The following is the text of a report set out on pages IA-[1] to IA-[101], received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BETHEL AUTOMOTIVE SAFETY SYSTEMS CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Bethel Automotive Safety Systems Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages IA-[3] to IA-[101], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on page IA-[3] to IA-[101] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the initial **[REDACTED]** of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**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 Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 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 of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023, 2024 and 2025, the Company's financial position as at December 31, 2023, 2024 and 2025, and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") 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 IA-[3] have been made.

Dividends

We refer to Note 17 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
[•]
Practicing Certificate Number: [•]
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 consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by the IAASB ("**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 COMPREHENSIVE INCOME

		Year ended December 31,		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	5	7,195,851	9,635,551	11,711,707
Cost of sales	8	(5,820,901)	(7,861,800)	(9,649,539)
Gross profit		1,374,950	1,773,751	2,062,168
Other income	6	375,444	528,442	444,425
Other (losses) and gains, net	7	(4,147)	44,220	21,565
Research and development expenses	8	(449,781)	(575,517)	(605,497)
General and administrative expenses	8	(178,455)	(239,724)	(306,452)
Selling expenses	8	(32,230)	(39,889)	(60,295)
Net impairment losses (recognised)/reversed on financial assets	21, 22	(38,762)	(85,805)	8,915
Finance costs	10	(30,061)	(10,150)	(35,705)
Profit before income tax		1,016,958	1,395,328	1,529,124
Income tax expense	11	(106,259)	(173,331)	(208,447)
Profit for the year		910,699	1,221,997	1,320,677
Profit for the year attributable to:				
Owners of the Company		891,498	1,208,851	1,309,438
Non-controlling interests		19,201	13,146	11,239
		910,699	1,221,997	1,320,677
Other comprehensive income/(loss) for the year, net of tax				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign operations, net of tax		3,607	(134,509)	135,852
Items that will not be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		6,952	(12,153)	9,937
Total comprehensive income for the year		921,258	1,075,335	1,466,466
Total comprehensive income for the year attributable to:				
Owners of the Company		902,057	1,062,189	1,455,227
Non-controlling interests		19,201	13,146	11,239
		921,258	1,075,335	1,466,466
Earnings per share ("EPS") for profit attributable to owners of the Company	12			
Basic (in RMB per share)		1.04	1.35	1.47
Diluted (in RMB per share)		1.04	1.35	1.45

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*13*	2,598,339	3,020,374	3,529,492
Right-of-use assets	*14*	132,428	131,339	152,132
Intangible assets	*15*	28,995	23,652	21,734
Investment properties	*16*	4,936	—	—
Financial assets at fair value through profit or loss	*18*	—	100,000	165,993
Financial assets at fair value through other comprehensive income	*19*	60,231	72,633	84,137
Time deposits	*24*	—	—	242,557
Prepayments, other receivables and other assets	*22*	142,267	120,302	75,628
Deferred tax assets	*26*	61,163	62,423	16,796
		3,028,359	3,530,723	4,288,469
Current assets				
Inventories	*20*	1,037,077	1,419,969	1,807,420
Trade and notes receivables	*21*	2,646,126	4,135,697	3,908,601
Prepayments, other receivables and other assets	*22*	180,563	322,156	474,641
Financial assets at fair value through profit or loss	*18*	214,643	93,562	2,512,133
Financial assets at fair value through other comprehensive income	*19*	1,300,431	1,098,797	2,108,214
Restricted bank deposits	*23*	86,717	49,724	14,621
Prepaid income tax		6	102	2,520
Time deposits	*24*	—	—	391,988
Cash at bank and on hand	*25*	2,252,827	2,135,307	1,767,075
		7,718,390	9,255,314	12,987,213
Current liabilities				
Trade, notes and other payables	*27*	3,862,337	5,130,288	5,613,090
Contract liabilities	*28*	9,173	53,175	40,350
Borrowings	*29*	284,209	29,783	31,053
Bonds payable	*30*	—	—	1,401
Lease liabilities	*14*	2,452	3,144	3,516
Income tax payable		74,778	109,116	98,124
		4,232,949	5,325,506	5,787,534
Net current assets		3,485,441	3,929,808	7,199,679
Total assets less current liabilities		6,513,800	7,460,531	11,488,148

		As at December 31,		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Trade, notes and other payables	*27*	121,490	121,490	72,346
Borrowings	*29*	59,390	69,490	47,690
Bonds payable	*30*	—	—	2,592,200
Lease liabilities	*14*	2,378	1,909	11,476
Deferred income	*31*	150,821	166,658	157,323
Provision	*32*	103,806	136,575	167,865
Deferred tax liabilities	*26*	22,107	24,145	24,528
		459,992	520,267	3,073,428
Net assets		6,053,808	6,940,264	8,414,720
EQUITY				
Share capital	*33*	433,252	606,546	606,511
Treasury shares	*33*	(45,326)	(98,071)	(75,155)
Other reserves	*34*	2,027,853	1,807,928	2,132,539
Retained earnings	*34*	3,261,333	4,239,519	5,334,044
Equity attributable to owners of the Company		5,677,112	6,555,922	7,997,939
Non-controlling interests		376,696	384,342	416,781
Total equity		6,053,808	6,940,264	8,414,720

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*13*	369,519	387,468	453,513
Right-of-use assets	*14*	16,094	17,933	24,818
Intangible assets	*15*	8,116	9,305	11,674
Investments in subsidiaries	*38*	1,514,698	1,551,484	1,634,922
Financial assets at fair value through profit or loss	*18*	—	100,000	115,993
Financial assets at fair value through other comprehensive income	*19*	60,231	72,633	84,137
Time deposits	*24*	—	—	242,557
Prepayments, other receivables and other assets	*22*	11,862	22,520	10,403
Deferred tax assets	*26*	35,544	50,497	9,746
		2,016,064	2,211,840	2,587,763
Current assets				
Inventories	*20*	265,592	445,066	481,553
Trade and notes receivables	*21*	2,043,196	3,125,407	3,016,851
Prepayments, other receivables and other assets	*22*	398,779	816,868	1,405,449
Financial assets at fair value through profit or loss	*18*	30,793	721	2,361,951
Financial assets at fair value through other comprehensive income	*19*	1,024,993	928,525	1,877,515
Time deposits	*24*	—	—	391,988
Cash at bank and on hand	*25*	2,088,854	2,015,660	1,396,252
		5,852,207	7,332,247	10,931,559
Current liabilities				
Trade, notes and other payables	*27*	2,683,789	3,831,681	4,445,328
Contract liabilities	*28*	5,682	48,589	12,765
Borrowings	*29*	235,166	19,305	11,008
Bonds payable	*30*	—	—	1,401
Lease liabilities	*14*	456	984	2,454
Income tax payable		63,339	84,833	65,692
		2,988,432	3,985,392	4,538,648
Net current assets		2,863,775	3,346,855	6,392,911
Total assets less current liabilities		4,879,839	5,558,695	8,980,674

		As at December 31,		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Trade, notes and other payables	*27*	75,000	75,000	55,000
Borrowings	*29*	—	20,000	18,000
Bonds payable	*30*	—	—	2,592,200
Lease liabilities	*14*	219	1,909	7,451
Deferred income	*31*	64,740	66,411	58,135
Provision	*32*	70,711	94,578	114,311
		210,670	257,898	2,845,097
Net assets		4,669,169	5,300,797	6,135,577
EQUITY				
Share capital	*33*	433,252	606,546	606,511
Treasury shares	*33*	(45,326)	(98,071)	(75,155)
Other reserves	*34*	1,860,013	1,768,108	1,950,510
Retained earnings	*34*	2,421,230	3,024,214	3,653,711
Total equity		4,669,169	5,300,797	6,135,577

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital	Treasury shares	Capital reserve	Equity component of convertible bonds	Special reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 33	*Note 33*			*Note (c)*	*Note (a)*	*Note (b)*				
As at January 1, 2023	411,827	(82,323)	942,491	136,467	25,995	50,192	205,913	2,520,142	4,210,704	356,130	4,566,834
Profit for the year	–	–	–	–	–	–	–	891,498	891,498	19,201	910,699
Other comprehensive income for the year:											
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	–	–	–	–	–	6,952	–	–	6,952	–	6,952
Exchange differences on translation of financial statements of foreign operations, net of tax	–	–	–	–	–	3,607	–	–	3,607	–	3,607
Total comprehensive income for the year	–	–	–	–	–	10,559	–	891,498	902,057	19,201	921,258
Conversion of convertible bonds into share *(Note 30 and Note 33)*	21,886	–	799,516	(136,467)	–	–	–	–	684,935	–	684,935
Appropriation of safety production fund	–	–	–	–	7,939	–	–	–	7,939	–	7,939
Utilisation of safety production fund	–	–	–	–	(1,067)	–	–	–	(1,067)	–	(1,067)
Share-based compensation expenses *(Note 36)*	–	–	9,328	–	–	–	–	–	9,328	–	9,328
Dividend declared *(Note 17)*	–	–	–	–	–	–	–	(139,595)	(139,595)	–	(139,595)
Appropriation of statutory reserve	–	–	–	–	–	–	10,712	(10,712)	–	–	–
Forfeiture of unvested restricted shares	(461)	11,930	(11,469)	–	–	–	–	–	–	–	–
Granting and vesting of restricted shares	–	25,067	(22,256)	–	–	–	–	–	2,811	–	2,811
Capital contribution from a non-controlling shareholder	–	–	–	–	–	–	–	–	–	1,365	1,365
As at December 31, 2023	433,252	(45,326)	1,717,610	–	32,867	60,751	216,625	3,261,333	5,677,112	376,696	6,053,808

	Attributable to owners of the Company									
	Share capital	Treasury shares	Capital reserve	Special reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 33	*Note 33*		*Note (c)*	*Note (a)*	*Note (b)*				
As at January 1, 2024	433,252	(45,326)	1,717,610	32,867	60,751	216,625	3,261,333	5,677,112	376,696	6,053,808
Profit for the year	—	—	—	—	—	—	1,208,851	1,208,851	13,146	1,221,997
Other comprehensive income for the year:										
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	—	—	—	—	(12,153)	—	—	(12,153)	—	(12,153)
Exchange differences on translation of financial statements of foreign operations, net of tax	—	—	—	—	(134,509)	—	—	(134,509)	—	(134,509)
Total comprehensive income for the year	—	—	—	—	(146,662)	—	1,208,851	1,062,189	13,146	1,075,335
Appropriation of safety production fund	—	—	—	11,575	—	—	—	11,575	—	11,575
Utilisation of safety production fund	—	—	—	(5,086)	—	—	—	(5,086)	—	(5,086)
Share-based compensation expenses *(Note 36)*	—	—	10,177	—	—	—	—	10,177	—	10,177
Dividend declared *(Note 17)*	—	—	—	—	—	—	(147,300)	(147,300)	(5,500)	(152,800)
Appropriation of statutory reserve	—	—	—	—	—	83,365	(83,365)	—	—	—
Vesting of restricted shares	—	10,461	—	—	—	—	—	10,461	—	10,461
Capital reserve converted into share capital *(Note 33)*	173,294	—	(173,294)	—	—	—	—	—	—	—
Repurchase of shares *(Note 33)*	—	(63,206)	—	—	—	—	—	(63,206)	—	(63,206)
As at December 31, 2024	606,546	(98,071)	1,554,493	39,356	(85,911)	299,990	4,239,519	6,555,922	384,342	6,940,264

	Attributable to owners of the Company										
	Share capital	Treasury shares	Capital reserve	Equity component of convertible bonds	Special reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 33	*Note 33*			*Note (c)*	*Note (a)*	*Note (b)*				
As at January 1, 2025	606,546	(98,071)	1,554,493	—	39,356	(85,911)	299,990	4,239,519	6,555,922	384,342	6,940,264
Profit for the year	—	—	—	—	—	—	—	1,309,438	1,309,438	11,239	1,320,677
Other comprehensive income for the year:											
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	—	—	—	—	—	9,937	—	—	9,937	—	9,937
Exchange differences on translation of financial statements of foreign operations, net of tax	—	—	—	—	—	135,852	—	—	135,852	—	135,852
Total comprehensive income for the year	—	—	—	—	—	145,789	—	1,309,438	1,455,227	11,239	1,466,466
Appropriation of safety production fund	—	—	—	—	9,709	—	—	—	9,709	—	9,709
Utilisation of safety production fund	—	—	—	—	(3,352)	—	—	—	(3,352)	—	(3,352)
Share-based compensation expenses *(Note 36)*	—	—	9,475	—	—	—	—	—	9,475	—	9,475
Dividend declared *(Note 17)*	—	—	—	—	—	—	—	(211,649)	(211,649)	—	(211,649)
Appropriation of statutory reserve	—	—	—	—	—	—	3,264	(3,264)	—	—	—
Forfeiture of unvested restricted shares	(35)	182	(147)	—	—	—	—	—	—	—	—
Granting and vesting of restricted shares	—	37,634	(33,160)	—	—	—	—	—	4,474	—	4,474
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	—	21,200	21,200
Repurchase of shares *(Note 33)*	—	(14,900)	—	—	—	—	—	—	(14,900)	—	(14,900)
Issue of convertible bonds *(Note 30)*	—	—	—	193,033	—	—	—	—	193,033	—	193,033
As at December 31, 2025	606,511	(75,155)	1,530,661	193,033	45,713	59,878	303,254	5,334,044	7,997,939	416,781	8,414,720

Notes:

(a) Other comprehensive income reserve is the reserve due to the translation of financial statements of foreign operations and the changes in fair value of financial assets at fair value through other comprehensive income.

(b) It represents the statutory reserve of the Company established in the People's Republic of China ("**PRC**").

