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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JIANGSU SILICON INTEGRITY SEMICONDUCTOR TECHNOLOGY CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED.

Introduction

We report on the historical financial information of Jiangsu Silicon Integrity Semiconductor Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-66, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 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 I-3 to I-66 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 [**REDACTED**] 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* 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' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

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

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the 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 the HKICPA (the "Underlying Financial Statements").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	5	509,077	827,374	1,012,159
Cost of sales		(704,700)	(993,932)	(1,194,623)
GROSS LOSS		(195,623)	(166,558)	(182,464)
Other income and gains	5	70,597	101,699	68,326
Selling and distribution expenses		(9,007)	(10,302)	(11,887)
Administrative expenses		(53,425)	(62,313)	(117,374)
Research and development expenses		(76,623)	(93,764)	(86,166)
(Provision for impairment)/reversal of impairment of financial assets, net	6	(2,372)	(3,818)	1,605
Other expenses		(4,954)	(12,800)	(1,458)
Finance costs	7	(88,502)	(129,355)	(153,670)
Share of profit of a joint venture		1,017	633	–
LOSS BEFORE TAX	6	(358,892)	(376,578)	(483,088)
Income tax expense	10	–	–	–
LOSS FOR THE YEAR		(358,892)	(376,578)	(483,088)
Other comprehensive income		–	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(358,892)	(376,578)	(483,088)
Total comprehensive loss attributable to:				
Owners of the parent		(348,795)	(356,118)	(437,165)
Non-controlling interests		(10,097)	(20,460)	(45,923)
		(358,892)	(376,578)	(483,088)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	(0.44)	(0.40)	(0.47)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	1,995,339	2,463,704	3,053,797
Right-of-use assets	14(a)	85,270	76,200	103,770
Other intangible assets	15	16,386	14,684	16,704
Investment in a joint venture	16(a)	11,412	–	–
Other non-current assets	18	35,659	48,421	10,662
Total non-current assets		2,144,066	2,603,009	3,184,933
CURRENT ASSETS				
Inventories	19	164,277	176,396	205,453
Trade and bills receivables	20	146,157	168,216	205,885
Prepayments, other receivables and other assets	21	88,428	137,686	139,998
Debt investments at fair value through other comprehensive income	22	1,955	4,001	1,264
Financial assets at fair value through profit or loss	23	85,414	26,183	90,482
Derivative financial instruments	24	9,026	4,276	3,397
Pledged deposits	25	–	11,741	12,000
Restricted cash	25	32,811	7,023	14,587
Cash and cash equivalents	25	163,695	83,166	143,698
Total current assets		691,763	618,688	816,764
CURRENT LIABILITIES				
Trade and bills payables	26	110,016	151,067	196,455
Other payables and accruals	27	443,216	574,048	763,184
Interest-bearing bank and other borrowings	28	424,889	483,002	707,105
Lease liabilities	14(b)	23,412	11,533	21,004
Total current liabilities		1,001,533	1,219,650	1,687,748
NET CURRENT LIABILITIES		(309,770)	(600,962)	(870,984)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,834,296	2,002,047	2,313,949
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	28	151,041	131,455	254,711
Lease liabilities	14(b)	39,154	28,113	22,580
Deferred income	30	337,004	333,250	302,542
Redemption liabilities on equity shares	29	2,057,659	2,424,909	2,964,767
Other non-current liabilities	31	–	–	1,489
Total non-current liabilities		2,584,858	2,917,727	3,546,089
NET LIABILITIES		(750,562)	(915,680)	(1,232,140)
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/Share capital	32	857,062	896,335	959,062
Reserves	33	(1,729,067)	(2,136,998)	(2,632,262)
		(872,005)	(1,240,663)	(1,673,200)
Non-controlling interests	35	121,443	324,983	441,060
TOTAL DEFICITS		(750,562)	(915,680)	(1,232,140)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent							
	Paid-in capital	**Other reserve***	**Capital reserve***	**Share-based payment reserve***	**Accumulated loss***	**Total**	**Non-controlling interests**	**Total deficits**
	RMB'000 *(note 32)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 34)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	751,274	(1,292,190)	706,092	15,096	(523,311)	(343,039)	–	(343,039)
Loss for the year	–	–	–	–	(348,795)	(348,795)	(10,097)	(358,892)
Other comprehensive income for the year	–	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(348,795)	(348,795)	(10,097)	(358,892)
Capital contribution by shareholders	105,788	–	315,687	–	–	421,475	–	421,475
Capital injection by non-controlling shareholders of a subsidiary	–	–	–	–	–	–	124,000	124,000
Equity-settled share-based compensation arrangements	–	–	–	26,080	–	26,080	–	26,080
Recognition of financial assets arising from a call option held by a subsidiary *(note 24)*	–	2,939	–	–	–	2,939	7,540	10,479
Recognition of redemption liabilities on equity shares *(note 29)*	–	(630,665)	–	–	–	(630,665)	–	(630,665)
As at 31 December 2023	857,062	(1,919,916)	1,021,779	41,176	(872,106)	(872,005)	121,443	(750,562)

	Attributable to owners of the parent									
	Share capital	**Paid-in capital**	**Share premium***	**Other reserve***	**Capital reserve***	**Share-based payment reserve***	**Accumulated loss***	**Total**	**Non-controlling interests**	**Total deficits**
	RMB'000 *(note 32)*	*RMB'000* *(note 32)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 34)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	–	857,062	–	(1,919,916)	1,021,779	41,176	(872,106)	(872,005)	121,443	(750,562)
Loss for the year	–	–	–	–	–	–	(356,118)	(356,118)	(20,460)	(376,578)
Other comprehensive income for the year	–	–	–	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	–	–	(356,118)	(356,118)	(20,460)	(376,578)
Capital injection by non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	224,000	224,000
Equity-settled share-based compensation arrangements	–	–	–	–	–	35,682	–	35,682	–	35,682
Conversion of the Company to a joint stock company	857,062	(857,062)	371,461	–	(1,021,779)	(33,864)	684,182	–	–	–
Issue of shares	39,273	–	176,727	–	–	–	–	216,000	–	216,000
Recognition of redemption liabilities on equity shares *(note 29)*	–	–	–	(264,222)	–	–	–	(264,222)	–	(264,222)
As at 31 December 2024	896,335	–	548,188	(2,184,138)	–	42,994	(544,042)	(1,240,663)	324,983	(915,680)

	Attributable to owners of the parent							
	Share capital	**Share premium***	**Other reserve***	**Share-based payment reserve***	**Accumulated loss***	**Total**	**Non-controlling interests**	**Total deficits**
	RMB'000 *(note 32)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 34)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	896,335	548,188	(2,184,138)	42,994	(544,042)	(1,240,663)	324,983	(915,680)
Loss for the year	–	–	–	–	(437,165)	(437,165)	(45,923)	(483,088)
Other comprehensive income for the year	–	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(437,165)	(437,165)	(45,923)	(483,088)
Capital injection by non-controlling shareholders of a subsidiary	–	–	–	–	–	–	162,000	162,000
Equity-settled share-based compensation arrangements	–	–	–	74,529	–	74,529	–	74,529
Issue of shares	62,727	282,273	–	–	–	345,000	–	345,000
Recognition of redemption liabilities on equity shares *(note 29)*	–	–	(414,901)	–	–	(414,901)	–	(414,901)
As at 31 December 2025	959,062	830,461	(2,599,039)	117,523	(981,207)	(1,673,200)	441,060	(1,232,140)

* These reserve accounts comprise the deficiency in equity of RMB1,729,067,000, RMB2,136,998,000 and RMB2,632,262,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(358,892)	(376,578)	(483,088)
Adjustments for:				
Depreciation of property, plant and equipment	*6, 13*	186,325	257,896	313,782
Depreciation of right-of-use assets	*6, 14*	10,666	10,058	10,117
Amortisation of other intangible assets	*6, 15*	3,942	4,789	6,217
Deferred government grants	*30*	(50,501)	(94,311)	(60,208)
Fair value (gains)/loss from financial assets at fair value through profit or loss	*6*	915	4,567	(739)
Fair value loss from derivative financial instruments	*6*	1,453	4,750	879
Gains on disposal of items of property, plant and equipment	*5*	(553)	–	(3,354)
Share-based payment expenses	*6, 34*	26,080	35,682	74,529
Finance costs	*7*	88,502	129,355	153,670
Foreign exchange differences, net	*6*	3,582	8,092	641
Provision for impairment/(reversal of impairment) of financial assets, net	*6*	2,372	3,818	(1,605)
Write-down of inventories to net realisable values, net	*6*	1,860	(2,070)	(3,977)
Loss on disposal of a joint venture	*6*	–	924	–
Share of profit of a joint venture	*16*	(1,017)	(633)	–
		(85,266)	(13,661)	6,864
(Increase)/decrease in restricted cash and pledged bank deposits		(29,168)	14,047	(7,823)
Increase in inventories		(51,165)	(10,049)	(25,080)
Decrease in prepayments, other receivables and other assets		67,440	60,486	73,671
(Increase)/decrease in debt investments at fair value through other comprehensive income		(1,469)	(2,046)	2,737
Increase in trade and bills payables		26,804	40,760	45,388
Increase in trade and bills receivables		(87,232)	(46,770)	(110,520)
(Decrease)/increase in other payables and accruals		(6,220)	2,048	25,223
Increase in deferred income		95,615	90,557	29,500
Cash generated (used in)/from operations		(70,661)	135,372	39,960
Income tax paid		–	–	–
Net cash flows generated (used in)/from operating activities		(70,661)	135,372	39,960

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(723,578)	(711,284)	(708,868)
Purchase of other intangible assets		(11,870)	(1,819)	(9,278)
Addition of prepaid land lease payments		(25,596)	–	(35,109)
Purchases of financial assets at fair value through profit or loss		(1,174,029)	(617,560)	(569,243)
Proceeds from disposal of property, plant and equipment		3,836	–	10,510
Proceeds from financial assets at fair value through profit or loss		1,265,841	674,922	507,022
Loan to directors		(2,600)	–	–
Receipt of loans to directors		12,556	–	–
Proceeds from disposal of a joint venture		–	10,000	–
Dividend received from a joint venture		–	1,121	–
Net cash flows used in investing activities		(655,440)	(644,620)	(804,966)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares		421,475	216,000	345,000
Payments of [**REDACTED**]		–	–	(1,826)
New interest-bearing bank and other borrowings	*28*	486,307	583,617	965,810
Repayment of interest-bearing bank and other borrowings	*28*	(295,226)	(545,899)	(621,013)
Lease payments	*14*	(14,551)	(26,226)	(500)
Contribution from non-controlling shareholders		124,000	224,000	162,000
Interest paid		(18,103)	(23,200)	(24,291)
Net cash flows from financing activities		703,902	428,292	825,180
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(22,199)	(80,956)	60,174
Cash and cash equivalents at beginning of year		185,841	163,695	83,166
Effect of foreign exchange rate changes, net		53	427	358
Cash and cash equivalents at end of year		163,695	83,166	143,698
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	*25*	196,506	101,930	170,285
Less: Restricted cash and pledged deposits	*25*	(32,811)	(18,764)	(26,587)
Cash and cash equivalents as stated in the consolidated statements of cash flows	*25*	163,695	83,166	143,698

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	1,814,279	1,998,624	2,211,903
Right-of-use assets	*14(a)*	60,016	51,458	79,349
Other intangible assets	*15*	16,386	14,684	14,994
Investments in a subsidiary and a joint venture	*16*	145,955	146,296	211,256
Other non-current assets	*18*	9,950	16,094	8,712
Total non-current assets		2,046,586	2,227,156	2,526,214
CURRENT ASSETS				
Inventories	*19*	164,139	176,295	200,922
Trade and bills receivables	*20*	146,157	168,216	199,803
Prepayments, other receivables and other assets	*21*	77,899	147,021	75,157
Debt investments at fair value through other comprehensive income	*22*	1,955	4,001	1,264
Financial assets at fair value through profit or loss	*23*	81,380	–	85,941
Pledged deposits	*25*	–	4,259	12,000
Restricted cash	*25*	32,811	6,982	2,637
Cash and cash equivalents	*25*	163,295	79,060	142,270
Total current assets		667,636	585,834	719,994
CURRENT LIABILITIES				
Trade and bills payables	*26*	109,934	143,585	177,024
Other payables and accruals	*27*	437,107	460,774	415,048
Interest-bearing bank and other borrowings	*28*	424,889	483,002	707,105
Lease liabilities	*14(b)*	23,412	11,533	21,004
Total current liabilities		995,342	1,098,894	1,320,181
NET CURRENT LIABILITIES		(327,706)	(513,060)	(600,187)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,718,880	1,714,096	1,926,027
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	*28*	151,041	131,455	254,711
Lease liabilities	*14(b)*	39,154	28,113	22,580
Deferred income	*30*	324,473	320,973	290,519
Redemption liabilities on equity shares	*29*	2,057,659	2,424,909	2,964,767
Total non-current liabilities		2,572,327	2,905,450	3,532,577
NET LIABILITIES		(853,447)	(1,191,354)	(1,606,550)
EQUITY				
Paid-in capital/Share capital	*32*	857,062	896,335	959,062
Reserves	*33*	(1,710,509)	(2,087,689)	(2,565,612)
TOTAL DEFICITS		(853,447)	(1,191,354)	(1,606,550)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability registered in the People's Republic of China ("PRC"). The registered office of the Company is located at No. 8, Linchun Road, Pukou Economic Development Zone, Pukou District, Nanjing City, Jiangsu Province, PRC.

