | | <u>474,790</u> |
| Analyzed into: | | | |
| Bank loans repayable: | | | |
| Within one year or on demand | | | 413,681 |
| In the second to fifth years, inclusive | | | 61,109 |
| Total | | | <u>474,790</u> |

As at 31 December 2025

| | <u>Effective interest rate</u> | <u>Maturity Year</u> | <u>RMB’000</u> |
|---|--------------------------------|----------------------|----------------|
| | % | | |
| Current | | | |
| Bank loans — unsecured | 2.25 to 3.00 | 2026 | 571,245 |
| Current portion of non-current bank loans — unsecured | 3.20 | 2026 | 59,551 |
| | | | <u>630,796</u> |

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| | Effective interest rate | Maturity Year | RMB’000 |
|---|----------------------------|---------------|----------------|
| | % | | |
| Non-current | | | |
| Bank loans — unsecured | 2.60 to 3.30 | 2027 to 2028 | 92,107 |
| Total | | | <u>722,903</u> |
| Analyzed into: | | | |
| Bank loans repayable: | | | |
| Within one year or on demand | | | 630,796 |
| In the second to fifth years, inclusive | | | 92,107 |
| Total | | | <u>722,903</u> |

Note:

As at 31 December 2023, 2024, the Group’s secured bank loans were pledged by the Group’s land use rights amounting to RMB11,955,000 and RMB11,702,000, respectively. As at 31 December 2025, the Group’s secured bank loans were secured by the Group’s land use rights and construction in progress amounting to RMB11,449,000 and RMB63,729,000, respectively.

All borrowings are denominated in RMB.

24. TRADE AND BILLS PAYABLES

The Group

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

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|--------------------------|---------------------|---------------------|---------------------|
| | RMB’000 | RMB’000 | RMB’000 |
| Within 1 years | 55,575 | 192,413 | 326,951 |
| 1 to 2 years | 1,110 | 354 | 981 |
| 2 to 3 years | 133 | 862 | 53 |
| Over 3 years | 31 | 90 | 218 |
| Total | <u>56,849</u> | <u>193,719</u> | <u>328,203</u> |

The Company

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

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|--------------------------|---------------------|---------------------|---------------------|
| | RMB’000 | RMB’000 | RMB’000 |
| Within 1 years | 55,049 | 192,022 | 304,430 |
| 1 to 2 years | 1,110 | 354 | 1,223 |
| 2 to 3 years | 133 | 862 | 2 |
| Over 3 years | 31 | 90 | — |
| Total | <u>56,323</u> | <u>193,328</u> | <u>305,655</u> |

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

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25. OTHER PAYABLES AND ACCRUALS

The Group

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current: | | | |
| Other payables for acquisition of property, plant and equipment | 42,005 | 36,172 | 21,902 |
| Payroll and welfare payable | 6,247 | 10,271 | 15,931 |
| Other tax payables | 313 | 633 | 1,816 |
| Accrued expenses for [REDACTED]. | — | — | [REDACTED] |
| Other payables* | 3,259 | 10,110 | 3,233 |
| Total | <u>51,824</u> | <u>57,186</u> | <u>50,529</u> |

The Company

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current: | | | |
| Other payables for acquisition of property, plant and equipment | 1,776 | 12,373 | 399 |
| Payroll and welfare payable | 6,246 | 9,859 | — |
| Other tax payables | 248 | 589 | 769 |
| Due to subsidiaries* | — | — | 77,944 |
| Accrued expenses for [REDACTED]. | — | — | [REDACTED] |
| Other payables* | 254 | 8,255 | 214 |
| Total | <u>8,524</u> | <u>31,076</u> | <u>86,973</u> |

* Other payables are non-interest-bearing, unsecured and have no fixed terms of settlement. The amounts due to subsidiaries are trade in nature, unsecured, interest-free and repayable on demand.