(c) Pursuant to certain regulations issued by the Ministry of Finance and the Ministry of Emergency Management of the PRC, the Group is required to set aside an amount for maintenance, production and other similar funds. The funds can be used for maintenance of production and improvements of safety and are not available for distribution to shareholders.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Operating activities			
Profit before income tax	1,016,958	1,395,328	1,529,124
Adjustments for:			
Depreciation of property, plant and equipment *(Note 13)*	208,238	283,087	333,269
Depreciation of investment properties *(Note 16)*	319	245	—
Depreciation of right-of-use assets *(Note 14)*	5,210	5,261	7,200
Amortisation of intangible assets *(Note 15)*	11,925	12,100	13,648
Net gains on disposal of financial assets at fair value through profit or loss *(Note 7)*	(2,943)	(3,902)	(6,704)
Dividends received from financial assets at fair value through other comprehensive income *(Note 7)*	—	(6,800)	(15,182)
Fair value gains on financial assets at fair value through profit or loss *(Note 7)*	(1,321)	(594)	(36,206)
Net losses on disposal of notes receivables measured at FVTOCI *(Note 7)*	12,846	15,107	17,956
Interest income *(Note 6)*	(65,477)	(64,155)	(50,923)
Net losses on disposal of property, plant and equipment and right-of-use assets *(Note 7)*	2,124	1,725	1,035
Net impairment losses recognised on inventories *(Note 8)*	4,919	28,691	11,574
Finance costs *(Note 10)*	30,061	10,150	35,705
Net impairment losses recognised/(reversed) on financial assets	38,762	85,805	(8,915)
Share-based payment expenses *(Note 8)*	9,328	10,177	9,475
Amortisation of deferred government grants *(Note 6)*	(19,042)	(26,308)	(28,419)
Net foreign exchange (gains)/losses	(7,156)	445	5,389
Appropriation of safety production fund	7,939	11,575	9,709
(Increase)/decrease in trade and notes receivables	(745,099)	(1,573,997)	235,000
(Increase)/decrease in financial assets at fair value through other comprehensive income	(488,929)	201,634	(1,009,417)

	Year ended December 31,		
	2023	2024	2025
	RMB’000	*RMB’000*	*RMB’000*
Decrease/(increase) in prepayments, other receivables and other assets	86,377	(101,437)	34,128
Increase in inventories	(142,968)	(411,583)	(399,025)
Increase in trade, notes and other payables	722,293	1,146,733	345,973
(Decrease)/increase in contract liabilities	(9,082)	44,002	(12,825)
(Decease)/increase in deferred income	13,974	15,837	(9,335)
Increase in provisions	21,628	32,769	31,290
Decrease in restricted bank deposits	36,889	81,993	35,103
Cash generated from operations	747,773	1,193,888	1,078,627
Income tax paid	(69,442)	(136,167)	(211,665)
Net cash flows generated from operating activities	678,331	1,057,721	866,962
Investing activities			
Purchase of property, plant and equipment	(1,000,142)	(725,000)	(795,756)
Purchase of intangible assets	(4,292)	(6,776)	(7,388)
Prepayment for right of use assets	(28,038)	(326)	(13,976)
Proceeds from disposal of property, plant and equipment	178	3,348	1,994
Proceeds from disposal of a listed equity instrument at fair value through profit and loss	—	—	1,238
Proceeds from disposal of unlisted equity instruments at fair value through other comprehensive income	13,800	3,300	187
Interest received	29,061	17,216	115,838
Dividends received from financial assets at fair value through other comprehensive income	—	6,800	15,182
Proceeds from sale of bank wealth management products and structured deposits	577,940	545,825	1,565,141
Purchase of bank wealth management products and structured deposits	(369,345)	(420,604)	(1,888,870)
Purchase of fund products	—	—	(1,770,000)
Purchase of income certificates	—	—	(300,000)
Placement of time deposits	—	—	(630,000)
Payment for acquisition of a subsidiary in prior years	(60,592)	—	—
Investment in unlisted equity instruments at fair value through profit or loss	—	(100,000)	(50,000)
Investment in unlisted equity instruments at fair value through other comprehensive income	—	(30,000)	—
Net cash flows used in investing activities	(841,430)	(706,217)	(3,756,410)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financing activities			
Capital contribution from non-controlling shareholders	1,365	—	22,216
Redemption of convertible bonds	(2,885)	—	—
Proceeds from issue of restricted shares	22,277	—	44,946
Proceeds from borrowings	343,390	89,800	79,000
Proceeds from issue of convertible bonds, net	—	(3,006)	2,784,409
Repayment of borrowings	—	(334,000)	(99,700)
Interest paid	(7,191)	(10,116)	(4,053)
Dividends paid	(139,595)	(147,300)	(211,649)
Principal portion of lease payments	(3,699)	(2,690)	(4,204)
Payment on forfeiture of unvested restricted shares	(11,602)	—	—
Payment on repurchase of shares	—	(63,206)	(14,900)
Placement of restricted bank deposits	(39,987)	(45,000)	—
Net cash flows generated from/(used in) financing activities	162,073	(515,518)	2,596,065
Net decrease in cash and cash equivalents	(1,026)	(164,014)	(293,383)
Cash and cash equivalents at beginning of year *(Note 25)*	2,163,749	2,169,879	2,005,420
Effect of foreign exchange rate changes, net	7,156	(445)	(5,389)
Cash and cash equivalents at end of year *(Note 25)*	2,169,879	2,005,420	1,706,648

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the PRC on June 25, 2004 and changed to a joint stock limited company on June 23, 2015. The Company's A shares are listed on the Shanghai Stock Exchange on April 27, 2018. The address of the Company's registered office and its principal place of business is No. 19 Taishan Road, Wuhu Area of China (Anhui) Pilot Free Trade Zone, China.

During the Track Record Period, the Company and its subsidiaries are principally engaged in the research and development, manufacturing and sales of various automotive safety system components, electronic control modules, software and assemblies, as well as technical and management consulting services related to such products.

The Company has a diversified shareholder structure. Among them, as at December 31, 2025, as a natural person shareholder, Yuan Yongbin (袁永彬) holds 18.24% of the Company's shares and is the largest individual shareholder and ultimate controlling person of the Company.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards ("**IAS**") and Interpretations approved by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in Note 3.2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

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

1 Effective for accounting periods beginning on or after January 1, 2026
2 Effective for accounting periods beginning on or after January 1, 2027
3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the other new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and has impact on presentation of the consolidated statements of comprehensive income.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on sales of intra-group assets are reversed in consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets, respectively.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Business combinations

Business combinations, other than combinations of businesses under common control, are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the performance compensation is measured at its fair value and included in the cost of the relevant assets on initial recognition. The performance compensation that is classified as an asset or a liability is subsequently re-measured to fair value at each reporting date, with the corresponding gain or loss being recognised in profit or loss.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. 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.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from there translation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Buildings	10–40 years
Machinery and equipment	5–10 years
Transportation equipment	4–5 years
Electronic equipment and others	3–5 years

The land purchased by the Group overseas with permanent property rights is recognized as freehold land and is not depreciated.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Right-of-use assets

Accounting policies of right-of-use assets (other than prepaid land lease payments) are set out in "Leases" below.

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

Buildings	3–5 years
Land use rights	50 years

Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The useful lives are as follows:

	Amortisation period *(years)*	Basis of determination	Depreciation method
Non-patented technologies. . .	5–10 years	Expected years of economic benefits	Straight-line method
Software	3–10 years	Expected years of economic benefits	Straight-line method
Patented technologies and trademark rights	3–10 years	Expected years of economic benefits	Straight-line method

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Goodwill

Goodwill is initially recognized at cost being the excess of the aggregate of consideration transferred, the amount recognized for non-controlling interests and the fair value of the Group's previously held equity interest in the acquiree over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the amount recognized for noncontrolling interests and the fair value of the Group's previously held equity interest in the acquiree, the excess is recognized in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("**CGU**") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, impairment loss is allocated to reduce the carrying amount of goodwill allocated to the unit first, and then to other assets of the unit on the pro-rata basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss and is not reversed in subsequent periods.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- FVTPL; or
- Fair value through other comprehensive income ("**FVTOCI**").

The classification is determined by both:

- the Group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included other income or other gains in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, cash at bank and on hand, trade receivables, and other receivables fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the financial assets comprise solely payments of principal and interest and are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit loss ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity instruments is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in "other comprehensive income reserve" in equity. Such elections are made on an instrument-by-instrument basis but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other (losses) and gains, net" in profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included cash at bank and on hand, trade receivables, notes receivables, and other financial assets measured at amortised cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash at bank and on hand, time deposits and restricted bank deposits

Cash at bank and on hand, time deposits and restricted bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash at bank and on hand, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade receivables and notes receivables

For trade and notes receivables, the Group applies the simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL. To measure the expected credit losses, the Group has established a provision matrix based on the payment profiles of sales and the corresponding historical credit losses experienced within the relevant periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables.

In applying the simplified approach, except for trade and notes receivables with significant outstanding balances which are assessed individually, the remaining trade and notes receivables have been grouped based on shared credit risk characteristics.

Notes receivables measured at FVTOCI

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Other receivables and other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year for the Track Record Period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating,
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;

- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables, note receivables, other financial assets measured at amortised cost and notes receivables measured at FVTOCI are set out in Note 44.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade, notes and other payables, borrowings, bond payables and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in finance costs or other income.

Accounting policies of lease liabilities are set out in "Leases" below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date of Track Record Period.

Trade, notes and other payables

Trade, notes and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

The component parts of the convertible bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. Transaction cost that relates to the issue of the convertible bonds are allocated to the financial liability and equity instrument in proportion to their relative fair values.

At the date of issue of the convertible bonds, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the convertible bonds as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity when the conversion option is exercised.

Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of semi-finished goods and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, demand deposits with banks, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 23.

Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Provisions and contingent liabilities

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each year for the Track Record Period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities assumed in a business combination

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Share capital

Share capital are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Revenue recognition

Revenue mainly arises from sales of automotive components products;

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised at a point in time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of goods

Revenue from sale of goods between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognised when the performance obligation has been satisfied at a point in time.

For sales to customers in Chinese Mainland, in accordance with the terms of the contract, revenue is recognized either after the products are delivered to the customer's manufacturing warehouse and confirmed for use, or after the products are delivered to the customer's designated location and accepted by the customer.

For sales to overseas customers, revenue is recognised at the point in time when control of the products is transferred to the customer in accordance with the mutually agreed international commerce terms specified in the contract.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Goodwill;
- Right-of-use assets; and
- The Company's investments in subsidiaries.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. 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 assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognised in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Retirement benefits

Pension scheme

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed is incurred.

Termination benefits

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

Share-based employee compensation

The Group operates share-based compensation plans for remuneration of its employees including share award schemes.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognised over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Accounting for income taxes

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred income tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint venture, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred income tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred income tax liability for all taxable temporary differences.

Deferred income tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of each year for the Track Record Period.

Changes in deferred income tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred income tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Group presents deferred income tax assets and deferred income tax liabilities in net if, and only if,

  (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

  (b) the deferred income tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) 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 income tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each year for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 44.

Inventory provision

Inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situation.

Income taxes and deferred income taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgements are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgements and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

Provisions

Provision was made for estimated warranty claims in respect of products sold which were still under retention period. The amount of the provision for the warranties is estimated based on the best estimate of the expenditure required to fulfil the relevant current obligation. Any increase or decrease in the provision would affect profit or loss in current and future years.

5. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information. The Group's revenue from the transfer of goods at a point in time were analysed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Type of goods sold			
— Mechanical braking products	3,348,526	4,427,473	5,144,981
— Intelligent electronic control products	3,276,860	4,507,786	5,826,441
— Mechanical steering products	480,634	556,507	570,912
— Others	89,831	143,785	169,373
	7,195,851	9,635,551	11,711,707

Note: Others mainly represent spare parts and molds.

All revenue from contracts with customers within the scope of IFRS 15 are recognised at a point in time. The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales of automotive safety system components products such that it does not disclose the information about its remaining performance obligations as the contracts have an original expected duration of one year or less.

The credit period granted to customers is generally within 30-90 days during the Track Record Period. The contracts do not have a significant financing component. The revenue is measured based on consideration specified in the contract with customers, as well as adjusted for any variable consideration (i.e., annual price reduction) based in contract terms and historical patterns.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "**CODM**"). The Group's management reviews the performance of the Group as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. Accordingly, only entity-wide disclosure, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

The following table shows how much of the revenue recognised during the Track Record Periods relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	17,801	6,357	41,696

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers based on the geographical location of customers to which the goods are delivered:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers			
— Chinese Mainland	6,321,695	8,519,344	10,261,304
— Other countries/regions	874,156	1,116,207	1,450,403
	7,195,851	9,635,551	11,711,707

The geographical location of the Group's non-current assets (excluding deferred tax assets and financial assets), mainly comprised of the property, plant and equipment, is based on the physical location of these assets. As at the end of each year for the Track Record Period, the geographical locations of the Group's non-current assets are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets (excluding deferred tax assets and financial assets)			
— Chinese Mainland	2,344,573	2,535,195	2,703,730
— Other countries/regions	420,125	640,170	999,628
	2,764,698	3,175,365	3,703,358

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	2,783,016	4,348,891	N/A(a)(b)
Customer B	N/A(a)	992,425	1,625,249
Customer C	——(b)	——(b)	4,572,074
	2,783,016	5,341,316	6,197,323

Notes:

(a) The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year.

(b) Customer A was the controlling shareholder of Customer C before January 20, 2025. In January 2025, a push-down restructuring was carried out by Customer A. Under the push-down restructuring, the shares of Customer C directly held by Customer A were allocated to the shareholders of Customer A on a pro rata basis. The push-down restructuring was completed on January 20, 2025. Upon completion of the push-down restructuring, Customer A no longer holds any shares in the Customer C, and became the fellow subsidiary company with Customer C. Customer A has no controlling shareholder and there is no single shareholder who can control the composition of a majority of the board of directors or over the decision-making of such board. The revenue from Customer C were included in the revenue from Customer A in 2023 and 2024.

(c) The Group of entities under common control of a reporting entity is considered as a single customer.

6. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rendering of research and development services	163,039	138,106	99,840
Other government grants *(Note (a))*	71,606	99,280	83,587
Additional deduction for value added tax ("**VAT**") *(Note (b))*	4,915	86,607	51,578
Sales of scrap materials	38,105	97,626	111,015
Interest income	65,477	64,155	50,923
Amortisation of deferred government grants	19,042	26,308	28,419
Others	13,260	16,360	19,063
	375,444	528,442	444,425

Note:

(a) During the Track Record Period, government grants have no unfulfilled condition or contingencies.

(b) Pursuant to the Notice of the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Cai Shui [2023] No.43) jointly issued by the Ministry of Finance and the State Taxation Administration, several subsidiaries of the Group as advanced manufacturing enterprises, are allowed to credit the amount of input VAT deductible in the current period plus 5% thereof against the VAT payable from January 1, 2023 to December 31, 2027.