During the Relevant Periods, the Company and its subsidiary (collectively referred to as the "Group") principally engaged in offering semiconductor packaging solutions to customers, focusing on the development of designs of our packaging, the provision of tailored packaging products, as well as the provision of packaging testing services to our customers.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 prepared in accordance with the PRC Generally Accepted Accounting Principles ("PRC GAAP") was audited by BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), a certified public accounting firm registered in the PRC. No audited financial statements have been prepared in accordance with PRC GAAP for the Company for the year ended 31 December 2025.

As at the date of this report, the Company had direct interest in its subsidiary as follows:

Name*	Place and date of incorporation/ registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
揚州芯粒集成電路有限公司 Yangzhou Chiplet Semiconductor Integration Co., Ltd. ("Yangzhou Chiplet")	PRC/Chinese mainland 6 February 2023	RMB820,000,000	28.05%	–	Integrated circuit packaging and testing

The statutory financial statements for Yangzhou Chiplet prepared in accordance with PRC GAAP were audited by Yangzhou Lixin Certified Public Accountants Yangzhou Co., Ltd. (揚州立信會計師事務所有限公司), a certified public accounting firm registered in the PRC, for the years ended 31 December 2023 and 2024. No audited financial statements have been prepared for Yangzhou Chiplet for the year ended 31 December 2025.

Although the Company owns less than 50% of the equity interest in Yangzhou Chiplet, the Company entered into a shareholders' agreement regarding voting rights with the other equity owner of Yangzhou Chiplet, Yangzhou Longtou Semiconductor Industry Investment Fund Partnership (Limited Partnership) ("Yangzhou Longtou") on 1 February 2023, pursuant to which, Yangzhou Longtou has agreed to entrust the Company to exercise 59.45% of the voting rights at general meetings of Yangzhou Chiplet on its behalf. The directors of the Company (the "Directors") are of the opinion that the Company controlled Yangzhou Chiplet during the Relevant Periods. Therefore, the financial statements of Yangzhou Chiplet have been consolidated by the Company for the Relevant Periods.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards as issued 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.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("FVTPL"), derivative financial instruments and debt investments at fair value through other comprehensive income which have been measured at fair value.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 31 December 2025, the Group and the Company recorded net current liabilities amounting to RMB870,984,000 and RMB600,187,000, respectively. And the Group had total deficits of RMB1,232,140,000 as at 31 December 2025, primarily due to the significant amount of the redemption liabilities of RMB2,964,767,000 arising from the financing with redemption rights from the investors before its [**REDACTED**]. The directors of the Company are of the opinion that no payment is expected for the settlement of the redemption liabilities as the related redemption rights would be terminated and the redemption liabilities would be converted into equity upon the qualified [**REDACTED**] of the Company's H shares on the Stock Exchange ("[**REDACTED**]").

The directors of the Company have given consideration to the future liquidity and financial resources available to the Group, which mainly include the net cash flows generated from the Group's operating activities and financial facilities, in assessing whether the Group will have sufficient financial resources to continue as a going concern and will not have any going concern issue as a result of the shortage of working capital. the directors of the Company have reviewed the Group's cash flow projection prepared by the management, which covered a period of not less than twelve months from 31 December 2025. In the opinion of the directors of the Company, taking into account (i) the Group's financial resources on hand, and (ii) the anticipated cash flows to be generated from the Group's operations as well as the anticipated [**REDACTED**] from [**REDACTED**] of the Company, the Group will have sufficient working capital to meet its present obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiary for the Relevant Periods. A subsidiary is an entity, directly 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 statement of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

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

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in this Historical Financial Information.

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

1 No mandatory effective date yet determined but available for adoption

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

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

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

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

When an investment in a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the 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.

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 and 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.

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

Related parties

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

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

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

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

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is an associate 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 Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

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

Machinery	9.50%
General electronic equipment	31.67%
Transportation equipment	23.75%
Office equipment	19.00%
Buildings	4.75%
Leasehold improvements	Straight line depreciated over the shorter of lease terms and 10 years

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 lease at each financial year end.

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

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

Other intangible assets (other than goodwill)

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of other 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

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years.

Research and development expenses

All research costs are charged to profit or loss as 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 any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 10 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 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 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 office 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.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a stand-alone selling price basis. Revenue from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as revenue from operating leases. Contingent rents or variable lease payments are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income and at 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, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

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

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

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

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

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

Simplified approach

For trade and bills receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, borrowings and redemption liabilities)

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

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

Derecognition of financial liabilities

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

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as the call option held by a subsidiary. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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

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, 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 each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each 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 each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, 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:

- where 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 each reporting period.

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

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to 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 profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Provision of packaging products and testing service

Revenue from the provision of packaging products and testing service is recognised at the point in time when control of the goods and services is transferred to the customer, generally on receipt and acceptance of the goods and services by the customer or upon the confirmation from the customer.

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 incentive plan. 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, further details of which are given in note 34 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 of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

Other employee benefits

Pension schemes

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

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.

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 each 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.

Dividends

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

Foreign currencies

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgement

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

Consolidation of an entity in which the Group holds less than a majority of equity interest

The Company considers that it controls Yangzhou Chiplet even though it owns less than 50% of the equity interest. This is because the Company is able to direct the relevant activities of Yangzhou Chiplet as a result of the shareholders' agreement regarding voting rights between the Company and the other shareholder of Yangzhou Chiplet. Pursuant to the agreement, the Company owned 87.5% of the voting rights of Yangzhou Chiplet. The Directors therefore treated Yangzhou Chiplet as a subsidiary.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax losses, 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 losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are disclosed below.

Share-based payment expenses

The Group operates employee incentive schemes for the purpose of providing incentives to the Company's directors and the Group's employees. The Group estimates the number of share options contingently issuable when determining the share-based expenses, which depends on the achievement of certain non-market performance targets of the Group under the [**REDACTED**] share option scheme. Management's judgement is required in forecasting the performance to determine whether the vesting conditions are satisfied. If the instruments granted only vest after the respective employees complete a specific period of service or achieve a performance condition, an expense during the vesting period is amortised using the straight-line method based on the best estimate of the exercisable number of the instruments and capital reserves are increased by a corresponding amount. The grant date fair value of the shares of the employee incentive scheme and [**REDACTED**] share option scheme are determined by an external valuer, further details of which are given in note 34 to the Historical Financial Information.

Fair value of a redemption right

The fair value of a redemption right measured at fair value through profit or loss is determined using Black-Scholes model. Such valuation is based on key parameters about risk-free interest rate, and volatility, which are subject to uncertainty and might materially differ from the actual results. The fair values of redemption right as at 31 December 2023, 2024 and 2025 were RMB9,026,000, RMB4,276,000 and RMB3,397,000, respectively. Further details are included in note 24 to the Historical Financial Information.

Redemption liabilities on equity shares – Estimating the discount rate

In determining the discount rate, the Group used the risk-free rate based on the yield of liabilities maturing close to the expected exit date with redemption features. A credit spread adjustment was then applied according to the company's credit rating on the valuation date to reflect the market's current assessment of uncertainties regarding the amount and timing of cash flow.

Provision for expected credit losses on financial assets

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 20 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

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

Impairment of non-financial assets (other than goodwill)

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

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment which is the packaging and testing of integrated circuits. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	489,264	807,167	957,873
Overseas	19,813	20,207	54,286
Total	509,077	827,374	1,012,159

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

(b) Non-current assets

Since all of the Group's non-current assets were located in Chinese mainland, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

The revenue generated from sales to customers which contributed more than 10% of the Group's total revenue during each of the Relevant Periods is set out below:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	138,775	204,000	248,349
Customer B	*	83,241	*

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

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	509,077	827,374	1,012,159

Revenue from contracts with customers

(a) Disaggregated revenue information:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Provision of packaging products and testing service	508,351	823,661	1,008,549
Others	726	3,713	3,610
Total	509,077	827,374	1,012,159
Timing of revenue recognition			
Recognised at a point in time	509,077	827,374	1,012,159

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	23,924	14,416	4,297

(b) Performance obligations

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

Provision of packaging products and testing service

The performance obligation of the packaging products and testing service is recognised at the point in time when control of the goods and services is transferred to the customer, generally on receipt and acceptance of the goods and services by the customer or upon the confirmation from customer, and payment is generally due within one to two months from the date of billing.

The Group has elected the practical expedient as described in IFRS 15.121(b) to not disclose the remaining performance obligations for this type of contract.

Other income and gains

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants*	60,736	97,040	61,881
Investment income	4,998	2,531	1,339
Gain on disposal of items of property, plant and equipment	553	–	3,354
Interest Income	3,452	1,432	1,011
Others	858	696	741
Total other income and gains, net	70,597	101,699	68,326

* The government grants have been received from local government authorities to support the Group's capital and operating expenditure. During the Relevant Periods, government grants amounting to RMB50,501,000, RMB94,311,000, and RMB60,208,000, respectively, were released from deferred income (note 30).

6. LOSS BEFORE TAX

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

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of services and products		704,700	993,932	1,194,623
Depreciation of items of property, plant and equipment*	*13*	186,325	257,896	313,782
Depreciation of right-of-use assets*	*14*	10,666	10,058	10,117
Expenses relating to short-term and low-value leases	*14*	8,501	15,108	15,034
Amortisation of intangible assets*	*15*	3,942	4,789	6,217
Provision for impairment/(reversal of impairment) of trade receivables	*20*	2,421	3,808	(1,582)
(Reversal of impairment)/provision for impairment of financial assets included in prepayments, other receivables and other assets		(49)	10	(23)
Fair value losses/(gains) from financial assets at fair value through profit or loss		915	4,567	(739)
Fair value loss from derivative financial instruments		1,453	4,750	879
Write-down of inventories to net realisable values, net**		1,860	(2,070)	(3,977)
Foreign exchange loss, net***		3,582	8,092	641
Loss on disposal of a joint venture		–	924	–
Auditor's remuneration		229	1,502	509
[**REDACTED**]		–	–	9,695
Employee benefit expenses (including directors' and chief executive's remuneration)*:				
Wages, salaries and other benefits		214,593	292,492	302,694
Pension scheme contributions		29,631	38,996	44,350
Share-based payments	*34*	26,080	35,682	74,529

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

** The write-down of inventories to net realisable value is included in "Cost of sales" in profit or loss.

*** The net foreign exchange loss is included in "Other expense" in profit or loss.

7. FINANCE COST

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank and other borrowings	19,184	24,009	26,539
Interest on lease liabilities	2,819	2,318	1,860
Interest on redemption liabilities	66,499	103,028	124,957
Others	–	–	314
Total	88,502	129,355	153,670

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	–	–	–
Other emoluments:			
Salaries, allowances and benefits in kind	5,438	4,525	5,611
Performance-related bonuses	100	100	–
Share-based payment expenses	10,833	8,689	31,010
Pension scheme contributions and social welfare	416	410	410
Total	16,787	13,724	37,031