26. CONTRACT LIABILITIES

The Group

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--------------------------------|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Contract liabilities | <u>—</u> | <u>4,997</u> | <u>2,417</u> |

The Company

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--------------------------------|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Contract liabilities | <u>—</u> | <u>3,783</u> | <u>1,079</u> |

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27. DEFERRED INCOME

The Group

| | 31 December | 31 December | 31 December |
|--------------------------------|--------------------|--------------------|--------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current: | | | |
| Asset-related grants | 1,355 | 1,635 | 626 |
| Non-current: | | | |
| Asset-related grants | 2,231 | 6,995 | 7,376 |
| Total | <u>3,586</u> | <u>8,630</u> | <u>8,002</u> |

The Company

| | 31 December | 31 December | 31 December |
|--------------------------------|--------------------|--------------------|--------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Current: | | | |
| Asset-related grants | 1,355 | 1,635 | 626 |
| Non-current: | | | |
| Asset-related grants | 2,231 | 3,495 | 3,872 |
| Total | <u>3,586</u> | <u>5,130</u> | <u>4,498</u> |

28. PROVISION

| | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Warranties | 801 | 2,375 | 2,985 |
| Less: Current portion | 488 | 1,671 | 1,252 |
| | <u>313</u> | <u>704</u> | <u>1,733</u> |

(a) Warranties

| | 31 December | 31 December | 31 December |
|---|--------------------|--------------------|--------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| At beginning of year | 862 | 801 | 2,375 |
| Addition | 517 | 2,331 | 3,422 |
| Amount utilized during the year | (578) | (757) | (2,812) |
| At end of year | <u>801</u> | <u>2,375</u> | <u>2,985</u> |

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29. SHARE CAPITAL

The Group and the Company

| | 31 December | 31 December | 31 December |
|--|----------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Issued and fully paid: share capital | 61,200 | 62,949 | 76,111 |

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

| | Number of shares | Share capital |
|--|------------------|----------------|
| | <i>’000</i> | <i>RMB’000</i> |
| At 1 January and 31 December 2023 and 1 January 2024 | 61,200 | 61,200 |
| Issue of shares | 1,749 | 1,749 |
| At 31 December 2024 and 1 January 2025 | 62,949 | 62,949 |
| Issue of shares | 13,162 | 13,162 |
| At 31 December 2025 | 76,111 | 76,111 |

During the year ended 31 December 2024, 1,748,571 shares of RMB1 each were issued for an aggregate cash consideration of RMB60,000,000, and RMB1,749,000 and RMB58,251,000, before shares issuance costs, were credited as capital and share premium.

During the year ended 31 December 2025, 13,161,974 shares of RMB1 each were issued for an aggregate cash consideration 460,000,000, and RMB13,162,000 and RMB446,838,000, before shares issuance costs, were credited as capital and share premium.

During the Relevant Periods, the Company entered into separate agreements with 26 investors (collectively the “Pre-[REDACTED] Investors”) and issued 48,559,313 ordinary shares for a total net cash proceed of approximately RMB787,139,000 (collectively the “Pre-[REDACTED] Investments”). Pursuant to the agreements, the Pre-[REDACTED] Investors were granted by the Company with special rights (“Special Rights”) which included redemption rights, anti-dilution rights and liquidation preference rights.

There was no exercise of Special Rights granted by the Company throughout the Relevant Periods.

On 23 October 2025, the Company and the Pre-[REDACTED] Investors entered into supplemental agreements that the redemption rights granted by the Company to Pre-[REDACTED] Investors have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the Company’s directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity.

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Had the Special Rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at fair value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been as follows:

| | As at 31 December | | |
|--|--------------------|--------------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Financial liabilities at fair value through profit or loss | 1,175,523 | 1,224,433 | — |
| Total current liabilities | 1,413,679 | 1,907,131 | 1,070,501 |
| Net current (liabilities)/assets | (1,142,875) | (1,129,967) | 416,454 |
| Net (liabilities)/assets | <u>(1,014,799)</u> | <u>(1,012,770)</u> | <u>585,747</u> |

and (ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and diluted loss per share would have been:

| | As at 31 December | | |
|---|-------------------|----------|-----------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Fair value losses on financial liabilities at fair value through profit or loss | 44,359 | 48,910 | 16,257 |
| Total net loss | (152,923) | (66,805) | (116,395) |
| Loss per share | | | |
| Basic and diluted (RMB) | (2.50) | (1.08) | (1.61) |

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 of the Historical Financial Information.