7. OTHER (LOSSES) AND GAINS, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fair value gains on financial assets at FVTPL	1,321	594	36,206
Net losses on disposal of property, plant and equipment and right-of-use assets	(2,124)	(1,725)	(1,035)
Net gains on disposal of financial assets at FVTPL	2,943	3,902	6,704
Dividends received from financial assets at FVTOCI	—	6,800	15,182
Net losses on disposal of notes receivables measured at FVTOCI	(12,846)	(15,107)	(17,956)
Net foreign exchange gains/(losses)	4,742	15,698	(15,588)
Net gains/(losses) on indemnity and fines	1,289	34,437	(3,005)
Others	528	(379)	1,057
	(4,147)	44,220	21,565

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, general and administrative expenses and selling expenses are analysed as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Changes in finished goods and work in progress	19,704	(218,439)	(135,327)
Raw materials consumed for production	4,719,670	6,618,023	7,952,141
Depreciation of property, plant and equipment *(Note 13)*	208,238	283,087	333,269
Amortisation of intangible assets *(Note 15)*	11,925	12,100	13,648
Depreciation of right-of-use assets *(Note 14)*	5,210	5,261	7,200
Employee benefit expenses, excluded share-based payment expenses	755,294	1,000,609	1,262,639
Energy and fuel costs	140,998	189,468	214,980
Net impairment losses recognised on inventories	4,919	28,691	11,574
Share-based payment expenses *(Note 36)*	9,328	10,177	9,475
Warranty costs *(Note 32)*	51,294	64,180	73,655
Logistics fees	64,570	103,543	135,611
Research and development materials consumed	49,132	58,929	60,718
Indirect materials consumed for production	196,034	234,861	273,055
Research, testing and development fees	72,686	100,241	96,637
Maintenance costs	30,180	39,287	49,062
Travel expenses	17,677	26,278	31,197
Auditor's remuneration	1,094	1,193	1,330
Others	123,414	159,441	230,919
	6,481,367	8,716,930	10,621,783

9. EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses are analysed as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	719,235	956,771	1,204,483
Retirement scheme contributions	36,059	43,838	58,156
Share-based payment expenses *(Note 36)*	9,328	10,177	9,475
	764,622	1,010,786	1,272,114

(b) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023				
Executive directors				
Mr. Yuan Yongbin	—	1,641	—	1,641
Ms. Ke Ping	—	1,787	38	1,825
Mr. Yang Weidong	—	1,826	38	1,864
Mr. Cai Chun	—	1,269	38	1,307
Non-executive directors				
Mr. Li Zhongbing	120	—	—	120
Mr. Wang Yuan	120	—	—	120
Independent non-executive directors				
Mr. Hou Fushen (i)	110	—	—	110
Mr. Zheng Jihu (ii)	10	—	—	10
Mr. Jiang Qi	120	—	—	120
Ms. Ma Lijun	120	—	—	120
Supervisors				
Mr. Zhang Hao (xvi)	—	—	—	—
Mr. Yuan Dongxing	—	627	10	637
Mr. Yang Jing	—	270	9	279
	600	7,420	133	8,153

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024				
Executive directors				
Mr. Yuan Yongbin	—	1,748	—	1,748
Ms. Ke Ping (iii)	—	1,310	29	1,339
Mr. Yang Weidong (iv)	—	1,334	29	1,363
Mr. Cai Chun (v)	—	994	29	1,023
Mr. Chen Zhongxi (vi)	—	311	11	322
Mr. Yuan Lawrence Pan (vii)	—	323	21	344
Non-executive directors				
Mr. Li Zhongbing	150	—	—	150
Mr. Wang Yuan (viii)	113	—	—	113
Mr. Yang Simon Xiaoming (ix)	38	—	—	38
Mr. Liu Leon (x)	38	—	—	38
Independent non-executive directors				
Mr. Zheng Jihu (ii)	80	—	—	80
Mr. Jiang Qi	150	—	—	150
Ms. Ma Lijun	150	—	—	150
Mr. Li Kaiguo (xi)	38	—	—	38
Supervisors				
Mr. Zhang Hao (xvi)	—	—	—	—
Mr. Wang Tao (xii)	—	41	2	43
Ms. Chen Yan (xiii)	—	45	2	47
Mr. Yuan Dongxing (xiv)	—	375	7	382
Mr. Yang Jing (xv)	—	240	6	246
	757	6,721	136	7,614

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025				
Executive directors				
Mr. Yuan Yongbin	—	1,838	—	1,838
Mr. Chen Zhongxi	—	1,313	40	1,353
Mr. Yuan Lawrence Pan	—	1,196	74	1,270
Non-executive directors				
Mr. Li Zhongbing (xvii)	88	—	—	88
Mr. Yang Simon Xiaoming	150	—	—	150
Mr. Liu Leon	150	—	—	150
Mr. Fu Pengjiu (xviii)	—	—	—	—
Independent non-executive directors				
Mr. Jiang Qi	150	—	—	150
Ms. Ma Lijun	150	—	—	150
Mr. Li Kaiguo	150	—	—	150
Supervisors				
Mr. Zhang Hao (xvi)	—	—	—	—
Mr. Wang Tao (xii)	—	157	8	165
Ms. Chen Yan (xiii)	—	194	8	202
	838	4,698	130	5,666

Notes:

(i) Mr. Hou Fushen no longer serves as an independent non-executive director since December 5, 2023.

(ii) Mr. Zheng Jihu was appointed as an independent non-executive director of the Company on December 6, 2023, and no longer serves as an independent non-executive director since August 10, 2024.

(iii) Ms. Ke Ping no longer serves as an executive director of the Company since September 19, 2024, due to the expiration of her term of office.

(iv) Mr. Yang Weidong no longer serves as an executive director of the Company since September 19, 2024, due to the change of board elections, but still holds a key management position.

(v) Mr. Cai Chun no longer serves as an executive director of the Company since September 19, 2024, due to the change of board elections, but still holds a key management position.

(vi) Mr. Chen Zhongxi was appointed as an executive director of the Company on September 19, 2024.

(vii) Mr. Yuan Lawrence Pan was appointed as an executive director of the Company on September 19, 2024.

(viii) Mr. Wang Yuan no longer serves as a non-executive director of the Company since September 19, 2024, due to the expiration of his term of office.

(ix) Mr. Yang Simon Xiaoming was appointed as a non-executive director of the Company on September 19, 2024.

(x) Mr. Liu Leon was appointed as a non-executive director of the Company on September 19, 2024.

(xi) Mr. Li Kaiguo was appointed as an independent non-executive director of the Company on September 19, 2024.

(xii) Mr. Wang Tao was appointed as a supervisor of the Company on September 19, 2024. He no longer serves as a supervisor since December 29, 2025, due to the dissolution of the supervisory committee following the Company's organizational structure adjustment.

(xiii) Ms. Chen Yan was appointed as a supervisor of the Company on September 19, 2024. She no longer serves as a supervisor since December 29, 2025, due to the dissolution of the supervisory committee following the Company's organizational structure adjustment.

(xiv) Mr. Yuan Dongxing no longer serves as a supervisor of the Company since September 19, 2024, due to the expiration of his term of office.

(xv) Mr. Yang Jing no longer serves as a supervisor since September 19, 2024, due to the expiration of his term of office.

(xvi) Mr. Zhang Hao is dispatched by one of the shareholders of the Company (Wuhu Chery Technology Co., Ltd.) and did not receive any remuneration from the Company in relation to his services rendered for the Company. His remunerations were borne by Wuhu Chery Technology Co., Ltd. The management of the Company considers there is no reasonable basis for allocation of his remunerations between the Company and Wuhu Chery Technology Co., Ltd. He no longer serves as a supervisor since December 29, 2025, due to the dissolution of the supervisory committee following the Company's organizational structure adjustment.

(xvii) Mr. Li Zhongbing no longer serves as a non-executive director since July 25, 2025.

(xviii) Mr. Fu Pengjiu was appointed as a non-executive director of the Company on December 29, 2025. He is dispatched by one of the shareholders of the Company (Wuhu Chery Technology Co., Ltd.) and did not receive any remuneration from the Company in relation to his services rendered for the Company. His remunerations were borne by Wuhu Chery Technology Co., Ltd. The management of the Company considers there is no reasonable basis for allocation of his remunerations between the Company and Wuhu Chery Technology Co., Ltd.

(xix) Fees, salaries, allowances and benefits in kind paid to or for the executive directors, non-executive directors and independent non-executive directors of the Company and supervisors are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

(xx) There was no arrangement under which executive directors, non-executive directors, independent non-executive directors and supervisors waived or agreed to waive any remuneration during the Track Record Period. No emolument was paid by the Group to the executive directors, non-executive directors and independent non-executive directors of the Company and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office for the Track Record Period.

(c) Five Highest Paid Individuals

During the years ended December 31, 2023, 2024 and 2025, the five highest paid individuals included 4, 5 and 3 directors, and supervisors, respectively, whose emoluments are reflected in Note 9(b) above. The aggregate emoluments payable to the remaining 1, nil, and 2 individuals during the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	2,857	—	2,554
Retirement scheme contributions	20	—	68
	2,877	—	2,622

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individual fell within the following bands:

	Year ended December 31,		
	2023	2024	2025
HK$500,001–HK$1,000,000	—	—	1
HK$1,500,001–HK$2,000,000	—	—	1
HK$3,000,001–HK$3,500,000	1	—	—
	1	—	2

10. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on borrowings	3,478	9,990	4,223
Interest expense on bonds payable *(Note 30)*	26,323	—	31,048
Interest expense on lease liabilities *(Note 14)*	260	160	434
	30,061	10,150	35,705

11. INCOME TAX EXPENSE

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	127,411	170,409	198,255
Deferred income tax *(Note 26)*	(21,152)	2,922	10,192
Income tax expense	106,259	173,331	208,447

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

Reconciliation between the income tax expense and profit before income tax in the consolidated statements of comprehensive income is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	1,016,958	1,395,328	1,529,124
Tax at the PRC statutory tax rate of 25%	254,240	348,832	382,281
Tax effect of			
— preferential or different tax rates of the Company and its subsidiaries	(108,535)	(172,264)	(161,816)
— non-deductible expenses	4,095	2,880	3,103
— unrecognized tax losses and temporary differences	20,059	67,739	56,832
— adjustments in respect of current tax of previous years	(1,350)	4,625	13,094
— super deduction for research and development expense	(62,250)	(78,481)	(85,047)
Income tax expense	106,259	173,331	208,447

(a) PRC Enterprise Income Tax ("EIT")

Under the PRC Enterprise Income Tax Law and the respective regulations, the EIT for the Company and its subsidiaries are calculated at a statutory rate of 25%, on their estimated taxable profits for the respective year based on the existing legislations, interpretations and practices in respect thereof.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, the Company and certain subsidiaries of the Group, were qualified as "High and New Technology Enterprises (HNTE)" and are therefore entitled to a preferential tax rate of 15% for a valid period of 3 years.

Pursuant to Caishui [2011] No. 58 "the provisions of the Notice of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Relevant Tax Policies for Further Implementing the Strategy of Developing the Western Region" (財政部、海關總署、國家稅務總局關於進一步實施西部大開發戰略有關稅收政策的通知) and the Catalogue of Encouraged Industries in the Western Region (2020 Edition), certain subsidiary enjoys a preferential tax rate of 15%.

(b) Corporate income tax in other jurisdictions

Taxation for other overseas subsidiary is charged at the appropriate current rates of taxation ruling in the relevant countries.

(c) Organization for Economic Cooperation and Development Pillar Two Model Rules

Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules" were issued on May 23, 2023 which are effective upon issuance and require retrospective application. The amendments provide a temporary exception from deferred tax accounting for the income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development ("**OECD**").

The Group is within the scope of Global Minimum Tax ("**GMT**") under the OECD Pillar Two model rules ("**Pillar Two**"). Subject to tax legislation enacting Pillar Two being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes.

For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Group are located in jurisdictions, mainly including Singapore where Pillar Two legislation was effective since January 1, 2025, and the Group's assessment indicates that there is no material related current tax exposure in these jurisdictions during the year ended December 31, 2025.

12. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic EPS

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	Year ended December 31,		
	2023	2024	2025
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	891,498	1,208,851	1,309,438
Less: Dividends attributable to owners of the restricted shares *(RMB'000)*	(1,324)	(1,040)	(1,706)
	890,174	1,207,811	1,307,732
Weighted average number of ordinary shares in issue *(thousand shares)*	854,120	892,023	892,169
Basic EPS *(RMB per share)*	1.04	1.35	1.47

Note: The weighted average number of ordinary shares in issue used to determine the basic EPS for the Track Record Period were determined by assuming that the capital reserve converted into share capital occurred in April 2024 and May 2026 had been applied retrospectively, with effective from January 1, 2023. Relevant share conversion details are disclosed in Note 33(b) and Note 46.

(b) Diluted EPS

For the year ended December 31, 2023, 2024 and 2025, the share schemes granted by the Company and the issuance of convertible bonds have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes and convertible bonds (collectively forming the denominator for computing the diluted EPS).