During the Relevant Periods, certain directors were granted restricted shares, in respect of their services to the Group. About the restricted shares scheme of the Group, further details of which are set out in note 34 to the Historical Financial Information. The fair value of such restricted shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

The remuneration of the directors of the Company is set out below:

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhang Guodong	1,820	25	102	–	1,947
Mr. Pan Mingdong	1,046	25	102	349	1,522
Mr. Long Xinjiang	1,139	25	102	1,266	2,532
Mr. Liu Yi	1,433	25	110	9,218	10,786
Non-executive directors:					
Mr. Kong Xiaoming	–	–	–	–	–
Ms. Wang Chuxuan	–	–	–	–	–
Ms. Yu Xiaolin	–	–	–	–	–
Total	5,438	100	416	10,833	16,787

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhang Guodong	1,502	25	102	–	1,629
Mr. Pan Mingdong	822	25	102	967	1,916
Mr. Long Xinjiang	965	25	102	3,510	4,602
Mr. Liu Yi	1,236	25	104	4,212	5,577
Non-executive directors:					
Ms. Wang Chuxuan	–	–	–	–	–
Ms. Yu Xiaolin	–	–	–	–	–
Total	4,525	100	410	8,689	13,724

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhang Guodong	1,801	–	102	13,365	15,268
Mr. Pan Mingdong	1,030	–	102	5,974	7,106
Mr. Long Xinjiang	1,281	–	102	5,551	6,934
Mr. Liu Yi	1,499	–	104	6,120	7,723
Non-executive directors:					
Ms. Wang Chuxuan	–	–	–	–	–
Ms. Yu Xiaolin	–	–	–	–	–
Total	5,611	–	410	31,010	37,031

There was no arrangement under which a director waived or agreed to waive any remuneration at the end of each of the Relevant Periods.

In December 2023, Mr. Kong Xiaoming resigned from his position as a non-executive director and Ms. Wang Chuxuan was appointed as a non-executive director.

Subsequent to 31 December 2025, Ms. Jiao Jie, Dr. Wang Xiaomu and Mr. Li Quanxing were appointed as independent non-executive directors of the Company.

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

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included three, two and four directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two, three and one highest paid employee who are neither a director nor chief executive of the Company for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,894	2,899	1,014
Performance-related bonuses	50	75	–
Share-based payment expenses	2,202	4,715	3,662
Pension scheme contributions and social welfare	202	311	102
Total	4,348	8,000	4,778

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

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

10. INCOME TAX

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

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the Company which operates in Chinese mainland is subject to CIT at a rate of 25% on the taxable income.

The Company was identified as a "High and New Technology Enterprise" on 13 December 2023, and was entitled to preferential income tax of 15% from 1 January 2023 to 31 December 2025.

The Group had no taxable income during the Relevant Periods.

A reconciliation of income tax expense applicable to loss before tax at applicable tax for the jurisdiction in which the Company and its subsidiary are domiciled to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(358,892)	(376,578)	(483,088)
Tax at the applicable tax rate	(53,834)	(56,487)	(72,463)
Effect of different tax rate of the subsidiary	(1,343)	(2,719)	(6,184)
Expenses not deductible for tax	4,256	5,741	11,715
Additional deduction allowance for research and development costs	(13,289)	(14,028)	(9,280)
Tax losses not recognised	42,633	49,772	58,275
Deductible temporary differences not recognised	21,577	17,721	17,937
Total tax charge for the year	–	–	–

The Group had accumulated tax losses arising in Chinese mainland of RMB623,530,000, RMB930,198,000 and RMB1,284,531,000 as at 31 December 2023, 2024 and 2025, respectively, that would expire in six to ten years for offsetting against future taxable profits.

The deferred tax assets and the deferred tax liabilities of a subsidiary operated in Chinese mainland have been offset in the consolidated statement of financial position for presentation purposes. Except the deferred tax assets that have been offset, the Group had deductible temporary differences for which deferred tax assets are not recognised of RMB397,245,000, RMB512,503,000 and RMB628,353,000 as at 31 December 2023, 2024 and 2025, respectively.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as the Company and its subsidiary have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

The deferred tax assets and the deferred tax liabilities of the subsidiary have been offset in the statements of financial position for presentation purposes.

11. DIVIDENDS

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

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

The calculation of the basic earnings per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares used in the calculation are the number of ordinary shares outstanding during the Relevant Periods.

As described in note 32(d), the Company was converted into a joint stock company with limited liability. The Company's paid-in capital of RMB857,062,000 was converted into 857,062,000 shares of RMB1.00 each accordingly. For the purpose of computing basic and diluted earnings per share, the weighted average numbers of ordinary shares deemed to be outstanding before the Company's conversion into a joint stock company were determined assuming the conversion had occurred since 1 January 2023, at the exchange ratio established in the conversion in June 2024.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of dilution as the impact of redemption rights, redemption liabilities on equity and employee incentive schemes had an anti-dilutive effect on the basic loss per share amounts presented. The Company had no potentially dilutive ordinary shares outstanding during the Relevant Periods.

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss			
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	(348,795)	(356,118)	(437,165)

	Number of shares		
	Year ended 31 December		
	2023	2024	2025
Shares			
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation ('000)	784,409	890,755	927,189

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	General electronic equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	1,182,957	36,695	457	2,228	122,338	300,634	1,645,309
Accumulated depreciation	(106,390)	(10,927)	(192)	(572)	–	(39,671)	(157,752)
Net carrying amount	1,076,567	25,768	265	1,656	122,338	260,963	1,487,557
At 1 January 2023, net of accumulated depreciation	1,076,567	25,768	265	1,656	122,338	260,963	1,487,557
Additions	21,571	19,992	–	30	645,472	10,325	697,390
Transfers	654,468	–	–	–	(654,468)	–	–
Depreciation provided during the year	(138,033)	(14,926)	(109)	(423)	–	(32,834)	(186,325)
Disposals	(3,283)	–	–	–	–	–	(3,283)
At 31 December 2023, net of accumulated depreciation	1,611,290	30,834	156	1,263	113,342	238,454	1,995,339
At 31 December 2023:							
Cost	1,854,450	56,687	457	2,258	113,342	310,959	2,338,153
Accumulated depreciation	(243,160)	(25,853)	(301)	(995)	–	(72,505)	(342,814)
Net carrying amount	1,611,290	30,834	156	1,263	113,342	238,454	1,995,339

	Machinery	General electronic equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	1,854,450	56,687	457	2,258	113,342	310,959	2,338,153
Accumulated depreciation	(243,160)	(25,853)	(301)	(995)	–	(72,505)	(342,814)
Net carrying amount	1,611,290	30,834	156	1,263	113,342	238,454	1,995,339

	Machinery	General electronic equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024, net of accumulated depreciation	1,611,290	30,834	156	1,263	113,342	238,454	1,995,339
Additions	5,737	21,619	–	3	693,596	5,306	726,261
Transfers	544,671	74	–	–	(544,745)	–	–
Depreciation provided during the year	(204,299)	(20,241)	(103)	(429)	–	(32,824)	(257,896)
At 31 December 2024, net of accumulated depreciation	1,957,399	32,286	53	837	262,193	210,936	2,463,704
At 31 December 2024:							
Cost	2,404,858	78,380	457	2,261	262,193	316,265	3,064,414
Accumulated depreciation	(447,459)	(46,094)	(404)	(1,424)	–	(105,329)	(600,710)
Net carrying amount	1,957,399	32,286	53	837	262,193	210,936	2,463,704

	Machinery	General electronic equipment	Transportation equipment	Office equipment	Buildings	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025								
At 1 January 2025:								
Cost	2,404,858	78,380	457	2,261	–	262,193	316,265	3,064,414
Accumulated depreciation	(447,459)	(46,094)	(404)	(1,424)	–	–	(105,329)	(600,710)
Net carrying amount	1,957,399	32,286	53	837	–	262,193	210,936	2,463,704
At 1 January 2025, net of accumulated depreciation	1,957,399	32,286	53	837	–	262,193	210,936	2,463,704
Additions	9,630	24,972	–	–	–	876,429	–	911,031
Transfers	564,203	2,050	521	69	438,208	(1,041,156)	36,105	–
Disposals	(966)	–	–	–	–	–	(6,190)	(7,156)
Depreciation provided during the year	(249,084)	(20,370)	(103)	(434)	(8,498)	–	(35,293)	(313,782)
At 31 December 2025, net of accumulated depreciation	2,281,182	38,938	471	472	429,710	97,466	205,558	3,053,797
At 31 December 2025:								
Cost	2,977,725	105,402	978	2,330	438,208	97,466	346,180	3,968,289
Accumulated depreciation	(696,543)	(66,464)	(507)	(1,858)	(8,498)	–	(140,622)	(914,492)
Net carrying amount	2,281,182	38,938	471	472	429,710	97,466	205,558	3,053,797

As at 31 December 2023, 2024 and 2025, certain of the Group's property, plant and equipment with an aggregate carrying amount of approximately RMB206,914,000, RMB181,336,000 and RMB457,848,000, respectively, have been pledged to secure interest-bearing bank borrowings granted to the Group (note 28).

As at 31 December 2023, 2024 and 2025, certain of the Group's machinery equipment with aggregate net carrying amounts of approximately RMB254,119,000, RMB369,765,000 and RMB319,886,000, respectively, was subject to the sale and leaseback arrangements (note 28).

The Company

	Machinery	General electronic Equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023							
Cost	1,182,957	36,695	457	2,228	122,338	300,634	1,645,309
Accumulated depreciation	(106,390)	(10,927)	(192)	(572)	–	(39,671)	(157,752)
Net carrying amount	1,076,567	25,768	265	1,656	122,338	260,963	1,487,557

	Machinery	General electronic Equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost at 1 January 2023, net of accumulated depreciation	1,076,567	25,768	265	1,656	122,338	260,963	1,487,557
Additions	5,939	24,314	–	30	586,897	10,325	627,505
Transfers	654,468	–	–	–	(654,468)	–	–
Depreciation provided during the year	(131,851)	(14,923)	(109)	(423)	–	(32,834)	(180,140)
Disposals	(116,281)	(4,362)	–	–	–	–	(120,643)
At 31 December 2023, net of accumulated depreciation	1,488,842	30,797	156	1,263	54,767	238,454	1,814,279
At 31 December 2023							
Cost	1,718,475	56,463	457	2,258	54,767	310,959	2,143,379
Accumulated depreciation	(229,633)	(25,666)	(301)	(995)	–	(72,505)	(329,100)
Net carrying amount	1,488,842	30,797	156	1,263	54,767	238,454	1,814,279

	Machinery	General electronic Equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024							
Cost	1,718,475	56,463	457	2,258	54,767	310,959	2,143,379
Accumulated depreciation	(229,633)	(25,666)	(301)	(995)	–	(72,505)	(329,100)
Net carrying amount	1,488,842	30,797	156	1,263	54,767	238,454	1,814,279
Cost at 1 January 2024, net of accumulated depreciation	1,488,842	30,797	156	1,263	54,767	238,454	1,814,279
Additions	5,736	21,619	–	3	490,126	5,306	522,790
Transfers	520,661	–	–	–	(520,661)	–	–
Depreciation provided during the year	(184,572)	(20,201)	(103)	(429)	–	(32,824)	(238,129)
Disposals	(100,316)	–	–	–	–	–	(100,316)
At 31 December 2024, net of accumulated depreciation	1,730,351	32,215	53	837	24,232	210,936	1,998,624
At 31 December 2024							
Cost	2,123,564	78,082	457	2,261	24,232	316,265	2,544,861
Accumulated depreciation	(393,213)	(45,867)	(404)	(1,424)	–	(105,329)	(546,237)
Net carrying amount	1,730,351	32,215	53	837	24,232	210,936	1,998,624

	Machinery	General electronic Equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025							
Cost	2,123,564	78,082	457	2,261	24,232	316,265	2,544,861
Accumulated depreciation	(393,213)	(45,867)	(404)	(1,424)	–	(105,329)	(546,237)
Net carrying amount	1,730,351	32,215	53	837	24,232	210,936	1,998,624

	Machinery	General electronic Equipment	Transportation equipment	Office equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost at 1 January 2025, net of accumulated depreciation	1,730,351	32,215	53	837	24,232	210,936	1,998,624
Additions	9,630	24,972	–	–	457,129	–	491,731
Transfers	369,124	936	–	29	(402,506)	32,417	–
Disposals	(966)	–	–	–	–	(6,190)	(7,156)
Depreciation provided during the year	(215,316)	(20,278)	(31)	(432)	–	(35,239)	(271,296)
At 31 December 2025, net of accumulated depreciation	1,892,823	37,845	22	434	78,855	201,924	2,211,903
At 31 December 2025							
Cost	2,501,352	103,990	457	2,290	78,855	342,492	3,029,436
Accumulated depreciation	(608,529)	(66,145)	(435)	(1,856)	–	(140,568)	(817,533)
Net carrying amount	1,892,823	37,845	22	434	78,855	201,924	2,211,903

14. LEASES

The Group as a lessee

The Group has lease contracts for leasehold land and buildings used in its operations. Lump sum payments were made upfront to lease the leasehold land with lease periods of 50 years. No ongoing payments will be made under the terms of the leases for the land use right.