The amounts of the Company’s reserves and the movements therein are presented as below:

| | Share premium | Share-based payment reserve | Accumulated losses | Total |
|---|---------------|-----------------------------|--------------------|----------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2023 | 256,952 | 10,638 | (66,538) | 201,052 |
| Loss for the year | — | — | (99,859) | (99,859) |
| Total comprehensive income for the year | — | — | (99,859) | (99,859) |
| Equity-settled share arrangements | — | 9,437 | — | 9,437 |
| As at 31 December 2023 and 1 January 2024 | 256,952 | 20,075 | (166,397) | 110,630 |
| Loss for the year | — | — | (11,497) | (11,497) |
| Total comprehensive income for the year | — | — | (11,497) | (11,497) |
| Capital paid in | 58,251 | — | — | 58,251 |
| Equity-settled share arrangements | — | 9,155 | — | 9,155 |

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| | Share premium | Share-based payment reserve | Accumulated losses | Total |
|--|----------------|-----------------------------------|-----------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| As at 31 December 2024 and 1 January 2025 | 315,203 | 29,230 | (177,894) | 166,539 |
| Loss for the year | — | — | 114,886 | 114,886 |
| Total comprehensive income for the year | — | — | 114,886 | 114,886 |
| Capital paid in | 446,838 | — | — | 446,838 |
| Equity-settled share arrangements | — | 19,060 | — | 19,060 |
| Share issuance costs | (4,952) | — | — | (4,952) |
| As at 31 December 2025 | <u>757,089</u> | <u>48,290</u> | <u>(63,008)</u> | <u>742,371</u> |

31. SHARE-BASED PAYMENTS

Expenses arising from equity-settled share-based payment transactions were as follows:

| | Year ended 31 December 2023 | Year ended 31 December 2024 | Year ended 31 December 2025 |
|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Share incentive plan (a) | 9,437 | 9,155 | 11,615 |
| Share option plan (b) | — | — | 7,445 |
| Total | <u>9,437</u> | <u>9,155</u> | <u>19,060</u> |

(a) Share incentive plan

To recognise the contributions of employees and incentivize them to further promote development of the Group, the Company set up a share incentive plan in 2015. Under this plan, the Company grants shares to employees who are required meet service conditions and the granted shares would be vested in a three-year period from the date of a successful [REDACTED] (“[REDACTED]”) of the Company’s shares. The Company’s management has estimated the vesting period of of the fulfilment of service condition and the share-based payment expenses are amortized during the vesting period.

The details of the shares granted under foregoing share incentive plan are summarised as follows:

| | Number of shares | Shares subscription price |
|--|------------------|------------------------------|
| | <i>'000</i> | <i>RMB per share</i> |
| Granted prior to 31 December 2021 | 7,616 | 0.26 – 13.36 |
| Granted during the year ended 31 December 2022 | 1,278 | 0.25 – 3.31 |
| Granted during the year ended 31 December 2023 | 57 | 0.27 – 2.89 |
| Granted during the year ended 31 December 2024 | 154 | 0.27 – 2.72 |
| Granted during the year ended 31 December 2025 | 153 | 0.28 |

The prices of the granted shares on the grant dates have been determined by an independent professional valuer based on recent transaction prices with the Company’s investors and by using discounted cash flow method.

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The difference between the fair value of the shares granted and the subscription price was recognised in the share-based payment reserve within equity with the corresponding “share-based payment expenses” in the profit or loss.

The movements of the outstanding granted shares during the Relevant Periods were as follows:

| | Year ended 31 December | Year ended 31 December | Year ended 31 December |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| | 2023 | 2024 | 2025 |
| | '000 | '000 | '000 |
| At beginning of year | 7,616 | 7,616 | 7,616 |
| Granted | 57 | 154 | 153 |
| Forfeited | (57) | (154) | (153) |
| At end of year | <u>7,616</u> | <u>7,616</u> | <u>7,616</u> |

(b) Share option plan

On 23 October 2025, the Company’s shares option plan (the “**Share Option Plan**”) was approved in the shareholders’ meeting of the Company. The eligible participants of the Share Option Plan were the directors, senior management, key staff and key management personnel of the Group who have a direct impact on or have made outstanding contributions to the Company’s business results and ongoing development as a whole.