The following table illustrates the earnings and shares information used in the calculation of diluted EPS:

	Year ended December 31,		
	2023	2024	2025
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	891,498	1,208,851	1,309,438
Adjustment attributable to interest on potential convertible bonds, net of tax *(RMB'000)*	—	—	26,391
Profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	891,498	1,208,851	1,335,829
Weighted average number of ordinary shares in issue *(thousand shares)*	854,120	892,023	892,169
Adjustments for potential shares arising from share schemes *(thousand shares)*	1,630	777	612
Adjustments for potential shares arising from convertible bonds *(thousand shares)*	—	—	26,726
Weighted average number of ordinary shares used in calculating diluted EPS *(thousand shares)*	855,750	892,800	919,507
Diluted EPS *(RMB per share)*	1.04	1.35	1.45

13. PROPERTY, PLANT AND EQUIPMENT THE GROUP

	Buildings	Machinery and equipment	Transportation equipment	Electronic equipment and others	Freehold land	Construction in progress	Total
	RMB'000 *Note(a)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023							
Cost	475,040	1,662,267	18,193	146,065	35,833	303,060	2,640,458
Accumulated depreciation	(140,142)	(676,906)	(10,125)	(94,976)	—	—	(922,149)
Net carrying amount	334,898	985,361	8,068	51,089	35,833	303,060	1,718,309
Year ended December 31, 2023							
Opening net carrying amount	334,898	985,361	8,068	51,089	35,833	303,060	1,718,309
Additions	14,050	210,298	6,836	39,500	33,857	783,773	1,088,314
Disposals	(284)	(614)	(597)	(1,166)	—	—	(2,661)
Depreciation *(Note (b))*	(25,171)	(164,034)	(2,243)	(16,790)	—	—	(208,238)
Transfers	192,794	461,524	—	12,870	—	(666,791)	397
Exchange realignment	843	12	6	3	608	746	2,218
Closing net carrying amount	517,130	1,492,547	12,070	85,506	70,298	420,788	2,598,339
As at December 31, 2023							
Cost	683,199	2,327,686	22,534	196,049	70,298	420,788	3,720,554
Accumulated depreciation	(166,069)	(835,139)	(10,464)	(110,543)	—	—	(1,122,215)
Net carrying amount	517,130	1,492,547	12,070	85,506	70,298	420,788	2,598,339
Year ended December 31, 2024							
Opening net carrying amount	517,130	1,492,547	12,070	85,506	70,298	420,788	2,598,339
Additions	19,538	127,829	5,027	16,562	—	606,370	775,326
Disposals	(291)	(4,023)	(155)	(604)	—	—	(5,073)
Depreciation *(Note (b))*	(38,002)	(222,692)	(2,631)	(19,762)	—	—	(283,087)
Transfers	84,764	476,218	—	11,599	—	(569,028)	3,553
Exchange realignment	(8,221)	(35,641)	(400)	(1,168)	(12,572)	(10,682)	(68,684)
Closing net carrying amount	574,918	1,834,238	13,911	92,133	57,726	447,448	3,020,374
As at December 31, 2024							
Cost	780,361	2,876,720	26,434	215,797	57,726	447,448	4,404,486
Accumulated depreciation	(205,443)	(1,042,482)	(12,523)	(123,664)	—	—	(1,384,112)
Net carrying amount	574,918	1,834,238	13,911	92,133	57,726	447,448	3,020,374
Year ended December 31, 2025							
Opening net carrying amount	574,918	1,834,238	13,911	92,133	57,726	447,448	3,020,374
Additions	5,462	49,921	6,531	30,622	32,021	651,830	776,387
Disposals	(43)	(2,296)	(287)	(403)	—	—	(3,029)
Depreciation *(Note (b))*	(41,958)	(264,528)	(3,002)	(23,781)	—	—	(333,269)
Transfers	132,086	590,006	—	3,193	—	(729,617)	(4,332)
Exchange realignment	6,075	28,435	308	682	6,619	31,242	73,361
Closing net carrying amount	676,540	2,235,776	17,461	102,446	96,366	400,903	3,529,492

	Buildings	Machinery and equipment	Transportation equipment	Electronic equipment and others	Freehold land	Construction in progress	Total
	RMB'000 *Note(a)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025							
Cost	924,415	3,536,698	32,805	246,831	96,366	400,903	5,238,018
Accumulated depreciation	(247,875)	(1,300,922)	(15,344)	(144,385)	—	—	(1,708,526)
Net carrying amount	676,540	2,235,776	17,461	102,446	96,366	400,903	3,529,492

Notes:

(a) The Group's buildings located in the PRC with the carrying amounts of the buildings amounting to approximately RMB27,725,000, RMB26,322,000 and RMB68,861,000 as at December 31, 2023, 2024 and 2025, respectively, are in the process of obtaining the ownership certificates. The directors of the Company are of the opinion, the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group's statements of financial positions as at December 31, 2023, 2024 and 2025. As of the date of this report, aforesaid ownership certificates are still being processed.

(b) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	171,460	235,675	283,140
General and administrative expenses	20,925	24,153	28,345
Selling expenses	45	83	60
Research and development expenses	15,808	23,176	21,724
	208,238	283,087	333,269

(c) There is no property, plant and equipment of the Group pledged at the end of each year for the Track Record Period.

The Company

	Buildings	Machinery and equipment	Transportation equipment	Electronic equipment and others	Construction in progress	Total
	RMB'000 *Note(a)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023						
Cost	94,307	423,372	6,243	62,947	50,523	637,392
Accumulated depreciation	(42,036)	(180,573)	(3,689)	(28,780)	—	(255,078)
Net carrying amount	52,271	242,799	2,554	34,167	50,523	382,314
Year ended December 31, 2023						
Opening net carrying amount	52,271	242,799	2,554	34,167	50,523	382,314
Additions	920	1,985	1,965	5,087	78,416	88,373
Disposals	(284)	(38,289)	(375)	(8,735)	—	(47,683)
Depreciation	(5,039)	(38,158)	(898)	(8,939)	—	(53,034)
Transfers	1,940	59,019	—	12,380	(73,790)	(451)
Closing net carrying amount	49,808	227,356	3,246	33,960	55,149	369,519

	Buildings	Machinery and equipment	Transportation equipment	Electronic equipment and others	Construction in progress	Total
	RMB'000 *Note(a)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Cost	96,435	433,682	7,677	70,842	55,149	663,785
Accumulated depreciation	(46,627)	(206,326)	(4,431)	(36,882)	—	(294,266)
Net carrying amount	49,808	227,356	3,246	33,960	55,149	369,519
Year ended December 31, 2024						
Opening net carrying amount	49,808	227,356	3,246	33,960	55,149	369,519
Additions	503	591	2,926	4,691	69,080	77,791
Disposals	(57)	(865)	(15)	(356)	—	(1,293)
Depreciation	(5,282)	(41,477)	(989)	(10,801)	—	(58,549)
Transfers	8,525	67,524	—	9,666	(85,715)	—
Closing net carrying amount	53,497	253,129	5,168	37,160	38,514	387,468
As at December 31, 2024						
Cost	105,082	498,638	10,287	81,262	38,514	733,783
Accumulated depreciation	(51,585)	(245,509)	(5,119)	(44,102)	—	(346,315)
Net carrying amount	53,497	253,129	5,168	37,160	38,514	387,468
Year ended December 31, 2025						
Opening net carrying amount	53,497	253,129	5,168	37,160	38,514	387,468
Additions	76	2,469	3,177	16,811	108,182	130,715
Disposals	(10)	(1,003)	(276)	(296)	—	(1,585)
Depreciation	(4,588)	(42,939)	(1,443)	(12,189)	—	(61,159)
Transfers	—	49,583	—	—	(51,509)	(1,926)
Closing net carrying amount	48,975	261,239	6,626	41,486	95,187	453,513
As at December 31, 2025						
Cost	104,943	545,276	13,160	96,211	95,187	854,777
Accumulated depreciation	(55,968)	(284,037)	(6,534)	(54,725)	—	(401,264)
Net carrying amount	48,975	261,239	6,626	41,486	95,187	453,513

14. LEASES

The Group as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analysed as follows:

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
	Note(a)	*Note(b)(c)*	
As at January 1, 2023	6,689	101,790	108,479
Additions	576	28,038	28,614
Depreciation *(Note (d))*	(2,349)	(2,861)	(5,210)
Lease modification and termination	(247)	—	(247)
Transfer from investment properties	—	792	792
As at December 31, 2023	4,669	127,759	132,428
As at January 1, 2024	4,669	127,759	132,428
Additions	2,708	326	3,034
Depreciation *(Note (d))*	(2,229)	(3,032)	(5,261)
Transfer from investment properties	—	1,138	1,138
As at December 31, 2024	5,148	126,191	131,339
As at January 1, 2025	5,148	126,191	131,339
Additions	15,354	13,976	29,330
Depreciation *(Note (d))*	(3,897)	(3,303)	(7,200)
Lease modification and termination	(1,337)	—	(1,337)
As at December 31, 2025	15,268	136,864	152,132

Notes:

(a) The Group has obtained the right to use buildings in its operations through tenancy agreements. The leases typically run for an initial period of 3 to 5 years.

(b) Land in respect of land use rights are all located in the PRC with a lease period of 50 years. Lump sum payments were made upfront to acquire these property interests from the relevant government authorities.

(c) The Group's land use rights located in the PRC with the carrying amounts of the land used rights amounting to approximately RMB10,862,000 and RMB10,964,000 as at December 31, 2023 and 2024, respectively, are in the process of obtaining the ownership certificates. The directors of the Company are of the opinion, the Group is entitled to lawfully and validly occupy and use the land used rights, and therefore the aforesaid matter did not have any significant impact on the Group's statements of financial positions as at December 31, 2023 and 2024. All of the Group's land use rights located in the PRC had obtained the ownership certificates as at December 31, 2025.

(d) Depreciation of the Group's right-of-use assets has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	2,349	2,229	3,897
General and administrative expenses	2,861	3,032	3,303
	5,210	5,261	7,200

(b) Lease liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total minimum lease payments	5,041	5,339	16,377
Future interest expense on lease liabilities	(211)	(286)	(1,385)
	4,830	5,053	14,992
Current	2,452	3,144	3,516
Non-current	2,378	1,909	11,476
	4,830	5,053	14,992

The maturity analysis of lease liabilities is disclosed in Note 44 to the Historical Financial Information.

(c) The amounts recognised in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses *(Note 10)*	260	160	434
Depreciation of right-of-use assets	5,210	5,261	7,200
Expense relating to short-term leases and leases of low-value assets	14,297	24,704	38,711
	19,767	30,125	46,345

The Company

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analysed as follows:

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	896	15,855	16,751
Additions	576	—	576
Depreciation	(566)	(420)	(986)
Lease modification and termination	(247)	—	(247)
As at December 31, 2023	659	15,435	16,094
As at January 1, 2024	659	15,435	16,094
Additions	2,708	—	2,708
Depreciation	(447)	(422)	(869)
As at December 31, 2024	2,920	15,013	17,933
As at January 1, 2025	2,920	15,013	17,933
Additions	9,749	—	9,749
Depreciation	(2,445)	(419)	(2,864)
As at December 31, 2025	10,224	14,594	24,818

(b) Lease liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total minimum lease payments	685	3,127	10,911
Future interest expense on lease liabilities	(10)	(234)	(1,006)
	675	2,893	9,905
Current	456	984	2,454
Non-current	219	1,909	7,451
	675	2,893	9,905

The Group as a lessor

The Group leases its buildings and land use rights under operating lease arrangements. Gross rental income recognised by the Group for the years ended December 31, 2023, 2024 and 2025 were RMB1,933,000, RMB1,530,000, and RMB1,341,000, respectively.

As at December 31, 2023, 2024 and 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total lease payments receivables:			
— Within 1 year	1,867	1,437	679
— Over 1 year but within 2 years	1,844	669	10
— Over 2 years but within 3 years	889	—	10
	4,600	2,106	699

15. INTANGIBLE ASSETS

The Group

	Patented technologies and trademark rights	Software	Non-patented technologies	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023					
Cost	21,416	36,462	4,581	1,821	64,280
Accumulated amortisation	(3,486)	(20,036)	(4,581)	—	(28,103)
Net carrying amount	17,930	16,426	—	1,821	36,177
Year ended December 31, 2023					
Opening net carrying amount	17,930	16,426	—	1,821	36,177
Additions	—	4,292	—	—	4,292
Amortisation *(Note (a))*	(5,976)	(5,949)	—	—	(11,925)
Transfers	—	451	—	—	451
Closing net carrying amount	11,954	15,220	—	1,821	28,995
As at December 31, 2023					
Cost	21,416	41,205	4,581	1,821	69,023
Accumulated amortisation	(9,462)	(25,985)	(4,581)	—	(40,028)
Net carrying amount	11,954	15,220	—	1,821	28,995
Year ended December 31, 2024					
Opening net carrying amount	11,954	15,220	—	1,821	28,995
Additions	—	6,776	—	—	6,776
Disposals	—	(11)	—	—	(11)
Amortisation *(Note (a))*	(5,976)	(6,124)	—	—	(12,100)
Exchange realignment	—	(8)	—	—	(8)
Closing net carrying amount	5,978	15,853	—	1,821	23,652

	Patented technologies and trademark rights	Software	Non-patented technologies	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024					
Cost	21,416	47,905	4,581	1,821	75,723
Accumulated amortisation	(15,438)	(32,052)	(4,581)	—	(52,071)
Net carrying amount	5,978	15,853	—	1,821	23,652
Year ended December 31, 2025					
Opening net carrying amount	5,978	15,853	—	1,821	23,652
Additions	—	7,388	—	—	7,388
Amortisation *(Note (a))*	(5,975)	(7,673)	—	—	(13,648)
Transfers	—	4,332	—	—	4,332
Exchange realignment	—	10	—	—	10
Closing net carrying amount	3	19,910	—	1,821	21,734
As at December 31, 2025					
Cost	21,416	59,633	4,581	1,821	87,451
Accumulated amortisation	(21,413)	(39,723)	(4,581)	—	(65,717)
Net carrying amount	3	19,910	—	1,821	21,734

Notes:

(a) Amortisation of the Group's intangible assets has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	6,475	6,866	8,154
General and administrative expenses	1,648	1,322	1,573
Research and development expenses	3,802	3,912	3,921
	11,925	12,100	13,648

(b) There is no intangible assets of the Group pledged at the end of each year for the Track Record Period.