(a) Right-of-use assets

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

The Group

	Buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	69,698	–	69,698
Additions	642	25,596	26,238
Depreciation charge	(10,324)	(342)	(10,666)
As at 31 December 2023 and 1 January 2024	60,016	25,254	85,270
Additions	988	–	988
Depreciation charge	(9,546)	(512)	(10,058)
As at 31 December 2024 and 1 January 2025	51,458	24,742	76,200
Additions	2,578	35,109	37,687
Depreciation charge	(9,197)	(920)	(10,117)
As at 31 December 2025	44,839	58,931	103,770

The Company

	Buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	69,698	–	69,698
Additions	642	–	642
Depreciation charge	(10,324)	–	(10,324)
As at 31 December 2023 and 1 January 2024	60,016	–	60,016
Additions	988	–	988
Depreciation charge	(9,546)	–	(9,546)
As at 31 December 2024 and 1 January 2025	51,458	–	51,458
Additions	2,578	34,917	37,495
Depreciation charge	(9,197)	(407)	(9,604)
As at 31 December 2025	44,839	34,510	79,349

(b) ***Lease liabilities***

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

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of the year	73,656	62,566	39,646
New leases	642	988	2,578
Accretion of interest recognised during the year	2,819	2,318	1,860
Payments	(14,551)	(26,226)	(500)
Carrying amount at end of the year	62,566	39,646	43,584
Analysed into:			
Current portion	23,412	11,533	21,004
Non-current portion	39,154	28,113	22,580

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	2,819	2,318	1,860
Depreciation charge of right-of-use assets	10,666	10,058	10,117
Expenses relating to short-term and low-value leases	8,501	15,108	15,034
Total amount recognised in profit or loss	21,986	27,484	27,011

The total cash outflows for leases are disclosed in notes 36(c) to the financial statements.

(d) ***Sale and leaseback transactions***

To better manage the Group's capital structure and financing needs, the Group sometimes entered into sale and leaseback arrangements in relation to leases of machinery. The transfers of the machinery do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. The Group accounted for these sale and leaseback transactions as financing transactions and the amounts received as other borrowings in accordance with IFRS 9. During the Relevant Periods, the Group raised borrowings of RMB50,000,000, RMB155,000,000, and RMB133,700,000, and repaid borrowings and interests of RMB77,286,000, RMB117,973,000, and RMB147,721,000, respectively, in respect of such sale and leaseback arrangements.

The Group as a lessor

The Group leased certain equipment under a finance lease arrangement. The term of the lease contract is 20 years. Lump sum payment was received up front, and no ongoing lease payment will be received under the terms of the lease contract.

15. OTHER INTANGIBLE ASSETS

The Group

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2023			
At 1 January 2023:			
Cost	9,834	566	10,400
Accumulated amortisation	(1,553)	(57)	(1,610)
Net carrying amount	8,281	509	8,790
At 1 January 2023, net of accumulated amortisation	8,281	509	8,790
Additions	11,538	–	11,538
Amortisation provided during the year	(3,829)	(113)	(3,942)
As at 31 December 2023	15,990	396	16,386

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2023:			
Cost	21,371	566	21,937
Accumulated amortisation	(5,381)	(170)	(5,551)
Net carrying amount	15,990	396	16,386
As at 31 December 2024			
At 1 January 2024:			
Cost	21,371	566	21,937
Accumulated amortisation	(5,381)	(170)	(5,551)
Net carrying amount	15,990	396	16,386
At 1 January 2024, net of accumulated amortisation	15,990	396	16,386
Additions	3,087	–	3,087
Amortisation provided during the year	(4,676)	(113)	(4,789)
As at 31 December 2024	14,401	283	14,684
At 31 December 2024:			
Cost	24,459	566	25,025
Accumulated amortisation	(10,058)	(283)	(10,341)
Net carrying amount	14,401	283	14,684

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2025			
At 1 January 2025:			
Cost	24,459	566	25,025
Accumulated amortisation	(10,058)	(283)	(10,341)
Net carrying amount	14,401	283	14,684
At 1 January 2025, net of accumulated amortisation	14,401	283	14,684
Additions	7,607	630	8,237
Amortisation provided during the year	(6,030)	(187)	(6,217)
As at 31 December 2025	15,978	726	16,704
At 31 December 2025:			
Cost	32,066	1,196	33,262
Accumulated amortisation	(16,088)	(470)	(16,558)
Net carrying amount	15,978	726	16,704

The Company

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2023			
At 1 January 2023:			
Cost	9,834	566	10,400
Accumulated amortisation	(1,553)	(57)	(1,610)
Net carrying amount	8,281	509	8,790
At 1 January 2023, net of accumulated amortisation	8,281	509	8,790
Additions	11,538	–	11,538
Amortisation provided during the year	(3,829)	(113)	(3,942)
As at 31 December 2023	15,990	396	16,386
At 31 December 2023:			
Cost	21,371	566	21,937
Accumulated amortisation	(5,381)	(170)	(5,551)
Net carrying amount	15,990	396	16,386

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2024			
At 1 January 2024:			
Cost	21,371	566	21,937
Accumulated amortisation	(5,381)	(170)	(5,551)
Net carrying amount	15,990	396	16,386
At 1 January 2024, net of accumulated amortisation	15,990	396	16,386
Additions	3,087	–	3,087
Amortisation provided during the year	(4,676)	(113)	(4,789)
As at 31 December 2024	14,401	283	14,684
At 31 December 2024:			
Cost	24,459	566	25,025
Accumulated amortisation	(10,058)	(283)	(10,341)
Net carrying amount	14,401	283	14,684

	Software	Patents and licences	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2025			
At 1 January 2025:			
Cost	24,459	566	25,025
Accumulated amortisation	(10,058)	(283)	(10,341)
Net carrying amount	14,401	283	14,684
At 1 January 2025, net of accumulated amortisation	14,401	283	14,684
Additions	6,232	–	6,232
Amortisation provided during the year	(5,809)	(113)	(5,922)
As at 31 December 2025	14,824	170	14,994
At 31 December 2025:			
Cost	30,691	566	31,257
Accumulated amortisation	(15,867)	(396)	(16,263)
Net carrying amount	14,824	170	14,994

16. INVESTMENTS IN A SUBSIDIARY AND A JOINT VENTURE

(a) Investment in a joint venture

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	11,412	–	–

(a) Particulars of the Group's joint venture is as follows:

Name of company	Place and date of registration	Percentage of ownership interest attributable to the Group	Principal activities
Nanjing Changxin Testing Technology Co., Ltd. ("Nanjing Changxin")	Chinese mainland/ 6 September 2021	50%	Testing services

In September 2024, the Company disposed of the 50% equity interest in Nanjing Changxin to the other 50% shareholder, Jiangsu Changjing Electronics Technology Co., Ltd., for a total consideration of RMB10,000,000. The loss on disposal of Nanjing Changxin was disclosed in note 6 to the Historical Financial Information.

The following table illustrates the aggregate financial information of the Group's joint venture:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of the joint venture's profit and total comprehensive income for the year	1,017	633	–
Dividend received from a joint venture	–	1,121	–

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of the Group's investment in the joint venture	11,412	–	–

(b) Investment in a subsidiary

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment in a subsidiary*	134,543	146,296	211,256

* Details of the subsidiary of the Company are disclosed in note 1 to the Historical Financial Information.

17. DEFERRED TAX

The Group

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

Deferred tax assets

	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	36,244	18,414	54,658
Deferred tax charged to profit or loss during the year	(17,276)	(9,029)	(26,305)
Gross deferred tax assets at 31 December 2023	18,968	9,385	28,353
At 1 January 2024	18,968	9,385	28,353
Deferred tax charged to profit or loss during the year	(1,146)	(3,438)	(4,584)
Gross deferred tax assets at 31 December 2024	17,822	5,947	23,769
At 1 January 2025	17,822	5,947	23,769
Deferred tax (charged)/credited to profit or loss during the year	(3,685)	591	(3,094)
Gross deferred tax assets at 31 December 2025	14,137	6,538	20,675

Deferred tax liabilities

	Right-of-use assets	Accelerated depreciation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	17,424	37,234	–	54,658
Deferred tax (credited)/charged to profit or loss during the year	(8,422)	(17,926)	43	(26,305)
Gross deferred tax liabilities at 31 December 2023	9,002	19,308	43	28,353
At 1 January 2024	9,002	19,308	43	28,353
Deferred tax (credited)/charged to profit or loss during the year	(1,284)	(3,316)	16	(4,584)
Gross deferred tax liabilities at 31 December 2024	7,718	15,992	59	23,769
At 1 January 2025	7,718	15,992	59	23,769
Deferred tax (credited)/charged to profit or loss during the year	(992)	(2,216)	114	(3,094)
Gross deferred tax liabilities at 31 December 2025	6,726	13,776	173	20,675

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	–	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	–

18. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for property, plant and equipment	35,659	48,421	10,662

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for property, plant and equipment	9,950	16,094	8,712

19. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	112,507	105,494	124,706
Work in progress	29,346	41,241	52,298
Finished goods	22,424	29,661	28,449
Total	164,277	176,396	205,453

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	112,369	105,393	121,547
Work in progress	29,346	41,241	51,878
Finished goods	22,424	29,661	27,497
Total	164,139	176,295	200,922

20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	134,833	175,982	181,067
Impairment	(4,288)	(8,096)	(6,514)
	130,545	167,886	174,553
Bills receivable	15,612	330	31,332
Net carrying amount	146,157	168,216	205,885

The Group's trading terms with its customers are mainly on credit. The credit period is generally 1 to 2 months, extending up to three months after invoice date for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	130,545	167,886	174,553

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,867	4,288	8,096
Impairment losses, net	2,421	3,808	(1,582)
At end of year	4,288	8,096	6,514

An impairment analysis was made based on expected credit loss model on the recoverability of trade receivables and performed using a provision matrix to measure expected credit losses. The identification of impairment requires management's judgements and estimates by considering the age of the balance, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macroeconomy.

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

As at 31 December 2023

	Individual basis	Within 1 year	Over 1 year	Total
Expected credit loss rate	–	3.15%	100.00%	3.18%
Gross carrying amount (RMB'000)	–	134,794	39	134,833
Expected credit losses (RMB'000)	–	4,249	39	4,288

As at 31 December 2024

	Individual basis	Within 1 year	Over 1 year	Total
Expected credit loss rate	100.00%	3.97%	100.00%	4.60%
Gross carrying amount (RMB'000)	601	174,829	552	175,982
Expected credit losses (RMB'000)	601	6,943	552	8,096

As at 31 December 2025

	Individual basis	Within 1 year	Over 1 year	Total
Expected credit loss rate	100.00%	3.28%	100.00%	3.60%
Gross carrying amount (RMB'000)	589	180,478	–	181,067
Expected credit losses (RMB'000)	589	5,925	–	6,514

The expected credit losses for bills receivable were minimal since the settlement was made from creditworthy banks with no recent history of default as at 31 December 2023, 2024 and 2025. The maturity terms of bills receivable are generally three to six months.