Under the Share Option Plan, the Company would grant a total of 3,000,000 Company’s share options to the eligible participants. The eligible participants had the right to purchase every one Company’s share at a price of RMB20.0. Pursuant to the Share Option Plan, each grant of the share option requires the eligible participant to meet service conditions from the date of grant to the later of (1) twelve months since the grant date (the “**Service Period**”) and (2) the date of successful [REDACTED] of the Company’s shares. 50% of the share options granted should be exercised within 12 months after the expiration of the vesting period and the remaining 50% share options granted should be exercised within the 12 to 24 months after the expiration of the vesting period. The share-based payment expenses are amortised during the vesting period.

Movements in the number of share options granted and their exercise prices are as below:

| | Year ended 31 December 2025 | |
|--|-----------------------------|-------------------|
| | Exercise price | Number of options |
| | RMB per share | '000 |
| At the beginning of the year | — | — |
| Granted during the year | 20 | 3,000 |
| At the end of the year | | <u>3,000</u> |

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

| Number of options ‘000 | Exercise price RMB per share | Exercise period |
|---------------------------|---------------------------------|------------------------------------|
| 1,500 | 20 | 23 October 2027 to 23 October 2028 |
| 1,500 | 20 | 23 October 2028 to 23 October 2029 |
| <u>3,000</u> | | |

The fair value of share options granted was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following inputs are used for the model:

| | |
|--|-----------|
| Dividend yield (%) | 0.0 |
| Expected volatility (%) | 45.3–47.0 |
| Risk-free interest rate (%) | 1.5 |
| Weighted average share price (RMB per share) | 34.9 |

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2024 and the years ended 31 December 2025, the Group had non-cash additions to right-of-use assets of RMB9,893,000 and RMB19,553,000, and addition to lease liabilities of RMB9,893,000 and RMB19,553,000, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

| | Interest-bearing bank and other borrowings RMB’000 | Lease liabilities RMB’000 | Other payables and accruals RMB’000 |
|---|---|------------------------------|---|
| At 1 January 2023 | 82,406 | 5,935 | — |
| Changes from financing cash flows | 74,842 | (3,095) | — |
| Interest expense | 3,050 | 202 | — |
| As at 31 December 2023 and 1 January 2024 | <u>160,298</u> | <u>3,042</u> | <u>—</u> |
| Changes from financing cash flows | 354,887 | (3,521) | — |
| New leases | — | 9,893 | — |
| Interest expense | 8,466 | 71 | — |
| As at 31 December 2024 and 1 January 2025 | <u>523,651</u> | <u>9,485</u> | <u>—</u> |
| Changes from financing cash flows | 286,253 | (5,938) | (1,987) |
| Changes from operating cash flows | — | — | (11,288) |
| [REDACTED] accrual | — | — | [REDACTED] |
| New leases | — | 19,553 | — |
| Interest expense | 18,589 | 537 | — |
| As at 31 December 2025 | <u>828,493</u> | <u>23,637</u> | <u>7,647</u> |

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33. PLEDGE OF ASSETS

Details of the Group’s pledged assets, including the Group’s bank deposits, are disclosed in notes 13, 14 and 20.

34. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Contracted, but not provided for: | | | |
| Purchases of items of property, plant and equipment. | 11,126 | 10,861 | 36,923 |
| Cooperation agreements with local government authorities or their industrial park management committees in Chinese mainland | 193,696 | 181,693 | 456,495 |
| Total | <u>204,822</u> | <u>192,554</u> | <u>493,418</u> |

35. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group has the following transactions with related party:

| | <u>Year ended</u> | <u>Year ended</u> | <u>Year ended</u> |
|--|--------------------|--------------------|--------------------|
| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Mr Zhaoyang Hu* | | | |
| Funds advanced by the Company on behalf of a shareholder | — | 981 | — |
| Interest | — | 31 | — |
| Total | <u>—</u> | <u>1,012</u> | <u>—</u> |

* Mr. Zhaoyang Hu is a director and shareholder of the Company. The amount receivable from Mr. Zhaoyang Hu was unsecured, bore interest at 3.24% per annum and had no fixed terms of repayment.