The Company

	Software	Non-patented technologies	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023			
Cost	25,792	1,043	26,835
Accumulated amortisation	(12,599)	(1,043)	(13,642)
Net carrying amount	13,193	—	13,193
Year ended December 31, 2023			
Opening net carrying amount	13,193	—	13,193
Additions	2,634	—	2,634
Disposals	(4,920)	—	(4,920)
Amortisation	(3,242)	—	(3,242)
Transfers	451	—	451
Closing net carrying amount	8,116	—	8,116
As at December 31, 2023			
Cost	20,838	1,043	21,881
Accumulated amortisation	(12,722)	(1,043)	(13,765)
Net carrying amount	8,116	—	8,116
Year ended December 31, 2024			
Opening net carrying amount	8,116	—	8,116
Additions	4,017	—	4,017
Disposals	(11)	—	(11)
Amortisation	(2,817)	—	(2,817)
Closing net carrying amount	9,305	—	9,305
As at December 31, 2024			
Cost	24,784	1,043	25,827
Accumulated amortisation	(15,479)	(1,043)	(16,522)
Net carrying amount	9,305	—	9,305
Year ended December 31, 2025			
Opening net carrying amount	9,305	—	9,305
Additions	4,584	—	4,584
Amortisation	(4,141)	—	(4,141)
Transfers	1,926	—	1,926
Closing net carrying amount	11,674	—	11,674
As at December 31, 2025			
Cost	31,294	1,043	32,337
Accumulated amortisation	(19,620)	(1,043)	(20,663)
Net carrying amount	11,674	—	11,674

16. INVESTMENT PROPERTIES

The Group

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023			
Cost	8,063	2,705	10,768
Accumulated depreciation	(3,161)	(712)	(3,873)
Net carrying amount	4,902	1,993	6,895
Year ended December 31, 2023			
Opening net carrying amount	4,902	1,993	6,895
Depreciation	(282)	(37)	(319)
Transfer to property, plant and equipment and right-of-use assets	(848)	(792)	(1,640)
Closing net carrying amount	3,772	1,164	4,936
As at December 31, 2023			
Cost	6,039	1,587	7,626
Accumulated depreciation	(2,267)	(423)	(2,690)
Net carrying amount	3,772	1,164	4,936
Year ended December 31, 2024			
Opening net carrying amount	3,772	1,164	4,936
Depreciation	(219)	(26)	(245)
Transfer to property, plant and equipment and right-of-use assets	(3,553)	(1,138)	(4,691)
Closing net carrying amount	—	—	—
As at December 31, 2024 and December 31, 2025			
Cost	—	—	—
Accumulated depreciation	—	—	—
Net carrying amount	—	—	—

As at December 31, 2023, the fair value of the investment properties was not materially different from the carrying amount.

17. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Final dividends	139,595	147,300	211,649

The final dividends of RMB3.39 per 10 shares (tax inclusive) totaling approximately RMB139,595,000 in respect of the year ended December 31, 2022 were approved in 2022 Annual General Meeting of the Company on April 11, 2023. The final dividends were paid on June 5, 2023.

The final dividends of RMB3.40 per 10 shares (tax inclusive) totaling approximately RMB147,300,000 in respect of the year ended December 31, 2023 were approved in 2023 Annual General Meeting of the Company on April 17, 2024. The final dividends were paid on May 20, 2024.

The final dividends of RMB0.35 per share (tax inclusive) totaling approximately RMB211,649,000 in respect of the year ended December 31, 2024 were approved in 2024 Annual General Meeting of the Company on May 13, 2025. The final dividends were paid on June 17, 2025.

The final dividends of RMB0.38 per share (tax inclusive) totaling approximately RMB230,475,000 in respect of the year ended December 31, 2025 were approved in 2025 Annual General Meeting of the Company on April 20, 2026. The Group had not recognised this as a liability as at December 31, 2025.

18. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
— Unlisted equity instruments			
Chongqing Changan Kaicheng Automotive Tech. Co., Ltd. *(Note (a))*	—	100,000	115,993
Shanghai Volant Aviation Technology Co., Ltd. *(Note (b))*	—	—	50,000
	—	100,000	165,993
Current:			
— Bank wealth management products (WMPs) and structured deposits *(Note(c))*	213,744	92,841	420,838
— Listed equity instruments			
Zotye Automobile Co., Ltd. *(Note (d))*	899	721	—
— Fund products *(Note(c))*	—	—	1,789,301
— Income certificates *(Note(c))*	—	—	301,994
	214,643	93,562	2,512,133

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
— Unlisted equity instruments			
Chongqing Changan Kaicheng Automotive Tech. Co., Ltd. *(Note (a))*	—	100,000	115,993
	—	100,000	115,993
Current:			
— Bank WMPs and structured deposits *(Note(c))*	29,894	—	270,656
— Listed equity instruments			
Zotye Automobile Co., Ltd. *(Note (d))*	899	721	—
— Fund products *(Note(c))*	—	—	1,789,301
— Income certificates *(Note(c))*	—	—	301,994
	30,793	721	2,361,951

Notes:

(a) The unlisted equity instruments are investment in Chongqing Changan Kaicheng Automotive Tech. Co., Ltd. (重慶長安凱程汽車科技有限公司) ("**Changan Kaicheng**"), a company incorporated in the PRC and engaged in production and sales of new energy commercial vehicle parts. As at December 31, 2025, the Group owns 1.4308% equity interests of Changan Kaicheng and classified its investment in Changan Kaicheng at FVTPL. No dividends were received on this investment during the Track Record Periods.

(b) The unlisted equity securities are investment in Shanghai Volant Aviation Technology Co., Ltd. (上海沃蘭特航空技術有限責任公司) ("**Shanghai Volant**"), a company incorporated in the PRC and engaged in aviation technology related businesses. As at December 31, 2025, the Group owns 1.2195% equity interests of Shanghai Volant and classified its investment in Shanghai Volant at FVTPL, as it is held for transaction. No dividends were received on this investment during the Track Record Periods.

(c) The bank WMPs, structured deposits, fund products, and income certificates are mainly managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They are classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

As at December 31, 2023, 2024 and 2025, bank WMPs and structured deposits of the Group amounting to RMB90,060,000, nil and nil were pledged to secure notes payable of the Group.

(d) The listed equity instruments held by the Group are investments in Zotye Automobile Co., Ltd.(眾泰汽車股份有限公司) ("**Zotye Automobile**"), a company established in the PRC and engaged in manufacturing electronic equipments. The Group classified the investment at FVTPL, as it is held for trading. The effective number of shares held by the Group is 301,571 shares. As at 31 December 2023 and 2024, the share price per share of Zotye Automobile held by the Group was RMB2.98 and RMB2.39, respectively.

19. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
— Unlisted equity instruments	60,231	72,633	84,137
Current:			
— Notes receivables measured at FVTOCI *(Note (a))*	1,300,431	1,098,797	2,108,214

Note:

(a) The balance represents notes receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The notes receivables had a maturity of within six months at the end of each year for the Track Record Period. The notes receivables are measured at FVTOCI since the notes are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature.

In addition, the Group has discounted certain notes receivables to banks and endorsed certain notes receivables to its suppliers to settle its payables. The directors of the Company consider the probabilities on default of the discounted or endorsed notes receivables are limited and the Group has derecognised the full carrying amount of these notes receivables and the associated trade and other payables when the notes receivables are endorsed or discounted. The maximum exposure to the Group that may result from the default of these endorsed and discounted notes receivables as at December 31, 2023, 2024 and 2025 are approximately RMB922,586,000, RMB1,558,496,000 and RMB2,887,001,000, respectively.

As at December 31, 2023, 2024 and 2025, certain notes receivables measured at FVTOCI of the Group amounting to RMB211,046,000, RMB49,000,000 and RMB42,129,000, respectively, were pledged for notes payables of the Group.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
— Unlisted equity instruments	60,231	72,633	84,137
Current:			
— Notes receivables measured at FVTOCI *(Note (a))*	1,024,993	928,525	1,877,515

Note:

(a) The maximum exposure to the Company that may result from the default of these endorsed and discounted notes receivables as at December 31, 2023, 2024 and 2025 are approximately RMB266,316,000, RMB917,313,000 and RMB891,291,000, respectively.

20. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	678,377	862,148	1,129,488
Consigned processing materials	7,547	11,509	1,210
Work in progress	79,339	149,123	225,463
Finished goods	303,102	446,379	479,969
Consumables	15,181	20,592	27,249
	1,083,546	1,489,751	1,863,379
Less: provision for impairment *(Note)*	(46,469)	(69,782)	(55,959)
	1,037,077	1,419,969	1,807,420

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	123,355	179,948	212,838
Consigned processing materials	7,022	10,790	722
Work in progress	64,443	124,955	160,060
Finished goods	81,576	147,847	122,138
Consumables	5,238	4,831	5,969
	281,634	468,371	501,727
Less: provision for impairment *(Note)*	(16,042)	(23,305)	(20,174)
	265,592	445,066	481,553

Note: Inventories are stated at the lower of cost and net realisable value at the end of each reporting period. The net realisable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group and the Company make the best estimate on the net realisable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

21. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	2,627,843	3,896,457	4,030,026
Notes receivables	313,201	615,493	246,855
	2,941,044	4,511,950	4,276,881
Less: allowance for impairment	(294,918)	(376,253)	(368,280)
	2,646,126	4,135,697	3,908,601

The credit period granted to customers is generally within 30-90 days during the Track Record Period.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
— Due from subsidiaries	12,540	122,578	293,152
— Due from other parties	1,935,496	2,726,909	2,792,564
Notes receivables	313,201	554,651	207,548
	2,261,237	3,404,138	3,293,264
Less: allowance for impairment	(218,041)	(278,731)	(276,413)
	2,043,196	3,125,407	3,016,851

The ageing analysis of trade receivables based on recognition date is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,465,638	3,732,835	3,865,433
Over 1 year but within 2 years	21,221	14,503	13,448
Over 2 years but within 3 years	7,093	18,413	2,885
Over 3 years	133,891	130,706	148,260
	2,627,843	3,896,457	4,030,026

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,832,110	2,727,727	2,972,412
Over 1 year but within 2 years	20,159	8,657	2,785
Over 2 years but within 3 years	6,972	17,841	493
Over 3 years	88,795	95,262	110,026
	1,948,036	2,849,487	3,085,716

Movements in impairment of trade and notes receivables are as follows:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	257,773	294,918	376,253
Loss of impairment recognised/(reversed), net	37,807	84,426	(7,904)
Written off	(662)	(2,863)	(475)
Exchange realignment	—	(228)	406
At the end of the year	294,918	376,253	368,280

Note: Detail information about the impairment of trade and notes receivables and the Group's exposure to credit risk is described in Note 44.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	183,649	218,041	278,731
Loss of impairment recognised/(reversed), net	34,392	62,063	(2,318)
Written off	—	(1,373)	—
At the end of the year	218,041	278,731	276,413

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for acquisition of long-term assets	142,267	120,302	75,628
Current			
Other receivables	16,045	20,084	27,241
Less: allowance for impairment	(3,550)	(4,937)	(4,027)
	12,495	15,147	23,214
VAT recoverable *(Note (a))*	120,996	222,898	376,278
Consumable molds	14,926	20,019	25,558
Prepayments for materials and others	30,697	58,916	46,527
Others	1,449	5,176	3,064
	180,563	322,156	474,641

Notes:

(a) Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is the net difference between output and deductible input VAT. The applicable tax rate of the Group is 16%、13%、9%、6% and 5%.

(b) The information about the credit risk exposure on the Group's other receivables is disclosed in Note 44.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayment for acquisition of long-term assets	11,862	22,520	10,403
Current			
Other receivables			
— Due from subsidiaries	403,270	837,883	1,413,123
— Due from other parties	10,769	15,577	17,841
Less: allowance for impairment	(22,502)	(45,665)	(72,823)
	391,537	807,795	1,358,141
VAT recoverable *(Note (a))*	2,951	764	35,186
Prepayments for materials and others	4,291	5,303	11,601
Others	—	3,006	521
	398,779	816,868	1,405,449

Note:

(a) Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is the net difference between output and deductible input VAT. The applicable tax rate of the Company is 13% and 6%.

The balances of other receivables are classified as Stage 1 without any significant increase in credit risk tracked since initial recognition. The movements on the ECL allowance of other receivables are as follows:

The Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	2,595	3,550	4,937
Provision/(Reversal)	955	1,379	(1,011)
Exchange realignment	—	8	101
At the end of the year	3,550	4,937	4,027

The Company

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	14,697	22,502	45,665
Provision	7,805	23,163	27,158
At the end of the year	22,502	45,665	72,823

23. RESTRICTED BANK DEPOSITS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Pledged bank deposits for notes payables *(Note (a))*	86,717	49,324	13,646
Frozen funds for ongoing litigations	—	400	975
	86,717	49,724	14,621

Note:

(a) Certain deposits are pledged as security for the Group's notes payables.

24. TIME DEPOSITS

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
— Time deposits with remaining maturities over one year	—	—	242,557
Current:			
— Short-term time deposits due within one year	—	—	391,988

The Group's and the Company's time deposits are all denominated in RMB.