The Group endorsed certain bills receivable included in bills receivable and debt investments at fair value through other comprehensive income, which were all accepted by banks in the Chinese mainland to certain suppliers in order to settle the trade and other payables due to such suppliers. Further details are included in note 40 to the Historical Financial Information.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	134,833	175,982	174,790
Impairment	(4,288)	(8,096)	(6,319)
	130,545	167,886	168,471
Bills receivable	15,612	330	31,332
Net carrying amount	146,157	168,216	199,803

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	130,545	167,886	168,471

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,867	4,288	8,096
Impairment losses, net	2,421	3,808	(1,777)
At end of year	4,288	8,096	6,319

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

As at 31 December 2023

	Individual basis	Within 1 year	Over 1 year	Total
Expected credit loss rate	–	3.15%	100.00%	3.18%
Gross carrying amount (RMB'000)	–	134,794	39	134,833
Expected credit losses (RMB'000)	–	4,249	39	4,288

As at 31 December 2024

	Individual basis	Within 1 year	Over 1 year	Total
Expected credit loss rate	100.00%	3.97%	100.00%	4.60%
Gross carrying amount (RMB'000)	601	174,829	552	175,982
Expected credit losses (RMB'000)	601	6,943	552	8,096

As at 31 December 2025

	Individual basis	Within 1 year	Over 1 year	Total
Expected credit loss rate	100.00%	3.29%	–	3.62%
Gross carrying amount (RMB'000)	589	174,201	–	174,790
Expected credit losses (RMB'000)	589	5,730	–	6,319

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Value-added tax recoverable	74,425	114,710	123,936
Deposits	1,365	1,428	767
Prepayments	11,881	21,330	12,924
Deferred [**REDACTED**]	–	–	2,087
Others	778	249	292
	88,449	137,717	140,006
Impairment allowance	(21)	(31)	(8)
Total	88,428	137,686	139,998

Other receivables are unsecured, non-interest-bearing and repayable on demand.

The Group has applied the general approach in calculating the expected credit loss for other receivables. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate.

The following table provides information about the exposure to credit risk and ECLs for other receivables from third parties which are assessed collectively based on an estimated average credit loss rate as at 31 December 2023, 2024 and 2025:

	31 December 2023		
	Average loss rate	**Gross carrying amount**	**Impairment loss allowance**
		RMB'000	*RMB'000*
Other receivables	0.98%	2,143	21

	31 December 2024		
	Average loss rate	**Gross carrying amount**	**Impairment loss allowance**
		RMB'000	*RMB'000*
Other receivables	1.85%	1,677	31

	31 December 2025		
	Average loss rate	**Gross carrying amount**	**Impairment loss allowance**
		RMB'000	*RMB'000*
Other receivables	0.76%	1,059	8

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Value-added tax recoverable	53,034	66,018	40,863
Deposits	512	575	321
Prepayments	11,881	21,330	11,895
Deferred [**REDACTED**]	–	–	2,087
Due from a subsidiary	11,702	58,862	19,939
Others	778	245	56
	77,907	147,030	75,161
Impairment allowance	(8)	(9)	(4)
Total	77,899	147,021	75,157

22. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Debt investments at fair value through other comprehensive income:			
Bills receivable	1,955	4,001	1,264

For bills receivable that were held both for collection of contractual cash flows and selling, where the contractual cash flows of these bills receivable represented solely payments of principal and interest on the principal amount outstanding, they were classified as financial assets at fair value through other comprehensive income.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other unlisted investments, at fair value	85,414	26,183	90,482

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other unlisted investments, at fair value	81,380	–	85,941

The above unlisted investments were wealth management products issued by 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. The management closely monitors the performance and fair values of these investments on a regular basis.

24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Redemption right	9,026	4,276	3,397

In 2023, The Company entered into an investment agreement with the other shareholder of Yangzhou Chiplet, pursuant to which Yangzhou Chiplet was granted a right to repurchase up to 455,000,000 of its own shares (represented approximately 55.49% of the equity interest) at a price equal to the original investment amount within five years from the date of capital contribution by the other shareholder, at Yangzhou Chiplet's discretion. The Group identified the redemption right as a derivative financial instrument measured at fair value and with its changes recognised in profit and loss. Loss on changes in fair value amounting to RMB1,453,000, RMB4,750,000 and RMB879,000 were recognised in profit or loss for the years ended 31 December 2023, 2024 and 2025, respectively.

25. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	196,506	101,930	170,285
Less: Pledged deposits	–	(11,741)	(12,000)
Restricted cash	(32,811)	(7,023)	(14,587)
Cash and cash equivalents	163,695	83,166	143,698

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	196,106	90,301	156,907
Less: Pledged deposits	–	(4,259)	(12,000)
Restricted cash	(32,811)	(6,982)	(2,637)
Cash and cash equivalents	163,295	79,060	142,270

As at 31 December 2023, 2024 and 2025, the cash and cash equivalents of the Group denominated in United States dollars ("USD") amounted to approximately RMB7,170,000, RMB259,000 and RMB3,076,000, respectively. All other cash and cash equivalents held by the Group are denominated in RMB.

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

Pledged deposits of nil, RMB11,741,000 and RMB12,000,000 at 31 December 2023, 2024 and 2025, respectively, were pledged time deposits for the issuance of acceptance bills.

As at 31 December 2023, 2024 and 2025, the restricted cash of RMB2,695,000, RMB3,224,000 and RMB1,000,000, respectively, were held as deposits for the issuance of Letters of Credit, of RMB116,000, RMB3,799,000 and RMB11,950,000, respectively, were held as deposits for the issuance of acceptance bills, of RMB30,000,000, nil and nil were deposits for borrowings, of nil, nil and RMB1,637,000, respectively, were held as deposits in a regulated account.

26. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	110,016	129,985	172,505
Bills payable	–	21,082	23,950
Total	110,016	151,067	196,455

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	109,888	150,707	195,916
Over 1 year	128	360	539
Total	110,016	151,067	196,455

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	109,934	129,985	165,024
Bills payable	–	13,600	12,000
Total	109,934	143,585	177,024

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	109,806	143,225	176,485
Over 1 year	128	360	539
Total	109,934	143,585	177,024

The trade payables are non-interest-bearing and are normally settled on 60-day to 90-day terms.

27. OTHER PAYABLES AND ACCRUALS

The Group

	Notes	As at 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Payable for purchase of long-term assets		379,175	495,074	658,109
Contract liabilities	(a)	14,416	5,411	2,835
Payroll and welfare payables		35,303	38,304	36,681
Accrued expense		8,445	11,622	8,374
Deposits		–	15,000	50,000
Other tax payables		3,476	2,491	3,274
Other payables		2,401	6,146	5,400
Total		443,216	574,048	764,673
Analysed into:				
Current portion		443,216	574,048	763,184
Non-current portion		–	–	1,489

The Company

	Notes	As at 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Payable for purchase of long-term assets		374,410	383,311	312,683
Contract liabilities	(a)	14,416	5,411	2,835
Payroll and welfare payables		34,111	37,202	33,943
Accrued expense		8,395	11,621	8,348
Deposits		–	15,000	50,000
Other tax payables		3,384	2,209	2,317
Other payables		2,391	6,020	4,922
Total		437,107	460,774	415,048

(a) Contract liabilities include short-term advances received from customers regarding to the provision of packaging products and testing service.

Financial liabilities included in other payables and accruals are non-interest-bearing, except for certain contract signed by Yangzhou Chiplet in 2025 for purchasing certain equipment from a third party, which agreed that some payables can be settled for a period longer than one year. For this contract, financing components were considered and these payables were discounted at the rate reflected the cost of financing of Yangzhou Chiplet at contract inception.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group and the Company

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings – secured	2.80%-3.70%	2024	271,657
Bank borrowings – unsecured	3.10%-3.75%	2024	74,778
Sale and leaseback – secured	4.6%-5.89%	2024	78,454
Total-current			424,889
Non-current			
Bank borrowings – secured	3.00%	2025-2026	80,000
Sale and leaseback – secured	4.6%-5.89%	2025-2026	71,041
Total-non-current			151,041
Total			575,930

	As at 31 December 2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	2.65%-3.45%	2025	288,913
Bank borrowings – unsecured	2.65%-3.65%	2025	79,623
Sale and leaseback – secured	4.21%-5.62%	2025	114,466
Total-current			483,002
Non-current			
Bank borrowings – secured	3.00%	2026	50,000
Sale and leaseback – secured	4.21%-5.62%	2026-2027	81,455
Total-non-current			131,455
Total			614,457

	As at 31 December 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*
Current			
Bank borrowings – secured	2.50%-3.25%	2026	451,600
Bank borrowings – unsecured	2.50%-3.00%	2026	151,632
Sale and leaseback – secured	3.76%-5.23%	2026	103,873
Total-current			707,105
Non-current			
Bank borrowings – secured	2.80%-3.25%	2027-2029	165,550
Sale and leaseback – secured	3.76%-5.23%	2027-2028	89,161
Total-non-current			254,711
Total			961,816

The Group's bank borrowings amounting to nil, nil and RMB30,000,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and his spouse Ms. Wang Linxia and Mr. Pan Mingdong and Mr. Long Xinjiang, two executive directors of the Group.

The Group's bank borrowings amounting to RMB57,159,000, RMB67,913,000 and RMB90,000,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group.

The Group's bank borrowings amounting to RMB122,000,000, RMB101,000,000 and RMB82,000,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director and secured by certain property, plant and equipment with the carrying amounts of approximately RMB161,219,000, RMB140,651,000 and RMB107,415,000, respectively.

The Group's bank borrowings amounting to RMB50,000,000, RMB90,000,000 and RMB120,000,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and his spouse Ms. Wang Linxia.

The Group's bank borrowings amounting to nil, RMB30,000,000 and RMB76,334,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong and Mr. Pan Mingdong, executive directors of the Group.

The Group's bank borrowings amounting to RMB40,000,000, RMB40,000,000 and RMB86,216,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong and Mr. Pan Mingdong, executive directors of the Group, and secured by certain property, plant and equipment with the carrying amounts of RMB36,805,000, RMB32,798,000 and RMB155,214,000, respectively.

The Group's bank borrowings amounting to RMB10,000,000, RMB10,000,000 and nil as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and his spouse Ms. Wang Linxia, Mr. Pan Mingdong, an executive director of the Group, and his spouse Ms. Jin Chengru and secured by certain property, plant and equipment with the carrying amounts of RMB8,890,000, RMB7,887,000 and nil, respectively.

The Group's bank borrowings amounting to RMB72,498,000, nil and nil as at 31 December 2023, 2024 and 2025, respectively, were secured by bank deposit of RMB30,000,000, nil and nil, respectively.

The Group's bank borrowings amounting to nil, nil and RMB132,600,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and his spouse Ms. Wang Linxia, and secured by certain property, plant and equipment with the carrying amounts of nil, nil and RMB195,219,000, respectively.

The Group's other borrowings amounting to RMB53,466,000, RMB25,415,000 and nil as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and his spouse Ms. Wang Linxia. and Mr. Pan Mingdong, an executive director of the Group, and his spouse Ms. Jin Chengru, and Mr. Long Xinjiang, an executive director of the Group, and his spouse Ms. Gu Jingye, and Mr. Zhang Zhong, a senior management of the Group, and his spouse Ms. Zhang Lanying and secured by certain property, plant and equipment with the carrying amounts of RMB102,315,000, RMB90,137,000 and nil, respectively, and were subject to the sale and leaseback arrangements.

The Group's other borrowings amounting to nil, RMB38,172,000 and RMB21,901,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and Mr. Pan Mingdong, an executive director of the Group, and Mr. Liu Yi, an executive director of the Group, and secured by certain property, plant and equipment with the carrying amount of nil, RMB41,207,000 and RMB37,686,000, respectively, were subject to the sale and leaseback arrangements.

The Group's other borrowings amounting to RMB96,029,000, RMB132,334,000 and RMB59,165,000 as at 31 December 2023, 2024 and 2025, respectively, were secured by certain property, plant and equipment with the carrying amount of RMB151,804,000, RMB238,421,000 and RMB128,847,000, respectively and were subject to the sale and leaseback arrangements.