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(b) Outstanding balances with related parties

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Non-Trade related: | | | |
| Prepayments, other receivables and other assets | — | 1,012 | — |
| Impairment | — | (10) | — |
| Prepayments, other receivables and other assets, net. | — | 1,002 | — |
| | <u>—</u> | <u>1,002</u> | <u>—</u> |

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and on terms negotiated between the Group and the respective related parties.

(c) Compensation of key management personnel of the Group

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|--|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Salaries, allowances, bonuses and benefits in kind (including contributions to pension plan) | 4,404 | 5,001 | 4,599 |
| Share-based compensation expenses. | 9,133 | 9,308 | 12,690 |
| Total compensation for key management personnel | 13,537 | 14,309 | 17,289 |
| | <u>13,537</u> | <u>14,309</u> | <u>17,289</u> |

36. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

| | <u>Financial assets at fair value through profit or loss</u> | <u>Financial assets at amortized cost</u> | <u>Total</u> |
|---|--|---|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills receivables | — | 63,816 | 63,816 |
| Financial assets included in prepayments, other receivables and other assets. | — | 1,246 | 1,246 |
| Financial assets at fair value through profit or loss | 12,018 | — | 12,018 |
| Time deposits. | — | 10,930 | 10,930 |
| Pledged deposits. | — | 6,403 | 6,403 |
| Cash and cash equivalents. | — | 32,967 | 32,967 |
| Total | 12,018 | 115,362 | 127,380 |
| | <u>12,018</u> | <u>115,362</u> | <u>127,380</u> |

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Financial liabilities

| | Financial liabilities at amortized cost | Total |
|---|--|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills payables | 56,849 | 56,849 |
| Financial liabilities included in other payables and accruals | 3,259 | 3,259 |
| Interest-bearing bank and other borrowings | 160,298 | 160,298 |
| Total | 220,406 | 220,406 |

As at 31 December 2024

Financial assets

| | Financial assets at amortized cost | Total |
|---|---|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills receivables | 275,033 | 275,033 |
| Financial assets included in prepayments, other receivables and other assets | 6,906 | 6,906 |
| Time deposits | 31,410 | 31,410 |
| Pledged deposits | 3,325 | 3,325 |
| Cash and cash equivalents | 74,963 | 74,963 |
| Total | 391,637 | 391,637 |

Financial liabilities

| | Financial liabilities at amortized cost | Total |
|---|--|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills payables | 193,719 | 193,719 |
| Financial liabilities included in other payables and accruals | 10,110 | 10,110 |
| Interest-bearing bank and other borrowings | 523,651 | 523,651 |
| Total | 727,480 | 727,480 |

As at 31 December 2025

Financial assets

| | Financial assets at amortised cost | Total |
|---|---|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills receivables | 438,685 | 438,685 |
| Financial assets included in prepayments, other receivables and other assets | 7,368 | 7,368 |
| Time deposits | 23,430 | 23,430 |
| Cash and cash equivalents | 334,040 | 334,040 |
| Total | 803,523 | 803,523 |

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Financial liabilities

| | Financial liabilities at amortized cost | Total |
|---|--|------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills payables | 328,203 | 328,203 |
| Financial liabilities included in other payables and accruals | 32,782 | 32,782 |
| Interest-bearing bank and other borrowings | 828,493 | 828,493 |
| Total | <u>1,189,478</u> | <u>1,189,478</u> |

Details of the Pre-[REDACTED] Investments are set out in note 29 to the Historical Financial Information.

37. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that were derecognised entirety

During the Relevant Periods, the Group endorsed certain bills receivable accepted by banks or customers in Chinese Mainland (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB16,950,000, RMB2,159,000 and RMB3,704,000 as at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity ranging from 1 to 12 months at the end of each Relevant Period. In accordance with the Law of Negotiable Instruments of Chinese Mainland, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons/entities who are liable for the Derecognised Bills, including the Group, regardless of the order of precedence (the “**Continuing Involvement**”). In the opinion of the Company’s directors, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, the Group 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 their carrying amounts. In the opinion of the Company’s directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

Transferred financial assets that are not derecognised in their entirety

During the Relevant Periods, the Group endorsed certain bills receivable accepted by banks or customers in Chinese mainland (the “**Endorsed Bills**”). In the opinion of the Company’s directors, the Group has retained substantially the risks and rewards, which include the default risks relating to those Endorsed Bills, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group has not retained any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills as at 31 December 2023, 2024 and 2025 to which the suppliers have recourse were nil, RMB100,435,000 and RMB67,721,000, respectively.

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The Group invests in wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of wealth management products by using discounted cash flow valuation models with reference to observable inputs including fluctuations of market prices or rates.

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk as at the end of each of the Relevant Periods were assessed to be insignificant. The fair values of the non-current portion of interest-bearing bank and other borrowings approximate to their carrying amounts.

The changes in fair values as a result of the Group for bills receivable at fair value through other comprehensive income as at 31 December 2025 were assessed to be insignificant.

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

| | Fair value measurement using | | | Total |
|--|---------------------------------------|-------------------------------------|---------------------------------------|---------|
| | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| | RMB’000 | RMB’000 | RMB’000 | RMB’000 |
| Financial assets at fair value through profit or loss | — | 12,018 | — | 12,018 |

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments include interest-bearing bank and other borrowings, cash and cash equivalents, and time deposits . 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 and bills payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group’s accounting policies in relation to derivatives are set out in note 2.3 to the Historical Financial Information.

Interest rate risk

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long-term debt obligations with a floating interest rate.

The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group’s loss before tax (through the impact on floating rate borrowings) and the Group’s equity.

| | <u>Increase/(decrease) in basis points</u> | <u>Increase/(decrease) in loss before tax</u> | <u>Increase/(decrease) in equity</u> |
|-----------------------------|--|---|--|
| | | <i>RMB’000</i> | <i>RMB’000</i> |
| Year ended 31 December 2023 | | | |
| RMB | 50 | 800 | 665 |
| RMB | (50) | (800) | (665) |
| | <u> </u> | <u> </u> | <u> </u> |
| Year ended 31 December 2024 | | | |
| RMB | 50 | 2,616 | 2,202 |
| RMB | (50) | (2,616) | (2,202) |
| | <u> </u> | <u> </u> | <u> </u> |
| Year ended 31 December 2025 | | | |
| RMB | 50 | 3,853 | 3,239 |
| RMB | (50) | (3,853) | (3,239) |
| | <u> </u> | <u> </u> | <u> </u> |

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units’ functional currencies. The Group adopts the method of purchasing forward foreign exchange contracts to maintain the principle of exchange rate neutrality.

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The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in USD exchange rate, with all other variables held constant, of the Group’s loss before tax and the Group’s equity.

| | Increase/(decrease) in foreign currency/RMB <i>rate %</i> | Increase/(decrease) in loss before tax <i>RMB’000</i> | Increase/(decrease) in equity <i>RMB’000</i> |
|--|--|---|--|
| Year ended 31 December 2023 | | | |
| If RMB weakens against USD | 5 | (1,056) | (1,056) |
| If RMB strengthens against USD | (5) | 1,056 | 1,056 |
| Year ended 31 December 2024 | | | |
| If RMB weakens against USD | 5 | 1,409 | 1,409 |
| If RMB strengthens against USD | (5) | (1,409) | (1,409) |
| Year ended 31 December 2025 | | | |
| If RMB weakens against USD | 5 | 1,010 | 1,010 |
| If RMB strengthens against USD | (5) | (1,010) | (1,010) |