25. CASH AT BANK AND ON HAND

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand in the consolidated statements of financial position	2,252,827	2,135,307	1,767,075
Less: accrued interest arising from deposits	(82,948)	(129,887)	(60,427)
Cash and cash equivalents in the consolidated statements of cash flows	2,169,879	2,005,420	1,706,648

Denominated in:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
RMB	2,103,048	1,978,946	1,495,651
United states dollars ("**USD**")	65,054	24,034	201,514
European dollars ("**EUR**")	1,507	1,375	9,483
Mexican Pesos ("**MXN**")	270	1,065	—
	2,169,879	2,005,420	1,706,648

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

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand in the statements of financial position of the Company	2,088,854	2,015,660	1,396,252
Less: accrued interest arising from deposits	(82,948)	(129,887)	(60,427)
Cash and cash equivalents in the statements of cash flows of the Company	2,005,906	1,885,773	1,335,825

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	1,982,859	1,877,353	1,219,300
USD	23,047	8,420	116,525
	2,005,906	1,885,773	1,335,825

26. DEFERRED INCOME TAX

Deferred income tax assets are recognised based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses and temporary differences will be utilised. The recognition of deferred income tax assets mainly involves management's judgements and estimations about the timing and the amount of taxable profits of the companies who have tax losses and temporary differences. Deferred income tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

The Group

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred income tax assets	111,706	122,253	129,533
Offset by deferred tax liabilities	(50,543)	(59,830)	(112,737)
Net deferred income tax assets	61,163	62,423	16,796
Deferred tax liabilities	72,650	83,975	137,265
Offset by deferred tax assets	(50,543)	(59,830)	(112,737)
Net deferred tax liabilities	22,107	24,145	24,528

(a) Deferred tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	ECL allowance and impairment provision	Tax losses	Accruals and provisions	Tax effects of investments in partnerships	Deferred income	Lease liability	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	44,312	13,947	13,066	1,544	19,500	1,895	18	94,282
Credited/(Charged) in profit or loss	7,054	3,700	3,750	1,728	2,713	(1,586)	65	17,424
At December 31, 2023 and January 1, 2024	51,366	17,647	16,816	3,272	22,213	309	83	111,706
Credited/(Charged) in profit or loss	16,200	(14,976)	5,229	(322)	2,256	233	1,927	10,547
At December 31, 2024 and January 1, 2025	67,566	2,671	22,045	2,950	24,469	542	2,010	122,253
(Charged)/Credited in profit or loss	(3,361)	2,465	4,402	2,449	(1,505)	1,198	1,632	7,280
At December 31, 2025	64,205	5,136	26,447	5,399	22,964	1,740	3,642	129,533

(b) Deferred tax liabilities

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Depreciation of fixed assets	Fair value adjustments arising from acquisition of subsidiaries	Fair value changes of financial assets at fair value	Right-of-use assets	Convertible bonds	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	55,750	10,506	7,312	1,583	—	—	75,151
Credited in profit or loss	(182)	(2,263)	—	(1,283)	—	—	(3,728)
Charged in other comprehensive income	—	—	1,227	—	—	—	1,227
At December 31, 2023 and January 1, 2024	55,568	8,243	8,539	300	—	—	72,650
Charged/(Credited) in profit or loss	14,761	(1,542)	—	250	—	—	13,469
Credited in other comprehensive income	—	—	(2,144)	—	—	—	(2,144)
At December 31, 2024 and January 1, 2025	70,329	6,701	6,395	550	—	—	83,975
Charged/(Credited) in profit or loss	7,133	(1,615)	5,629	1,236	(4,657)	9,746	17,472
Charged in equity	—	—	—	—	34,065	—	34,065
Charged in other comprehensive income	—	—	1,753	—	—	—	1,753
At December 31, 2025	77,462	5,086	13,777	1,786	29,408	9,746	137,265

(c) Tax losses and deductible temporary differences with deferred tax assets not recognized

The following table sets forth the tax losses and deductible temporary differences which were not recognised as deferred income tax assets at the end of each year for the Track Record Period:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	19,233	34,491	156,433
Tax losses	132,016	355,943	490,907
	151,249	390,434	647,340

The Group has unused tax losses of approximately RMB243,342,000, RMB366,636,000 and RMB 525,202,000 as at December 31, 2023, 2024, 2025 respectively available for offset against future profits. Included in recognized tax losses are losses of approximately RMB 111,326,000, RMB 10,693,000, RMB34,295,000, respectively. Included in unrecognized tax losses are losses of approximately RMB132,016,000, 355,943,000, RMB490,907,000, respectively.

Deductible tax losses that are not recognized for deferred tax assets will expire as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
2025	2,706	2,596	—
2026	1,855	1,855	1,855
2027	94	94	47
2028	64,043	52,784	52,393
2029	226	128,809	128,502
2030	2,693	—	94,274
2031	4,656	458	458
2032	17,845	13,435	8,718
2033	28,825	28,825	25,649
2034	—	117,623	117,623
2035	—	—	49,459
2036 to 2045	9,073	9,464	11,929
	132,016	355,943	490,907

The Company

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred income tax assets	64,068	81,604	91,131
Offset by deferred tax liabilities	(28,524)	(31,107)	(81,385)
Net deferred income tax assets	35,544	50,497	9,746
Deferred tax liabilities	28,524	31,107	81,385
Offset by deferred tax assets	(28,524)	(31,107)	(81,385)
Net deferred tax liabilities	—	—	—

(a) Deferred tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	ECL allowance and impairment provision	Accruals and provisions	Tax effects of investments in partnerships	Deferred income	Lease liability	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	34,149	7,788	1,544	11,126	142	18	54,767
Credited/(Charged) to profit or loss	6,145	2,819	1,728	(1,415)	(41)	65	9,301
At December 31, 2023 and January 1, 2024	40,294	10,607	3,272	9,711	101	83	64,068
Credited/(Charged) to profit or loss	13,667	3,580	(322)	251	333	27	17,536
At December 31, 2024 and January 1, 2025	53,961	14,187	2,950	9,962	434	110	81,604
Credited/(Charged) to profit or loss	3,256	2,961	2,449	(1,241)	1,052	1,050	9,527
At December 31, 2025	57,217	17,148	5,399	8,721	1,486	1,160	91,131

(b) Deferred tax liabilities

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Depreciation of fixed assets	Fair value changes of financial assets at fair value	Right-of-use assets	Convertible bonds	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	26,454	7,312	134	—	—	33,900
Credited in profit or loss	(6,567)	—	(36)	—	—	(6,603)
Charged in other comprehensive income	—	1,227	—	—	—	1,227
At December 31, 2023 and January 1, 2024	19,887	8,539	98	—	—	28,524
Charged in profit or loss	4,388	—	339	—	—	4,727
Credited in other comprehensive income	—	(2,144)	—	—	—	(2,144)
At December 31, 2024 and January 1, 2025	24,275	6,395	437	—	—	31,107
Charged/(credited) in profit or loss	2,646	5,629	1,096	(4,657)	9,746	14,460
Charged in equity	—	—	—	34,065	—	34,065
Charged in other comprehensive income	—	1,753	—	—	—	1,753
At December 31, 2025	26,921	13,777	1,533	29,408	9,746	81,385

27. TRADE, NOTES AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Capacity guarantee deposits	105,160	105,160	55,000
Infrastructure construction funds — loans converted to grants	16,330	16,330	16,330
Others	—	—	1,016
	121,490	121,490	72,346
Current			
Trade payables	1,770,023	2,659,760	2,831,599
Payables for acquisition of non-current assets	180,823	150,184	164,227
Payroll and welfare payables	148,155	223,539	230,689
Restricted stock repurchase obligation	45,326	34,865	75,155
Capacity guarantee deposits	—	—	46,160
Endorsed notes receivable that have not been derecognised and not yet due	—	11,164	28,576
Other tax liabilities	13,489	25,249	27,637
Others	17,879	20,405	38,456
Total trade and other payables	2,175,695	3,125,166	3,442,499
Notes payables	1,686,642	2,005,122	2,170,591
	3,862,337	5,130,288	5,613,090

The credit period granted by suppliers is generally within 30-90 days. The ageing analysis of the trade payables of the Group as at December 31, 2023, 2024 and 2025 based on recognition date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
— Within 1 year	1,750,562	2,642,064	2,796,914
— Over 1 year but within 2 years	6,520	4,162	18,375
— Over 2 years but within 3 years	2,843	3,438	3,045
— Over 3 years	10,098	10,096	13,265
	1,770,023	2,659,760	2,831,599

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Capacity guarantee deposits	75,000	75,000	55,000
Current			
Trade payables			
— Due to subsidiaries	94,395	202,620	479,150
— Due to other parties	976,327	1,447,560	1,385,433
	1,070,722	1,650,180	1,864,583
Payables for acquisition of non-current assets	19,613	13,887	37,890
Payroll and welfare payables	103,091	150,814	160,773
Restricted stock repurchase obligation	45,326	34,865	75,155
Capacity guarantee deposits	—	—	16,000
Other tax liabilities	4,942	13,313	9,087
Others	6,046	11,338	18,306
Total trade and other payables	1,249,740	1,874,397	2,181,794
Notes payables			
— Due to subsidiaries	618,942	1,042,940	1,376,515
— Due to other parties	815,107	914,344	887,019
	1,434,049	1,957,284	2,263,534
Total trade, notes and other payables	2,683,789	3,831,681	4,445,328

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

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
— Within 1 year	1,061,242	1,641,619	1,853,624
— Over 1 year but within 2 years	3,264	2,539	2,668
— Over 2 years but within 3 years	1,045	1,651	2,358
— Over 3 years	5,171	4,371	5,933
	1,070,722	1,650,180	1,864,583

28. CONTRACT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	*RMB’000*	*RMB’000*
Advance payments from customers	9,173	53,175	40,350

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	*RMB’000*	*RMB’000*
Advance payments from customers	5,682	48,589	12,765

Revenue are recognised when control of the goods is transferred to the customers, and there is no unfulfilled obligation that could affect the customer’s receipt of the goods. Contract liabilities of the Group and the Company mainly consist of advance payments made by customers for goods which will be normally settled when the revenue are recognised.

During the Track Record Period, the increase/decrease in contract liabilities was resulted from more/less advance payments from customers than the amount utilised to be recognised as revenue.

29. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	*RMB’000*	*RMB’000*
Non-current			
Long-term bank borrowings — unsecured and unguaranteed.	—	20,000	18,000
Long-term bank borrowings — unsecured but guaranteed *(Note)*	59,390	49,490	29,690
Total non-current	59,390	69,490	47,690
Current			
Short-term bank borrowings — unsecured and unguaranteed.	235,166	19,800	10,008
Short-term bank borrowings — unsecured but guaranteed *(Note)*	49,038	—	—
Current portion of long-term bank borrowings — unsecured and unguaranteed	—	5	1,000
Current portion of long-term bank borrowings — unsecured but guaranteed *(Note)*	5	9,978	20,045
Total current.	284,209	29,783	31,053

As at December 31, 2023, 2024 and 2025, the borrowings bear effective interest rates with range of 2.50%-3.20%, 1.75%-3.10% and 1.75%-2.65% per annum, respectively.

Note:

As at 31 December 2023, 2024 and 2025, the outstanding balances of bank borrowings of the subsidiary Wuhu Bethel Electronic Control System Co., Ltd. which were guaranteed by the Company amounted to RMB108,433,000, RMB59,468,000 and RMB49,735,000, respectively.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term bank borrowings — unsecured and unguaranteed	—	20,000	18,000
Current			
Short-term bank borrowings — unsecured and unguaranteed	235,166	19,300	10,008
Current portion of long-term bank borrowings — unsecured and unguaranteed	—	5	1,000
Total current	235,166	19,305	11,008

During the Track Record Period, the Group and the Company did not violate any financial covenants under the agreements of borrowings. The Group's and the Company's bank borrowings were repayable as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Analysed as:			
— Within 1 year or on demand	284,209	29,783	31,053
— Over 1 year but within 2 years	9,900	21,800	32,845
— Over 2 years but within 5 years	49,490	47,690	14,845
	343,599	99,273	78,743

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed as:			
— Within 1 year or on demand	235,166	19,305	11,008
— Over 1 year but within 2 years	—	2,000	18,000
— Over 2 years but within 5 years	—	18,000	—
	235,166	39,305	29,008

The Group's and the Company's borrowings are all denominated in RMB.

Details of the Group's borrowings with floating rate are disclosed in Note 44 to the Historical Financial Information.

30. BONDS PAYABLE

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current portion of liability component of convertible bonds	—	—	2,592,200
Current portion of liability component of convertible bonds	—	—	1,401
	—	—	2,593,601

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	665,400	—	—
Issue of convertible bonds	—	—	2,562,553
Interest accrual	3,903	—	1,401
Amortization of premiums	22,420	—	29,647
Redemption of convertible bonds	(2,885)	—	—
Interest paid during the year	(3,903)	—	—
Conversion of convertible bonds into shares	(684,935)	—	—
At the end of the year	—	—	2,593,601

(a) The 2021 Convertible Corporate Bonds

On June 29, 2021, the Company conducted a public issuance of convertible bonds with a total value of RMB902,000,000 at par value of RMB100 each with a maturity period of six years. The initial conversion price of the convertible bonds is RMB36 per share. The coupon rate of the convertible bonds is 0.30% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

The issuance ended on July 5, 2021. The conversion period starts from January 5, 2022 (the first trading day after six months from July 5, 2021) to June 28, 2027 (the maturity date of the convertible bonds). During the conversion period, upon the occurrence of a conditional event, the Company will have the option to redeem all or some of the convertible bonds at par value plus accrued interest. If the convertible bonds have not been converted or redeemed, they will be redeemed on maturity date at 116% of the par value (including the final interest payment).

As of October 30, 2023, an aggregate of RMB899,173,000 principal amount of convertible bonds had been converted into the Company's A-share ordinary shares, resulting in a total of 25,266,529 converted shares. Following the conversion, the share capital of the Company increased to approximately RMB433,668,000. The remaining outstanding convertible bonds of RMB2,827,000 that had not been converted have been fully redeemed.

(b) The 2025 Convertible Corporate Bonds

On July 1, 2025, the Company conducted a public issuance of convertible bonds with a total value of RMB2,802,000,000 at par value of RMB100 each with a maturity period of six years. The initial conversion price of the convertible bonds is RMB52.42 per share. The coupon rate of the convertible bonds is 0.10% for the first year, 0.30% for the second year, 0.60% for the third year, 1.00% for the fourth year, 1.50% for the fifth year and 2.00% for the sixth year.

The issuance ended on July 7, 2025. The conversion period starts from January 7, 2026 (the first trading day after six months from July 7, 2025) to June 30, 2031 (the maturity date of the convertible bonds).

The convertible bonds are subject to conditional redemptions. During the conversion period, if the closing prices of the Company's A shares are no less than 130% (inclusive) of the current conversion price for at least 15 trading days in 30 consecutive trading days, the Company has the right to redeem all or part of the outstanding convertible bonds at the par value plus the current accrued interest, upon approval of the relevant regulatory authorities (if required). In addition, when the total amount of the outstanding convertible bonds is less than RMB30,000,000, the Company has the right to redeem all outstanding convertible bonds at their par value plus the current accrued interest.

31. DEFERRED INCOME

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note)*	150,821	166,658	157,323

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note)*	64,740	66,411	58,135

Note: The Group received government grants mainly for the purchase of property, plant and equipment. The government grants were recorded as deferred income and credited to profit or loss in parallel with the depreciation of the relevant assets.

32. PROVISION

The Group

	Warranty provisions
	RMB'000
As at January 1, 2023	82,178
Additional provisions made	51,294
Provisions utilised	(29,666)
As at December 31, 2023	103,806
As at January 1, 2024	103,806
Additional provisions made	64,180
Provisions utilised	(31,369)
Exchange realignment	(42)
As at December 31, 2024	136,575
As at January 1, 2025	136,575
Additional provisions made	73,655
Provisions utilised	(42,365)
As at December 31, 2025	167,865

Note: Warranty provisions are the provision for Original Equipment Manufacturers (OEMs). Under the terms of the Group's sales agreements, the Group is responsible for product defects. At the time of sales to OEMs, the Group accrues warranty provisions for the automotive safety system components sold, which includes the Group's best estimate of the future costs to be incurred in order to repair or replace items under warranties and recalls when identified.