The Group's other borrowings amounting to nil, nil and RMB111,968,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed by Mr. Zhang Guodong, an executive director of the Group, and his spouse Ms. Wang Linxia. These borrowings secured by certain property, plant and equipment with the carrying amounts of nil, nil and RMB153,353,000, respectively, were subject to the sale and leaseback arrangement.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank and other borrowings repayable:			
Within one year or on demand	424,889	483,002	707,105
In the second year	94,180	109,428	186,405
In the third to fifth years, inclusive	56,861	22,027	68,306
Total	575,930	614,457	961,816

The carrying amounts of borrowings are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	503,432	614,457	961,816
Hong Kong dollar	72,498	–	–
Total	575,930	614,457	961,816

29. REDEMPTION LIABILITIES ON EQUITY SHARES

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Redemption liabilities on equity shares	2,057,659	2,424,909	2,964,767
Total	2,057,659	2,424,909	2,964,767

The movements of the redemption liabilities on equity shares during the Relevant Periods are set out below:

	Redemption liabilities
	RMB'000
As at 1 January 2023	1,360,495
Addition	630,665
Accretion of interest recognised during the year	66,499
As at 31 December 2023 and 1 January 2024	2,057,659
Addition	264,222
Accretion of interest recognised during the year	103,028
As at 31 December 2024 and 1 January 2025	2,424,909
Addition	414,901
Accretion of interest recognised during the year	124,957
As at 31 December 2025	2,964,767

From 2021 to 2025, the Company conducted several series of financing by issuing registered capital or ordinary shares to investors and certain investors were granted customary special rights, including but not limited to the redemption rights, liquidation preferences and anti-dilution rights. The redemption liabilities represented the redemption rights granted to certain investors of the Company. Shares with redemption rights shall be redeemable by the Company upon occurrence of specified triggering events, including a non-completion of a qualified [**REDACTED**] by 31 December 2026, such date was extended to 31 December 2028 pursuant to the investment agreements with all shareholders (including those newly injected shareholders in 2025) on 12 August 2025.

The redemption amount for each investor will be the investment amount paid by such investor plus annual simple interest at a rate of 6% for the period between the capital injection date and the redemption date. The redemption liabilities were initially recognised at the present value of the redemption amounts payable upon exercise of the redemption rights, with corresponding debits made to other reserve in equity, and subsequently measured at amortised cost with interests included in "Finance Cost" in profit or loss.

On 13 October 2025, the Company and all shareholders entered into a supplemental agreement to amend and terminate the special rights granted to the shareholders. Pursuant to which, the triggering events of the redemption rights, non-completion of a qualified [**REDACTED**] by 31 December 2028, shall be automatically terminated upon the completion of the [**REDACTED**] and will not be reinstated thereafter.

30. DEFERRED INCOME

The movements in deferred income at 31 December 2023, 2024 and 2025 are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	291,890	337,004	333,250
Government grants received during the year	95,615	90,557	29,500
Credited to profit or loss during the year	(50,501)	(94,311)	(60,208)
At the end of year	337,004	333,250	302,542

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	291,890	324,473	320,973
Government grants received during the year	82,999	90,557	29,500
Credited to profit or loss during the year	(50,416)	(94,057)	(59,954)
At the end of year	324,473	320,973	290,519

Government grants received relating to assets are recognised in deferred income and released to profit or loss over the expected or remaining useful lives of the relevant assets.

31. OTHER NON-CURRENT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payable for purchase of long-term assets *(note 27)*	–	–	1,489

32. SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	751,274	857,062	896,335
Capital contribution from shareholders *(Note a)*	25,636	–	–
Capital contribution from series A++ investors *(Note a)*	23,636	–	–
Capital contribution from shareholder *(Note a)*	10,000	–	–
Capital contribution from series [**REDACTED**] investors *(Note b)*	46,516	–	–
Conversion of the Company into a joint stock company *(Note c)*	–	(857,062)	–
Issue of ordinary shares *(Note c)*	–	857,062	–
Issue of shares for series [**REDACTED**] investors *(Note b)*	–	39,273	–
Issue of shares for series [**REDACTED**]+ investors *(Note d)*	–	–	62,727
At the end of year	857,062	896,335	959,062

Notes:

(a) In November 2023, the Company received capital contributions of RMB25,636,000 from shareholders, which was recognised as paid-in capital of the Company.

Pursuant to the shareholders' agreement entered into among series A++ investors and all then shareholders of the Company in February 2023, series A++ investors injected RMB130,000,000 into the Company, of which RMB23,636,000 and RMB106,364,000 were recognised as paid-in capital and capital reserve of the Company, respectively. Mr. Liu Yi injected RMB10,000,000 into the Company in September 2023, which was recognised as paid-in capital of the Company.

(b) Pursuant to the shareholders' agreement entered into among series [**REDACTED**] investors and all then shareholders in November 2023, series [**REDACTED**] investors agreed to subscribe paid-in capital of RMB85,789,000 at a consideration of RMB471,839,000. The consideration of RMB255,839,000 was injected in 2023, of which RMB46,516,000 and RMB209,323,000 were recognised as paid-in capital and capital reserve of the Company during the year ended 31 December 2023, respectively. RMB39,273,000 and RMB176,727,000 were recognised as share capital and share premium of the Company during the year ended 31 December 2024, respectively.

(c) In June 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC as of the conversion base date, which is 30 November 2023. The paid-in capital of RMB857,062,000 was converted into 857,062,000 ordinary shares at RMB1.00 each.

(d) Pursuant to the shareholders' agreement entered into among series [**REDACTED**] investors and all then shareholders in August 2025, series [**REDACTED**] investors agreed to subscribe 62,727,000 shares at a consideration of RMB345,000,000, of which RMB62,727,000 and RMB282,273,000 were recognised as share capital and share premium of the Company during the year ended 31 December 2025.

33. 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.

Share premium

The share premium of the Company represents the share premium contributed by the shareholders of the Company after its conversion into a joint stock company.

Capital reserve

The capital reserve of the Company represents the share premium contributed by the shareholders of the Company before its conversion into a joint stock company.

Other reserve

The other reserve of the Group represents the amounts of equity shares with redemption features as set out in notes 24 and 29 to the Historical Financial Information, respectively.

Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards granted to employees of the Group.

The Company

	Share premium	Other reserve	Capital reserve	Share-based compensation reserve	Accumulated loss	Total
	RMB'000 *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 34)*	*RMB'000*	*RMB'000*
At 1 January 2023	–	(1,292,190)	706,092	15,096	(523,311)	(1,094,313)
Loss for the year	–	–	–	–	(327,298)	(327,298)
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(327,298)	(327,298)
Capital contribution by shareholders	–	–	315,687	–	–	315,687
Equity-settled share-based compensation arrangements	–	1,262	–	24,818	–	26,080
Recognition of redemption liabilities on equity shares	–	(630,665)	–	–	–	(630,665)
At 31 December 2023	–	(1,921,593)	1,021,779	39,914	(850,609)	(1,710,509)
As at 1 January 2024	–	(1,921,593)	1,021,779	39,914	(850,609)	(1,710,509)
Loss for the year	–	–	–	–	(325,367)	(325,367)
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(325,367)	(325,367)
Capital contribution by shareholders	176,727	–	–	–	–	176,727
Equity-settled share-based compensation arrangements	–	1,753	–	33,929	–	35,682
Conversion of the Company to a joint stock company	371,461	–	(1,021,779)	(33,864)	684,182	–
Recognition of redemption liabilities on equity shares	–	(264,222)	–	–	–	(264,222)
At 31 December 2024	548,188	(2,184,062)	–	39,979	(491,794)	(2,087,689)
As at 1 January 2025	548,188	(2,184,062)	–	39,979	(491,794)	(2,087,689)
Loss for the year	–	–	–	–	(419,824)	(419,824)
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(419,824)	(419,824)

	Share premium	Other reserve	Capital reserve	Share-based compensation reserve	Accumulated loss	Total
	RMB'000 *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 33)*	*RMB'000* *(note 34)*	*RMB'000*	*RMB'000*
Capital contribution by shareholders	282,273	–	–	–	–	282,273
Equity-settled share-based compensation arrangements	–	4,959	–	69,570	–	74,529
Recognition of redemption liabilities on equity shares	–	(414,901)	–	–	–	(414,901)
At 31 December 2025	830,461	(2,594,004)	–	109,549	(911,618)	(2,565,612)

34. SHARE-BASED PAYMENTS/SHARE OPTION SCHEME

(a) Restricted stock incentive scheme

The Group operates a share-based incentive scheme (the "Scheme") under which the restricted stock units ("RSUs") of the Company will be granted as share incentives to qualified directors and employees of the Company and its subsidiary through two employee shareholding platforms Nanjing Ningtaixin Enterprise Consulting Management Partnership Enterprise (Limited Partnership) ("南京寧泰芯企業諮詢管理合夥企業(有限合夥)"), Ningbo Meishan Bonded Port Zone Ningpuxin Enterprise Management Partnership (Limited Partnership) ("寧波梅山保税港區寧浦芯企業管理合夥企業(有限合夥)") and its limited partners, which are also employee shareholding platforms. Mr. Zhang Guodong and Mr. Pan Mingdong are the general partners of these employee shareholding platforms, respectively. Mr. Zhang Guodong acted as the general partner of these platforms, and had the right to determine the eligible participants and vesting criteria, and was obliged to repurchase the shares of the resigned eligible participants at subscription prices and then reallocate these shares to other eligible participants.

During the year ended 31 December 2023, 60,127,000 shares of the Company were granted to eligible participants of the Scheme at subscription prices of RMB1.00 per share. The fair values of the shares of the Schemes on the grant date were between RMB3.70 to RMB3.96 per share.

During the year ended 31 December 2024, 2,595,000 shares of the Company were granted to eligible participants of the Scheme at subscription prices of RMB1.00 per share. The fair value of the shares of the Scheme on the grant date was RMB4.14 per share.

During the year ended 31 December 2025, 21,884,000 shares and 281,000 shares of the Company were granted to eligible participants of the Scheme at subscription prices of RMB1.00 per share. The fair values of the shares of the Schemes on the grant date were RMB4.14 and RMB4.38 per share, respectively.

The shares granted to Mr. Zhang Guodong are fully vested upon grant, as no vesting conditions are applied, and were therefore immediately exercisable, while shares granted to other directors and employees are subject to a service condition requiring continuous service for eight years from the grant date. The Group accounts for the scheme as an equity-settled plan.

During the Relevant Periods, 3,600,000, nil and 14,879,000 shares, respectively, granted to certain directors and employees vested prior to the end of the eight-year vesting period, following the approval by Mr. Zhang Guodong. As the vesting condition was satisfied earlier than originally anticipated, the remaining unrecognised share-based payment expenses at the point of vesting were immediately accelerated.

The following restricted shares were outstanding under the Scheme during the Relevant Periods:

	Number of shares		
	As at 31 December		
	2023	2024	2025
At the beginning of year	42,159,000	94,951,000	95,906,000
Granted during the year	60,127,000	2,595,000	22,165,000
Vested during the year	(3,600,000)	–	(14,879,000)
Forfeited during the year	(3,735,000)	(1,640,000)	(944,000)
At the end of year	94,951,000	95,906,000	102,248,000

The fair value is determined by an external valuer by using the back-solve method and equity allocation based on the option pricing model ("OPM").

	At grant dates
Expected volatility	44.40%
Risk-free interest rate%	1.53%

(b) [REDACTED] share option scheme

Pursuant to the [**REDACTED**] share option scheme in November 2025, the Company granted [**REDACTED**] share options to 38 employees at the exercise price of RMB[**REDACTED**] per share. The share options will be settled by the issue of H shares of the Company upon exercise. The vesting periods for shares granted are 24 months, 36 months and 48 months from the date of completion of registration of the granted shares. According to the Company's performance appraisal and individual performance appraisal, 30%, 40% and 30% of shares will be vested during the vesting periods, respectively.