Credit risk

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

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

| | 12-month ECLs | | Lifetime ECLs | | Total <i>RMB’000</i> |
|---|---------------------------|---------------------------|---------------------------|--|-------------------------|
| | Stage 1 <i>RMB’000</i> | Stage 2 <i>RMB’000</i> | Stage 3 <i>RMB’000</i> | Simplified approach <i>RMB’000</i> | |
| Trade receivables* | — | — | — | 64,494 | 64,494 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| — Normal** | 443 | 2,118 | — | — | 2,561 |
| Cash and cash equivalents | | | | | |
| — Not yet past due | 32,967 | — | — | — | 32,967 |
| Time deposits | — | — | — | — | — |
| Pledged deposits | 6,403 | — | — | — | 6,403 |
| Total | 39,813 | 2,118 | — | 64,494 | 106,425 |

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As at 31 December 2024

| | 12-month ECLs | | Lifetime ECLs | | |
|--|----------------|--------------|---------------|---------------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Trade receivables* | — | — | — | 176,376 | 176,376 |
| Bills receivable | — | — | — | 100,435 | 100,435 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| — Normal** | 6,975 | 2,119 | — | — | 9,094 |
| Cash and cash equivalents | | | | | |
| — Not yet past due | 74,963 | — | — | — | 74,963 |
| Time deposits | 30,480 | — | — | — | 30,480 |
| Pledged deposits | 3,325 | — | — | — | 3,325 |
| Total | 115,743 | 2,119 | — | 276,811 | 394,673 |

As at 31 December 2025

| | 12-month ECLs | | Lifetime ECLs | | |
|--|----------------|--------------|---------------|---------------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Trade receivables* | — | — | — | 376,013 | 376,013 |
| Bills receivable | — | — | — | 67,721 | 67,721 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| — Normal** | 2,701 | 2,622 | — | — | 5,323 |
| Cash and cash equivalents | | | | | |
| — Not yet past due | 334,040 | — | — | — | 334,040 |
| Time deposits | 23,430 | — | — | — | 23,430 |
| Total | 360,171 | 2,622 | — | 443,734 | 806,527 |

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is set out in notes 21 to the Historical Financial Information.

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

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 21 to the Historical Financial Information.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group’s objective is to maintain a balance for continuity of funding to finance its working capital needs as well as capital expenditure.

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

| | 31 December 2023 | | |
|---|------------------|----------------|------------------|
| | Within one year | 1 to 5 years | Total |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills payables | 56,849 | — | 56,849 |
| Financial liabilities included in other payables and accruals | 3,259 | — | 3,259 |
| Interest-bearing bank and other borrowings . . | 114,403 | 51,573 | 165,976 |
| Lease liabilities | 3,105 | — | 3,105 |
| Total | 177,616 | 51,573 | 229,189 |
| | | | |
| | 31 December 2024 | | |
| | Within one year | 1 to 5 years | Total |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills payables | 193,719 | — | 193,719 |
| Financial liabilities included in other payables and accruals | 10,110 | — | 10,110 |
| Interest-bearing bank and other borrowings . . | 428,383 | 108,610 | 536,993 |
| Lease liabilities | 3,553 | 6,395 | 9,948 |
| Total | 635,765 | 115,005 | 750,770 |
| | | | |
| | 31 December 2025 | | |
| | Within one year | 1 to 5 years | Total |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bills payables | 328,203 | — | 328,203 |
| Financial liabilities included in other payables and accruals | 32,782 | — | 32,782 |
| Interest-bearing bank and other borrowings . . | 690,866 | 156,732 | 847,598 |
| Lease liabilities | 7,340 | 18,644 | 25,984 |
| Total | 1,059,191 | 175,376 | 1,234,567 |

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023, 2024 and 2025.

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The Group monitors capital using an asset-liability ratio, which is total liabilities divided by total assets. The asset-liability ratios as at the end of the reporting periods were as follows:

| | <u>31 December</u> | <u>31 December</u> | <u>31 December</u> |
|---------------------------------|--------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Total assets | 437,124 | 1,011,864 | 1,830,013 |
| Total liabilities | 276,400 | 800,201 | 1,244,266 |
| Asset-liability ratio | <u>63%</u> | <u>79%</u> | <u>68%</u> |

40. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to 31 December 2025.

41. SUBSEQUENT FINANCIAL STATEMENTS

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