The exercise prices and exercise periods of the share options outstanding as at 31 December 2025 are as follows:

	As at 31 December 2025
Numbers of share options	[**REDACTED**]
Exercise price (RMB)	[**REDACTED**]
The remaining exercise period (year)	[**REDACTED**]

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

	At grant dates
Expected volatility	[**REDACTED**]
Risk-free interest rate	[**REDACTED**]
Expected life of options (year)	[**REDACTED**]

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The total equity-settled share-based payments expenses recognised in profit or loss arising from the restricted shares and share options were [**REDACTED**] during the Relevant Periods, respectively.

35. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that have material non-controlling interests are set out below:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Percentage of equity interest held by non-controlling interests:			
Yangzhou Chiplet	71.95%	71.95%	71.95%
Loss for the year allocated to non-controlling interests:			
Yangzhou Chiplet	(10,097)	(20,460)	(45,923)

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Accumulated balances of non-controlling interests at the reporting date:			
Yangzhou Chiplet	121,443	324,983	441,060

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	94	528	7,973
Total expenses	(14,127)	(28,963)	(71,799)
Total comprehensive loss for the year	(14,033)	(28,435)	(63,826)

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows used in operating activities	(7,413)	(15,623)	(38,078)
Net cash flows used in investing activities	(158,803)	(207,148)	(186,172)
Net cash flows from financing activities	166,617	234,000	226,000
Net increase in cash and cash equivalents	401	11,229	1,750

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets	35,826	91,716	146,179
Non-current assets	249,584	562,485	909,749
Current liabilities	17,890	179,618	416,976
Non-current liabilities	12,531	12,277	13,512

36. NOTE TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets of RMB642,000, RMB988,000 and RMB2,578,000, respectively, in respect of lease arrangements for buildings with the responding same amounts of lease liabilities.

The Company has endorsed certain bills receivable accepted in Chinese mainland to certain of its suppliers in order to settle the trade and other payables due to such suppliers with carrying amounts of RMB34,177,000, RMB59,281,000 and RMB114,337,000, of which non-cash additions to property, plant and equipment and other intangible assets were RMB13,984,000, RMB21,194,000 and RMB91,222,000 during the Relevant Periods, respectively.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings	Lease liabilities	Redemption liability on equity shares	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	383,768	73,656	1,360,495	1,817,919
Cash flows from financing activities	172,978	(14,551)	421,475	579,902
Interest expense	19,184	2,819	66,499	88,502
New leases	–	642	–	642
Non-cash changes	–	–	209,190	209,190
At 31 December 2023 and 1 January 2024	575,930	62,566	2,057,659	2,696,155
Cash flows from financing activities	14,518	(26,226)	216,000	204,292
Interest expense	24,009	2,318	103,028	129,355
New leases	–	988	–	988
Non-cash changes	–	–	48,222	48,222
At 31 December 2024 and 1 January 2025	614,457	39,646	2,424,909	3,079,012
Cash flows from financing activities	320,820	(500)	345,000	665,320
Interest expense	26,539	1,860	124,957	153,356
New leases	–	2,578	–	2,578
Non-cash changes	–	–	69,901	69,901
At 31 December 2025	961,816	43,584	2,964,767	3,970,167

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	8,501	15,108	15,034
Within financing activities	14,551	26,226	500
Within investing activities	25,596	–	35,109
Total	48,648	41,334	50,643

Further details of the total cash outflows for sale and leaseback transactions are included in note 14 to the Historical Financial Information.

37. COMMITMENTS

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Property, plant and equipment	418,422	282,984	466,366
Other Intangible assets	9,756	7,814	–
	428,178	290,798	466,366

38. RELATED PARTY TRANSACTIONS

(a) Names of related parties and relationship with the Group

Names of related parties	Relationship with the Company
Mr. Zhang Guodong	Executive director, shareholder of the Company
Mr. Pan Mingdong	Executive director, shareholder of the Company
Mr. Liu Yi	Executive director, shareholder of the Company
Ms. Wang Linxia	The spouse of Mr. Zhang Guodong
Mr. Long Xinjiang	Executive director of the Group
Ms. Jin Chengru	The spouse of Mr. Pan Mingdong
Ms. Gu Jingye	The spouse of Mr. Long Xinjiang
Mr. Zhang Zhong	Senior management of the Group
Ms. Zhang Lanying	The spouse of Mr. Zhang Zhong
Jiangsu Changjing Electronics Technology Co., Ltd. and its subsidiary ("Changjing Technology")	A company whose directors serve as directors of the Company
Jiangsu Qianhe Microelectronics Co., Ltd. ("Jiangsu Qianhe")	A company whose member of key management personnel serves as supervisor of the Company
JIADONG TECHNOLOGY CO., LIMITED ("JIADONG")	A company controlled by the ultimate beneficial owner of a shareholder
Tianxin Electronic Technology (Jiangyin) Co., Ltd. and its subsidiary ("Tianxin Technology")	A company controlled by the ultimate beneficial owner of a shareholder
Nanjing Changxin*	A joint venture

* Nanjing Changxin was no longer a related company since September 2024.

(b) Transactions with related parties:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods or provision of services to:			
Changjing Technology	2,812	2,318	1,163
Jiangsu Qianhe	9,853	9,892	7,736
JIADONG	2,102	8,117	1,209
Tianxin Technology	20,640	2,196	9,038
Total	35,407	22,523	19,146
Purchase of goods or receipt of services from:			
Changjing Technology	389	548	4,483
Tianxin Technology	30	–	–
Total	419	548	4,483
Interest expense:			
Tianxin Technology	–	–	65
Loans from a related party:			
Tianxin Technology	–	–	25,000
Repayment of principal and interest of loans from a related party:			
Tianxin Technology	–	–	25,065
Disposal of a joint venture:			
Changjing Technology	–	10,000	–
Loans to directors:			
Mr. Liu Yi	2,600	–	–
Total	2,600	–	–
Receipt of loans to directors:			
Mr. Zhang Guodong	3,731	–	–
Mr. Pan Mingdong	6,225	–	–
Mr. Liu Yi	2,600	–	–
Total	12,556	–	–

The above purchase and sales of products were made according to terms agreed between the parties.

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

	Year ended 31 December 2023			
Guarantor	Guaranteed amounts	Start year	End year	Maturity or not
	RMB'000			
Mr. Zhang Guodong and Mr. Pan Mingdong	19,958	2022	2023	Yes
Mr. Zhang Guodong	25,000	2022	2023	Yes
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong, Ms. Jin Chengru, Mr. Zhang Zhong, Ms. Zhang Lanying, Mr. Long Xinjiang and Ms. Gu Jinghua	85,000	2022	2025	RMB53,465,000 of which was not due
Mr. Zhang Guodong and Mr. Pan Mingdong	40,000	2023	2024	Not yet
Mr. Zhang Guodong	22,000	2023	2024	Not yet
Mr. Zhang Guodong	57,159	2023	2024	Not yet
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong and Ms. Jin Chengru	10,000	2023	2024	Not yet
Mr. Zhang Guodong and Ms. Wang Linxia	50,000	2023	2024	Not yet
Mr. Zhang Guodong	20,000	2023	2024	Not yet
Mr. Zhang Guodong	30,000	2023	2025	Not yet
Mr. Zhang Guodong	50,000	2023	2026	Not yet

Guarantor	Year ended 31 December 2024			
	Guaranteed amounts	Start year	End year	Maturity or not
	RMB'000			
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong, Ms. Jin Chengru, Mr. Zhang Zhong, Ms. Zhang Lanying, Mr. Long Xinjiang and Ms. Gu Jinghua	85,000	2022	2025	RMB25,415,000 of which was not due
Mr. Zhang Guodong and Mr. Pan Mingdong	40,000	2023	2024	Yes
Mr. Zhang Guodong	22,000	2023	2024	Yes
Mr. Zhang Guodong	57,159	2023	2024	Yes
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong and Ms. Jin Chengru	10,000	2023	2024	Yes
Mr. Zhang Guodong and Ms. Wang Linxia	50,000	2023	2024	Yes
Mr. Zhang Guodong	20,000	2023	2024	Yes
Mr. Zhang Guodong	30,000	2023	2025	Not yet
Mr. Zhang Guodong	50,000	2023	2026	Not yet
Mr. Zhang Guodong	44,777	2024	2024	Yes
Mr. Zhang Guodong	38,063	2024	2025	RMB37,913,000 of which was not due
Mr. Zhang Guodong and Mr. Pan Mingdong	40,000	2024	2025	Not yet
Mr. Zhang Guodong	21,000	2024	2025	Not yet
Mr. Zhang Guodong	30,000	2024	2025	Not yet
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong and Ms. Jin Chengru	10,000	2024	2025	Not yet
Mr. Zhang Guodong and Ms. Wang Linxia	90,000	2024	2025	Not yet
Mr. Zhang Guodong and Mr. Pan Mingdong	30,000	2024	2025	Not yet
Mr. Zhang Guodong, Mr. Pan Mingdong and Mr. Liu Yi	50,000	2024	2027	RMB38,172,000 of which was not due

Guarantor	Year ended 31 December 2025			
	Guaranteed amounts	Start year	End year	Maturity or not
	RMB'000			
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong, Ms. Jin Chengru, Mr. Zhang Zhong, Ms. Zhang Lanying, Mr. Long Xinjiang and Ms. Gu Jinghua	85,000	2022	2025	Yes
Mr. Zhang Guodong	30,000	2023	2025	Yes
Mr. Zhang Guodong	38,063	2024	2025	Yes
Mr. Zhang Guodong and Mr. Pan Mingdong	40,000	2024	2025	Yes
Mr. Zhang Guodong	21,000	2024	2025	Yes
Mr. Zhang Guodong	30,000	2024	2025	Yes
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong and Ms. Jin Chengru	10,000	2024	2025	Yes
Mr. Zhang Guodong and Ms. Wang Linxia	90,000	2024	2025	Yes
Mr. Zhang Guodong and Mr. Pan Mingdong	30,000	2024	2025	Yes
Mr. Zhang Guodong, Ms. Wang Linxia, Mr. Pan Mingdong and Mr. Long Xinjiang	30,000	2025	2026	Not yet
Mr. Zhang Guodong	40,000	2025	2026	Not yet
Mr. Zhang Guodong and Ms. Wang Linxia	100,000	2025	2026	Not yet
Mr. Zhang Guodong and Ms. Wang Linxia	103,000	2025	2028	Not yet

Guarantor	Year ended 31 December 2025			
	Guaranteed amounts	Start year	End year	Maturity or not
	RMB'000			
Mr. Zhang Guodong and Ms. Wang Linxia	30,000	2024	2026	RMB29,600,000 of which was not due
Mr. Zhang Guodong and Mr. Pan Mingdong	71,110	2025	2029	RMB67,550,000 of which was not due
Mr. Zhang Guodong and Mr. Pan Mingdong	40,000	2025	2026	Not yet
Mr. Zhang Guodong and Mr. Pan Mingdong	20,000	2025	2026	Not yet
Mr. Zhang Guodong	50,000	2025	2027	Not yet
Mr. Zhang Guodong	50,000	2023	2026	RMB50,000,000 of which was not due
Mr. Zhang Guodong, Mr. Pan Mingdong and Mr. Liu Yi	50,000	2024	2027	RMB25,775,000 of which was not due
Mr. Zhang Guodong and Ms. Wang Linxia	133,700	2025	2028	RMB118,392,000 of which was not due
Mr. Zhang Guodong and Ms. Wang Linxia	30,000	2024	2025	Yes
Mr. Zhang Guodong and Ms. Wang Linxia	20,000	2025	2026	Not yet
Mr. Zhang Guodong and Mr. Pan Mingdong	25,000	2025	2026	Not yet
Mr. Zhang Guodong	22,000	2025	2026	Not yet
Mr. Zhang Guodong and Mr. Pan Mingdong	10,000	2025	2026	Not yet
Mr. Zhang Guodong	10,000	2025	2026	Not yet

Details of the balances of borrowings guaranteed by related parties are set out in note 28 to the Historical Financial Information.

(d) Outstanding balances with related parties

Balances relating to trade activities:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables			
Changjing Technology	4,130	3,448	215
Jiangsu Qianhe	6,875	5,562	2,438
JIADONG	–	175	951
Tianxin Technology	2,100	1,451	1,634
Contract liabilities			
JIADONG	8,794	1,688	–
Tianxin Technology	1,470	1,653	1,754

Balances relating to non-trade activities:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other receivables and other assets			
Changjing Technology	653	1,764	–
Other payables and accruals			
Changjing Technology	183	170	–
Nanjing Changxin	3,748	–	–
Tianxin Technology	55	–	–

(e) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	8,358	7,114	8,778
Performance-related bonuses	175	175	–
Share-based payment expenses	13,456	12,881	38,797
Pension scheme contributions and social welfare	720	713	712
Total compensation paid to key management personnel	22,709	20,883	48,287

The compensation information above includes the directors' remunerations. Further details of the directors' remunerations are included in note 8 to the Historical Financial Information.

39. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

As at 31 December 2023

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss *(note 23)*	85,414	–	–	85,414
Derivative financial instruments *(note 24)*	9,026	–	–	9,026
Trade and bills receivables *(note 20)*	–	–	146,157	146,157
Financial assets included in prepayment, deposits and other receivables	–	–	2,122	2,122
Debt investments at fair value through other comprehensive income *(note 22)*	–	1,955	–	1,955
Restricted cash *(note 25)*	–	–	32,811	32,811
Cash and bank balances *(note 25)*	–	–	163,695	163,695
Total	94,440	1,955	344,785	441,180

As at 31 December 2024

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss *(note 23)*	26,183	–	–	26,183
Derivative financial instruments *(note 24)*	4,276	–	–	4,276
Trade and bills receivables *(note 20)*	–	–	168,216	168,216
Financial assets included in prepayment, deposits and other receivables	–	–	1,646	1,646
Debt investments at fair value through other comprehensive income *(note 22)*	–	4,001	–	4,001
Restricted cash *(note 25)*	–	–	7,023	7,023
Pledged deposits *(note 25)*	–	–	11,741	11,741
Cash and bank balances *(note 25)*	–	–	83,166	83,166
Total	30,459	4,001	271,792	306,252

As at 31 December 2025

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss *(note 23)*	90,482	–	–	90,482
Derivative financial instruments *(note 24)*	3,397	–	–	3,397
Trade and bills receivables *(note 20)*	–	–	205,885	205,885
Financial assets included in prepayment, deposits and other receivables	–	–	1,051	1,051
Debt investments at fair value through other comprehensive income *(note 22)*	–	1,264	–	1,264
Restricted cash *(note 25)*	–	–	14,587	14,587
Pledged deposits *(note 25)*	–	–	12,000	12,000
Cash and bank balances *(note 25)*	–	–	143,698	143,698
Total	93,879	1,264	377,221	472,364

Financial liabilities

As at 31 December 2023

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables *(note 26)*	110,016
Financial liabilities included in other payables and accruals	390,021
Interest-bearing bank and other borrowings *(note 28)*	575,930
Redemption liabilities on equity shares *(note 29)*	2,057,659
Total	3,133,626

As at 31 December 2024

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables *(note 26)*	151,067
Financial liabilities included in other payables and accruals	527,842
Interest-bearing bank and other borrowings *(note 28)*	614,457
Redemption liabilities on equity shares *(note 29)*	2,424,909
Total	3,718,275

As at 31 December 2025

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables *(note 26)*	196,455
Financial liabilities included in other payables and accruals	721,883
Interest-bearing bank and other borrowings *(note 28)*	961,816
Redemption liabilities on equity shares *(note 29)*	2,964,767
Total	4,844,921

40. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

The Group endorsed certain bills receivable included in bills receivable, which were all accepted by banks in the Chinese mainland (the "Endorsed Bills") to certain suppliers in order to settle the trade and other payables due to such suppliers (the "Endorsement"). The aggregate amounts of the Endorsed Bills that were not due were RMB9,943,000, RMB290,000 and RMB16,790,000 and the Group discounted certain bills receivable (the "Discounted Bills") with a carrying amount of nil, nil and RMB10,000,000 as at 31 December 2023, 2024 and 2025, respectively. In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills and Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled, and the Discounted Bills and the associated interest-bearing borrowings settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

The Group endorsed certain bills receivable included in debt investments at fair value through other comprehensive income, which were accepted by banks in the Chinese mainland (the "Derecognised Bills") to certain suppliers in order to settle the trade and other payables due to such suppliers and certain unmatured discounted bills receivables. The aggregate amounts of the Derecognised Bills that were not due were RMB4,546,000, RMB26,232,000 and RMB42,003,000 as at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity term from three to six months as at 31 December 2023, 2024 and 2025. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the Directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the Relevant Periods, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills. No gains or losses were recognised from the Continuing Involvement, both during the reporting period and cumulatively. The endorsement has been made evenly throughout the reporting period.

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts			Fair values		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets						
Debt investments at fair value through other comprehensive income	1,955	4,001	1,264	1,955	4,001	1,264
Derivative financial instruments	9,026	4,276	3,397	9,026	4,276	3,397
Financial assets at fair value through profit or loss	85,414	26,183	90,482	85,414	26,183	90,482
Financial liabilities						
Non-current portion of interest-bearing bank and other borrowings	151,041	131,455	254,711	149,338	130,660	248,079
Redemption liabilities on equity shares	2,057,659	2,424,909	2,964,767	1,999,641	2,381,290	2,574,900

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

The Company's financial department headed by the financial manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the reporting period, the financial department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a 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 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 Company's own non-performance risk for interest-bearing bank and other borrowings, redemption liabilities on equity shares as at 31 December 2023, 2024 and 2025 were assessed to be insignificant.

For the fair value of the redemption liabilities on equity shares, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025:

As at 31 December 2023

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Derivative financial instruments	Black-Scholes	Risk-free interest rate	2.36%	1% increase/decrease in risk-free interest rate would result in increase/decrease in fair value by RMB290,000/ RMB(288,000)
		Volatility	49%	1% increase/decrease in volatility would result in increase/decrease in fair value by RMB439,000/ RMB(446,000)

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Derivative financial instruments	Black-Scholes	Risk-free interest rate	1.20%	1% increase/decrease in risk-free interest rate would result in increase/decrease in fair value by RMB179,000/ RMB(176,000)
		Volatility	44%	1% increase/decrease in volatility would result in increase/decrease in fair value by RMB303,000/ RMB(302,000)

As at 31 December 2025

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Derivative financial instruments	Black-Scholes	Risk-free interest rate	1.35%	1% increase/decrease in risk-free interest rate would result in increase/decrease in fair value by RMB125,000/ RMB(123,000)
		Volatility	45%	1% increase/decrease in volatility would result in increase/decrease in fair value by RMB105,000/ RMB(105,000)

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			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Debt investments at fair value through other comprehensive income	–	1,955	–	1,955
Derivative financial instruments	–	–	9,026	9,026
Financial assets at fair value through profit or loss	–	85,414	–	85,414

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Debt investments at fair value through other comprehensive income	–	4,001	–	4,001
Derivative financial instruments	–	–	4,276	4,276
Financial assets at fair value through profit or loss	–	26,183	–	26,183

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Debt investments at fair value through other comprehensive income	–	1,264	–	1,264
Derivative financial instruments	–	–	3,397	3,397
Financial assets at fair value through profit or loss	–	90,482	–	90,482

Liabilities for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current portion of interest-bearing bank and other borrowings	–	149,338	–	149,338
Redemption liabilities on equity shares	–	1,999,641	–	1,999,641

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current portion of interest-bearing bank and other borrowings	–	130,660	–	130,660
Redemption liabilities on equity shares	–	2,381,290	–	2,381,290

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current portion of interest-bearing bank and other borrowings	–	248,079	–	248,079
Redemption liabilities on equity shares	–	2,574,900	–	2,574,900

There were no transfers between level 2 and level 3 during the Relevant Periods.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. 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 pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals 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:

(a) Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings with a floating rate set out in note 28. The Group does not use derivative financial instruments to hedge interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Increase/(decrease) in basis points	Increase/(decrease) in loss before tax	Increase/(decrease) in deficits*
		RMB'000	RMB'000
31 December 2023			
If interest rates increases	5	(111)	–
If interest rates decreases	(5)	111	–
31 December 2024			
If interest rates increases	5	(74)	–
If interest rates decreases	(5)	74	–
31 December 2025			
If interest rates increases	5	(90)	–
If interest rates decreases	(5)	90	–

* Excluding accumulated loss

(b) Foreign currency risk

The Group principally conducted business in RMB and is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currencies that are not the functional currencies of the relevant group entities.

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in loss before tax	Increase /(decrease) in equity
	%	*RMB'000*	*RMB'000*
31 December 2023			
If RMB weakens against USD	5	(5,546)	–
If RMB strengthens against USD	(5)	5,546	–
If RMB weakens against HKD	5	(3,806)	–
If RMB strengthens against HKD	(5)	3,806	–
31 December 2024			
If RMB weakens against USD	5	(7,005)	–
If RMB strengthens against USD	(5)	7,005	–
31 December 2025			
If RMB weakens against USD	5	(693)	–
If RMB strengthens against USD	(5)	693	–

* Excluding accumulated losses

(c) 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.

Maximum exposure and period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and period-end staging classification as at 31 December 2023, 2024 and 2025.

The amounts presented are gross carrying amounts for financial assets.

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	150,445	150,445
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,143	–	–	–	2,143
Debt investments at fair value through other comprehensive income	1,955	–	–	–	1,955
Restricted cash					
– Not yet past due	32,811	–	–	–	32,811
Cash and cash equivalents					
– Not yet past due	163,695	–	–	–	163,695
Total	200,604	–	–	150,445	351,049

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 and bills receivables*	–	–	–	176,312	176,312
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,677	–	–	–	1,677
Debt investments at fair value through other comprehensive income	4,001	–	–	–	4,001
Restricted cash					
– Not yet past due	7,023	–	–	–	7,023
Pledged deposits					
– Not yet past due	11,741	–	–	–	11,741
Cash and cash equivalents					
– Not yet past due	83,166	–	–	–	83,166
Total	107,608	–	–	176,312	283,920

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 and bills receivables*	–	–	–	212,399	212,399
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,059	–	–	–	1,059
Debt investments at fair value through other comprehensive income	1,264	–	–	–	1,264
Restricted cash					
– Not yet past due	14,587	–	–	–	14,587
Pledged deposits					
– Not yet past due	12,000	–	–	–	12,000
Cash and cash equivalents					
– Not yet past due	143,698	–	–	–	143,698
Total	172,608	–	–	212,399	385,007

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

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

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

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

The Group

	31 December 2023				
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	110,016	–	–	–	110,016
Financial liabilities included in other payables and accruals	390,021	–	–	–	390,021
Interest-bearing bank and other borrowings	439,629	98,119	58,151	–	595,899
Lease liabilities	25,723	12,862	19,292	12,862	70,739
Redemption liabilities	–	–	2,344,479	–	2,344,479
Total	965,389	110,981	2,421,922	12,862	3,511,154

	31 December 2024				
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	151,067	–	–	–	151,067
Financial liabilities included in other payables and accruals	527,842	–	–	–	527,842
Interest-bearing bank and other borrowings	495,720	113,119	22,334	–	631,173
Lease liabilities	13,362	6,431	19,292	6,431	45,516
Redemption liabilities	–	2,649,099	–	–	2,649,099
Total	1,187,991	2,768,649	41,626	6,431	4,004,697

	31 December 2025				
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	196,455	–	–	–	196,455
Financial liabilities included in other payables and accruals	721,032	1,510	–	–	722,542
Interest-bearing bank and other borrowings	715,783	192,142	72,184	–	980,109
Lease liabilities	21,059	7,352	19,292	–	47,703
Redemption liabilities	–	–	3,390,529	–	3,390,529
Total	1,654,329	201,004	3,482,005	–	5,337,338

(e) 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.

43. EVENTS AFTER THE REPORTING PERIOD

The Company is currently a defendant in a lawsuit brought by a supplier alleging that the Company breached the relevant contract. The directors, based on the advice from the Company's legal counsel, believe that the Company has a valid defence against the allegation and, accordingly, the Company has not made any provision for the claim arising from the litigation, other than the related legal and other costs. In April 2026, the Company paid RMB12,504,000 to the Nanjing Pukou District People's Court to guarantee the ongoing lawsuit of the Company.

44. SUBSEQUENT FINANCIAL STATEMENTS

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