The Company

	Warranty provisions
	RMB'000
As at January 1, 2023	51,920
Additional provisions made	32,639
Provisions utilised	(13,848)
As at December 31, 2023	70,711
As at January 1, 2024	70,711
Additional provisions made	37,338
Provisions utilised	(13,471)
As at December 31, 2024	94,578
As at January 1, 2025	94,578
Additional provisions made	29,908
Provisions utilised	(10,175)
As at December 31, 2025	114,311

33. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share capital	433,252	606,546	606,511
Treasury shares reserve	(45,326)	(98,071)	(75,155)
	387,926	508,475	531,356

The changes in the Company's authorized, issued and fully paid share capital are as follows:

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
As at January 1, 2023	411,827	411,827
Conversion of convertible bonds into share	21,886	21,886
Forfeiture of unvested restricted shares *(Note (a))*	(461)	(461)
As at December 31, 2023 and January 1, 2024	433,252	433,252
Capital reserve converted into share capital *(Note (b))*	173,294	173,294
As at December 31, 2024 and January 1, 2025	606,546	606,546
Forfeiture of unvested restricted shares *(Note (a))*	(35)	(35)
As at December 31, 2025	606,511	606,511

The changes in treasury shares are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid:			
At the beginning of the year	82,323	45,326	98,071
Forfeiture of unvested restricted shares *(Note (a))*	(11,930)	—	(182)
Repurchase of shares *(Note (c))*	—	63,206	14,900
Granting of ESOP *(Note (d))*	(22,256)	—	(33,160)
Vesting of restricted shares *(Note (e))*	(2,811)	(10,461)	(4,474)
At the end of the year	45,326	98,071	75,155
Number of treasury shares as at the end of year *(in thousand) (Note (f))*	2,597	3,561	3,365

Notes:

(a) Pursuant to the "Proposal on the 2019 Restricted Stock Incentive Plan (Draft) and its Summary of the Company" (the "**Incentive Plan 2019**") approved at the 2019 Second Extraordinary General Meeting of the Company on October 24, 2019, 1,935,000 restricted stocks were granted to participants. On February 16, 2023, a total of 45,000 restricted shares granted in the "Incentive Plan 2019" was cancelled, as participants have resigned. Therefore, the share capital of approximately RMB45,000 and treasury shares of approximately RMB328,000 were derecognized.

Pursuant to the "Proposal on Granting Restricted Shares to Incentive Participants" (the "**Incentive Plan 2022**") approved at the 2022 Second Extraordinary General Meeting of the Company on May 16, 2022, 416,000 restricted stocks were granted to participants.

On November 20, 2023, a total of 416,000 restricted shares granted in Incentive Plan 2022 was cancelled, as participants have resigned. Therefore, the share capital of approximately RMB416,000 and treasury shares of approximately RMB11,602,000 were derecognized.

On February 25, 2025, a total of 35,000 restricted shares granted in the "Incentive Plan 2019" was cancelled, as participants have resigned. Therefore, the share capital of approximately RMB35,000 and treasury shares of approximately RMB182,000 were derecognized.

(b) Pursuant to the "Proposal on the 2023 Profit Distribution Plan and Capitalization of Capital Reserve" approved at the 2023 Annual General Meeting convened on April 17, 2024, the capital reserve of approximately RMB173,294,000 were converted into share capital.

(c) During the year ended December 31, 2024, the Company repurchased 1,451,100 of its own ordinary shares through the Shanghai Stock Exchange with an aggregate consideration of approximately RMB63,206,000 paid.

During the year ended December 31, 2025, the Company repurchased 348,900 of its own ordinary shares through the Shanghai Stock Exchange with an aggregate consideration of approximately RMB14,900,000 paid.

(d) The Company has implemented an employee stock ownership plan for 2022 ("**2022 ESOP**"), which was approved by the board of directors of the Company on December 14, 2022 and extraordinary general meeting of shareholders on December 30, 2022. Pursuant to the 2022 ESOP, the Company transferred 584,086 shares held in its special securities account for share repurchase to the special securities account for the 2022 ESOP through non-trade transfer on May 17, 2023. Details of the Company's restricted stock incentive plans are disclosed in Note 36 to the Historical Financial Information.

The Company has implemented an employee stock ownership plan for 2025 ("**2025 ESOP**"), which was approved by the board of directors of the Company on July 30, 2025 and extraordinary general meeting of shareholders on August 18, 2025. Pursuant to the 2025 ESOP, the Company transferred 1,800,000 shares held in its special securities account for share repurchase to the special securities account for the 2025 ESOP through non-trade transfer on October 28, 2025. Details of the Company's restricted stock incentive plans are disclosed in Note 36 to the Historical Financial Information.

(e) On July 21, 2023, a total of 91,500 restricted shares granted in the "Incentive Plan 2019" which met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB667,000 were derecognized.

On December 5, 2023, a total of 294,000 restricted shares granted in the "Incentive Plan 2019" which met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB2,144,000 were derecognized.

(f) The above numbers of treasury shares as at December 31, 2023, 2024 and 2025 included approximately 2,597,000, 2,111,000 and 3,365,000 shares, respectively, held for employee share schemes. The remaining approximately 1,450,000 shares as at December 31, 2024 were held by the Company as treasury shares.

On July 21, 2024, a total of 85,400 restricted shares granted in the "Incentive Plan 2019" which met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB445,000 were derecognized.

On October 21, 2024, a total of 447,294 restricted shares granted in the employee stock ownership plan for 2021("**2021 ESOP**") which met the conditions for relieving restriction were released and the treasury shares reserve of approximately RMB4,840,000 were derecognized.

On December 5, 2024, a total of 994,000 restricted shares granted in the "Incentive Plan 2019" which met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB5,176,000 were derecognized.

On August 6, 2025, a total of 213,500 restricted shares granted in the "Incentive Plan 2019" which met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB1,112,000 were derecognized.

On October 21, 2025, a total of 296,796 restricted shares granted in the "Incentive Plan 2019" which met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB3,362,000 were derecognized.

34. OTHER RESERVES AND RETAINED EARNINGS

The Group

During the Track Record Period, the amounts of the Group's other reserves and retained earnings and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Other Reserves					
	Capital reserve	Equity component of convertible bonds	Other comprehensive income	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	819,877	136,467	41,440	205,913	1,967,591	3,171,288
Profit for the year	—	—	—	—	603,946	603,946
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	6,952	—	—	6,952
Total comprehensive income for the year	—	—	6,952	—	603,946	610,898
Conversion of convertible bonds into share	799,516	(136,467)	—	—	—	663,049
Share-based compensation expenses	9,328	—	—	—	—	9,328
Dividends declared	—	—	—	—	(139,595)	(139,595)
Appropriation of statutory reserve	—	—	—	10,712	(10,712)	—
Forfeiture of unvested restricted shares	(11,469)	—	—	—	—	(11,469)
Granting and vesting of restricted shares	(22,256)	—	—	—	—	(22,256)
As at December 31, 2023	1,594,996	—	48,392	216,625	2,421,230	4,281,243

	Other Reserves					
	Capital reserve	Equity component of convertible bonds	Other comprehensive income	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024	1,594,996	—	48,392	216,625	2,421,230	4,281,243
Profit for the year	—	—	—	—	833,649	833,649
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	(12,153)	—	—	(12,153)
Total comprehensive income for the year	—	—	(12,153)	—	833,649	821,496
Appropriation of statutory reserve	—	—	—	83,365	(83,365)	—
Dividends declared	—	—	—	—	(147,300)	(147,300)
Share-based compensation expenses	10,177	—	—	—	—	10,177
Capital reserve converted into share capital	(173,294)	—	—	—	—	(173,294)
As at December 31, 2024	1,431,879	—	36,239	299,990	3,024,214	4,792,322
As at January 1, 2025	1,431,879	—	36,239	299,990	3,024,214	4,792,322
Profit for the year	—	—	—	—	844,410	844,410
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	9,937	—	—	9,937
Total comprehensive income for the year	—	—	9,937	—	844,410	854,347
Share-based compensation expenses	9,475	—	—	—	—	9,475
Dividend declared	—	—	—	—	(211,649)	(211,649)
Appropriation of statutory reserve	—	—	—	3,264	(3,264)	—
Forfeiture of unvested restricted shares	(147)	—	—	—	—	(147)
Granting and vesting of restricted shares	(33,160)	—	—	—	—	(33,160)
Issue of convertible bonds	—	193,033	—	—	—	193,033
As at December 31, 2025	1,408,047	193,033	46,176	303,254	3,653,711	5,604,221

35. PLEDGED ASSETS

The Group

At the end of each year for the Track Record Period, the Group's certain assets have been pledged to secure notes payables. The carrying amounts of the pledged assets of the Group at the end of each year for the Track Record Period are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Restricted bank deposits *(Note 23)*.	86,717	49,724	14,621
Financial assets at FVTOCI *(Note 19)*	211,046	49,000	42,129
Financial assets at FVTPL *(Note 18)*	90,060	—	—
	387,823	98,724	56,750

36. SHARE-BASED EMPLOYEE COMPENSATIONS

Share-based payment expenses during the Track Record Period were as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity-settled share-based compensation	9,328	10,177	9,475

(a) Restricted Stock Incentive Plans

Pursuant to the Incentive Plan 2019, 1,935,000 restricted stocks granted to participants will be vested in three periods after 36 months from the date of completion of the grant registration. Subject to the incentive participants' individual performance appraisal and other criteria, the maximum percentage of unlocking for each tranche will be 30%, 20% and 50%, respectively. The Company completed the initial grant registration of 1,535,000 restricted stocks with vesting period to 60 incentive participants on December 4, 2019, at an exercise price of RMB7.29 per share. On July 20, 2020, the Company completed the grant registration of the remaining 400,000 restricted stocks with vesting period to 24 incentive participants, at an exercise price of RMB7.29 per share. The stock source is the Company's A-shares ordinary shares repurchased from the secondary market. As the grant under this incentive plan occurred prior to the Track Record Period, after adjustments due to share vesting and share repurchase, the remaining number of such restricted shares as at 1 January 2023 was 1,379,000 shares.

In addition, pursuant to the "Proposal on Amending the Relevant Contents of the Reserved Portion in the Draft of the Incentive Plan 2019 and the Implementation Assessment Management Measures" approved at the 2023 Second Extraordinary General Meeting of the Company on October 16, 2023, the Company agreed to add group-level performance appraisal conditions for the unvested restricted stocks under the remaining portion of the Incentive Plan 2019.

Pursuant to the Incentive Plan 2022, 416,000 restricted stocks granted to participants will be vested in five periods after 60 months from the date of completion of the grant registration. Subject to the group-level performance appraisal, the incentive participants' individual performance appraisal and other criteria, the maximum percentage of unlocking for each tranche will be 15%, 10%, 10%, 15% and 50%, respectively. The Company completed the grant registration of 416,000 restricted stocks with vesting period to 1 incentive participant on July 14, 2022, at an exercise price of RMB27.89 per share. The stock source is the Company's A-shares ordinary shares repurchased from the secondary market. As at January 1, 2023, the remaining number of such restricted shares was 416,000 shares.

Set out below are details of the movements of the outstanding number of restricted shares throughout the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
	'000	*RMB*	*'000*	*RMB*	*'000*	*RMB*
As at beginning of the year	1,795	19.30	948	13.44	249	16.36
Conversion of capital reserve into share capital	—	—	380	—	—	—
Vested	(386)	13.62	(1,079)	8.04	(214)	17.86
Forfeited	(461)	36.09	—	—	(35)	7.20
As at end of the year	948	13.44	249	16.36	—	—
Exercisable at end of the year	796	13.44	214	16.36	—	—

Notes: The fair value of the restricted shares granted was determined based on the quoted market price of the Company's ordinary shares on the respective grant dates, which represent observable market prices in an active market.

(b) Employee Stock Ownership Plan

The Company has implemented an employee stock ownership plan for 2021 ("**2021 ESOP**"), which was approved by the board of directors of the Company on June 24, 2021 and extraordinary general meeting of shareholders on July 12, 2021. On October 21, 2021, the Company transferred 1,064,985 shares held in its special securities account for share repurchase to the special securities account for the 2021 ESOP through non-trade transfer, with a grant price of RMB15.15 per share. Pursuant to the 2021 ESOP, the restricted shares granted to the incentive participants will be unlocked in three tranches after 36 months from the date of completion of the grant registration. Subject to the incentive participants' individual performance appraisal, the maximum percentage of unlocking for each tranche will be 30%, 20% and 50%, respectively. The stock source is the Company's A-shares ordinary shares repurchased from the secondary market.

Pursuant to the 2022 ESOP, the Company transferred 584,086 shares held in its special securities account for share repurchase to the special securities account for the 2022 ESOP through non-trade transfer, with an exercise price of RMB38.14 per share, on May 17, 2023. The restricted shares granted to the incentive participants will be unlocked in three tranches after 36 months from the date of completion of the grant registration. Subject to the incentive participants' individual performance appraisal, the maximum percentage of unlocking for each tranche will be 30%, 20% and 50%, respectively. The stock source is the Company's A-shares ordinary shares repurchased from the secondary market.

Pursuant to the 2025 ESOP, the Company transferred 1,800,000 shares held in its special securities account for share repurchase to the special securities account for the 2025 ESOP through non-trade transfer, with an exercise price of RMB24.97 per share, on October 28, 2025. Pursuant to the 2025 ESOP, the restricted shares granted to the incentive participants will be unlocked in three tranches after 36 months from the date of completion of the grant registration. Subject to the incentive participants' individual performance appraisal, the maximum percentage of unlocking for each tranche will be 30%, 20% and 50%, respectively. The stock source is the Company's A-shares ordinary shares repurchased from the secondary market.

Set out below are details of the movements of the outstanding number of employee stock ownership plan throughout the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
	'000	*RMB*	*'000*	*RMB*	*'000*	*RMB*
As at beginning of the year	1,065	10.08	1,649	16.26	1,862	12.67
Conversion of capital reserve into share capital	—	—	660	—	—	—
Granted	584	27.52	—	—	1,800	21.84
Vested	—	—	(447)	7.20	(297)	7.20
As at end of the year	1,649	16.26	1,862	12.67	3,365	13.28

Notes: The fair value of the restricted shares granted was determined based on the quoted market price of the Company's ordinary shares on the respective grant dates, which represent observable market prices in an active market.

37. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities during the Track Record Period are as follows:

	Borrowings	Bonds payable	Lease liabilities	Restricted stock repurchase obligation	Dividends payable
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	—	665,400	7,961	37,462	—
Cash flows	340,121	(6,788)	(3,718)	10,675	(139,595)
Interest expense	3,478	26,323	260	—	—
New leases or termination	—	—	329	—	—
Dividends declared to the shareholders of the Company	—	—	—	—	139,595
Conversion of convertible bonds into share *(Note 30)*	—	(684,935)	—	—	—
Vesting of restricted shares	—	—	—	(2,811)	—
Others	—	—	(2)	—	—
As at December 31, 2023 and January 1, 2024	343,599	—	4,830	45,326	—
Cash flows	(254,316)	(3,006)	(2,690)	—	(147,300)
Interest expense	9,990	—	160	—	—
New leases or termination	—	—	2,708	—	—
Dividends declared to the shareholders of the Company	—	—	—	—	147,300
Vesting of restricted shares	—	—	—	(10,461)	—
Others	—	3,006	45	—	—
As at December 31, 2024 and January 1, 2025	99,273	—	5,053	34,865	—
Cash flows	(24,753)	2,784,409	(4,204)	44,946	(211,649)
Interest expense	4,223	31,048	434	—	—
New leases or termination	—	—	13,709	—	—
Dividends declared to the shareholders of the Company	—	—	—	—	211,649
Recognised in equity instruments	—	(227,098)	—	—	—
Vesting of restricted shares	—	—	—	(4,474)	—
Others	—	5,242	—	(182)	—
As at December 31, 2025	78,743	2,593,601	14,992	75,155	—

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments, at cost	1,514,698	1,551,484	1,634,922

As at the date of this report, the Company's principal subsidiaries are as follows:

			Effective interest held by the Company								
			As at December 31,						As at the date of the report		
	Place of incorporation/	Registered share	2023		2024		2025				
Name of entity	operation	capital	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly	Principal activities
		('000)									
Wuhu Bethel Electronic Control Systems Co., Ltd. *(Note (c))*	PRC	RMB140,060	100.00%	—	100.00%	—	100.00%	—	100.00%	—	R&D, Manufacturing and sales of automotive components and parts
Weihai Bethel Automotive Safety Systems Co., Ltd. *(Note (b))*	PRC	RMB160,000	100.00%	—	100.00%	—	100.00%	—	100.00%	—	R&D, Manufacturing and sales of automotive components and parts
Suining Bethel Automotive Safety System Co., Ltd. *(Note (b))*	PRC	RMB50,000	100.00%	—	100.00%	—	100.00%	—	100.00%	—	Manufacturing and sales of automotive components and parts
WBTL DE SALTILLO, S.DE R.L.DE C.V. *(Note (c))*	Mexico	MXN1,207,299	70.00%	30.00%	70.00%	30.00%	70.00%	30.00%	70.00%	30.00%	Manufacturing and sales of automotive components and parts
Zhejiang Shuangli Automotive Intelligent Technology Co., Ltd. *(Note (b)(f))*	PRC	RMB90,000	—	65.00%	—	65.00%	—	65.00%	—	65.00%	Manufacturing and sales of automotive components and parts
Zhejiang Wanda Steering Gear Co., Ltd. *(Note (c) (e))*	PRC	RMB234,785	45.00%	—	45.00%	—	45.00%	—	45.00%	—	R&D, Manufacturing and sales of automotive components and parts
Wuhu Wanda Steering System Co., Ltd. *(Note (d) (e))*	PRC	RMB5,000	—	45.00%	—	45.00%	—	45.00%	—	45.00%	Manufacturing and sales of automotive components and parts

Notes:

(a) The English name of the subsidiaries with Chinese names represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) The financial statements of these subsidiaries for the years ended December 31, 2023, 2024 and 2025 were audited by RSM China CPA LLP.

(c) As at the date of this report, no audited financial statements of these entities for the years ended December 31, 2023, 2024 and 2025 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation.

(d) No audited financial statements of the subsidiary for the year ended December 31, 2023. The financial statements of the subsidiary for the years ended December 31, 2024 and 2025 were audited by RSM China CPA LLP.

(e) In April 2022, the Company obtained 45% equity interest in Zhejiang Wanda Steering Gear Co., Ltd. ("**Zhejiang Wanda**"), becoming its largest shareholder. As the Company has the right to nominate 3 out of 5 directors to the board of directors of Zhejiang Wanda, representing more than half of the board members, the Group has control over Zhejiang Wanda. As Wuhu Wanda Steering System Co., Ltd. ("**Wuhu Wanda**") is a wholly-owned subsidiary of Zhejiang Wanda, the Group has control over Wuhu Wanda.

(f) Zhejiang Shuangli Automotive Intelligent Technology Co., Ltd. is the subsidiary of Wuhu Bethel Electronic Control Systems Co., Ltd.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results during the Track Record Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

The subsidiaries of the Company are limited liability companies or limited partnerships. All subsidiaries have adopted December 31, as their financial year end date.

None of the subsidiaries had issued any debt securities during the Track Record Period.

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

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

	As at December 31		
	2023	**2024**	**2025**
	%	%	%
Percentage of equity interest held by non-controlling interests:			
Zhejiang Wanda Steering Gear Co., Ltd.	55.00	55.00	55.00

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to non-controlling interests:			
Zhejiang Wanda Steering Gear Co., Ltd.	25,430	27,193	6,070

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Accumulated balances of non-controlling interests:			
Zhejiang Wanda Steering Gear Co., Ltd.	350,140	371,833	377,903

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

Zhejiang Wanda Steering Gear Co.,Ltd.

	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets	1,059,911	863,573	900,768
Non-current assets	307,134	286,987	287,633
Current liabilities	(671,784)	(416,671)	(470,879)
Non-current liabilities	(60,884)	(60,463)	(33,759)
Net assets	634,377	673,426	683,763

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenues	1,030,268	1,032,219	927,966
Total costs and expenses	(984,208)	(983,169)	(917,630)
Profit for the year	46,060	49,050	10,336
Total comprehensive income for the year	46,060	49,050	10,336
Net cash flows generated from operating activities	169,354	(58,685)	152,504
Net cash flows used in investing activities	(75,845)	72,082	69,922
Net cash flows (used in)/generated from financing activities	(43,083)	(56,074)	69
Effect of foreign exchange rate changes, net	430	(279)	(279)
Net increase/(decrease) in cash and cash equivalents	50,856	(42,956)	222,216

40. COMMITMENTS

At the end of each year for the Track Record Period, the Group's capital commitments contracted but not provided for in the Historical Financial Information were as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for, net of deposits paid and prepayments			
— Property, plant and equipment	701,150	494,022	434,216
— Subscribed capital contribution	—	—	85,000
	701,150	494,022	519,216

41. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions during the Track Record Period:

(a) Relationships with related parties

Name of related party	Relationship with the Group
Wuhu Chery Technology Co., Ltd.	Shareholder of the Company
Chery Automobile Co., Ltd.	Shareholder of Wuhu Chery Technology Co., Ltd.
Wuhu Chery Automotive Parts Procurement Co., Ltd.	Subsidiary of Chery Automobile Co., Ltd.
Chery Automobile Henan Co., Ltd.	Subsidiary of Chery Holdings Group Co., Ltd. ("**Chery Holding**") *(Note)*
Chery New Energy Automotive Co., Ltd.	Subsidiary of Chery Automobile Co., Ltd.
Chery Commercial Vehicle (Anhui) Company Limited	Subsidiary of Chery Holding (Note)
Chery (Dalian) Auto Parts Industrial Park Co., Ltd.	Subsidiary of Wuhu Chery Technology Co., Ltd.
Wuhu Da Ao Automotive Intelligent Chassis Systems Co., Ltd. (Former name: Dao (Wuhu) Automotive Parts Co., Ltd.)	Associate of Wuhu Chery Technology Co., Ltd. (Subsidiary of Wuhu Chery Technology Co., Ltd. before December 31, 2024)
Wuhu Jietu Automobile Sales Co., Ltd. (Former name: Anhui Chery Commercial Vehicle Sales Co., Ltd.)	Subsidiary of Chery Automobile Co., Ltd.
Chery Wanda Guizhou Bus Co., Ltd.	Subsidiary of Chery Holding *(Note)*
South East (Fujian) Motor Co., Ltd.	Subsidiary of Chery Automobile Co., Ltd. (from April, 2024)
Dazhuo Intelligent Technology Co., Ltd.	Subsidiary of Chery Automobile Co., Ltd.
Chery Commercial Vehicle (Shandong) Technology Co., Ltd.	Subsidiary of Chery Holding *(Note)*
Anhui Zhijie New Energy Vehicle Co., Ltd.	Subsidiary of Chery Automobile Co., Ltd.
Anhui Chery Automobile Sales Co., Ltd.	Subsidiary of Chery Automobile Co., Ltd.
Yuan Yongbin	Chairperson of the Board

Note: Chery Holding was the controlling shareholder of Chery Automobile Co., Ltd. before January 20, 2025. In January 2025, a push-down restructuring was carried out by Chery Holding. Under the push-down restructuring, the shares of the Chery Automobile Co., Ltd. directly held by Chery Holding were allocated to the shareholders of Chery Holding on a pro rata basis. The push-down restructuring was completed on January 20, 2025. Upon completion of the push-down restructuring, Chery Holding no longer holds any shares in the Chery Automobile Co., Ltd., and became the fellow subsidiary company with Chery Automobile Co., Ltd..

(b) Transactions with related parties

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sales transactions:			
Wuhu Chery Automotive Parts Procurement Co., Ltd.	1,419,745	1,055,572	—
Chery Automobile Henan Co., Ltd.	22	377	861
Chery Automobile Co., Ltd.	964,014	2,518,830	3,934,123
Chery New Energy Automotive Co., Ltd.	71,082	301,194	221,630
Chery Commercial Vehicle (Anhui) Company Limited	58,737	3,129	852
Wuhu Da Ao Automotive Intelligent Chassis Systems Co., Ltd.(Former name: Dao (Wuhu) Automotive Parts Co., Ltd.)	33,288	52,726	71,749
Wuhu Chery Technology Co., Ltd.	236,128	56,763	—
South East (Fujian) Motor Co., Ltd.	—	322,371	268,549
Dazhuo Intelligent Technology Co., Ltd.	—	37,929	26,183
Chery Commercial Vehicle (Shandong) Technology Co., Ltd.	—	—	3,174
Anhui Zhijie New Energy Vehicle Co., Ltd.	—	—	121,589
	2,783,016	4,348,891	4,648,710
Rendering of research and development services:			
Chery Automobile Co., Ltd.	12,179	42,187	20,789
Chery New Energy Automotive Co., Ltd.	8,500	2,900	3,600
Chery Commercial Vehicle (Anhui) Company Limited	5,303	1,152	1,942
	25,982	46,239	26,331

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Procurement transactions:			
Chery Automobile Co., Ltd.	4,825	9,226	56,412
Chery Automobile Henan Co., Ltd.	166	30	—
Chery Commercial Vehicle (Anhui) Company Limited	26	111	—
Wuhu Chery Automotive Parts Procurement Co., Ltd.	2,165	2,721	—
Chery New Energy Automotive Co., Ltd.	617	546	268
Chery (Dalian) Auto Parts Industrial Park Co., Ltd.	—	141	1,679
South East (Fujian) Motor Co., Ltd.	—	—	683
	7,799	12,775	59,042
Leases expenses:			
Chery (Dalian) Auto Parts Industrial Park Co., Ltd.	—	46	117
	—	46	117

(c) Balances with related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables:			
Wuhu Chery Automotive Parts Procurement Co., Ltd.	397,286	186,835	—
Wuhu Chery Technology Co., Ltd.	59,243	6,887	738
Chery Commercial Vehicle (Anhui) Company Limited	33,136	5,449	3,820
Chery New Energy Automotive Co., Ltd.	62,959	103,381	65,553
Chery Automobile Co., Ltd.	297,708	1,008,371	971,623
Chery Automobile Henan Co., Ltd.	115	102	105
Wuhu Da Ao Automotive Intelligent Chassis Systems Co., Ltd. (Former name:Dao (Wuhu) Automotive Parts Co., Ltd.)	17,379	39,624	33,140
Chery Wanda Guizhou Bus Co., Ltd.	—	—	—
South East (Fujian) Motor Co., Ltd.	—	70,071	90,511
Dazhuo Intelligent Technology Co., Ltd.	—	34,247	1,794
Anhui Zhijie New Energy Vehicle Co., Ltd.	—	—	62,739
Chery Commercial Vehicle (Shandong) Technology Co., Ltd.	—	—	3,427
	867,826	1,454,967	1,233,450

Note: The balances were trade in nature.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Notes receivables:			
Wuhu Chery Automotive Parts Procurement Co., Ltd.	209,427	172,968	—
Chery Commercial Vehicle (Anhui) Company Limited	32,890	197	—
Chery New Energy Automotive Co., Ltd.	10,786	60,364	26,217
Chery Automobile Co., Ltd.	43,805	266,010	199,361
Chery Automobile Henan Co., Ltd.	633	802	—
Wuhu Jietu Automobile Sales Co., Ltd.(Former name: Anhui Chery Commercial Vehicle Sales Co., Ltd.)	—	73,771	—
South East (Fujian) Motor Co., Ltd.	—	—	8,934
	297,541	574,112	234,512

Note: The balances were trade in nature.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Notes receivables measured at FVTOCI:			
Anhui Chery Automobile Sales Co., Ltd.	—	—	698,912
Chery Automobile Co., Ltd.	—	—	320
	—	—	699,232

Note: The balances were trade in nature.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets:			
Chery (Dalian) Auto Parts Industrial Park Co., Ltd.	—	223	320
Chery Automobile Co., Ltd.	—	—	3
Yuan Yongbin	—	14	—
	—	237	323

Note: The balances in non-trade nature were approximately nil, RMB14,000 and nil, respectively as of December 31, 2023, 2024 and 2025. The remaining balances were trade in nature.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables:			
Chery Automobile Co., Ltd.	240	147	272
South East (Fujian) Motor Co., Ltd.	—	444	—
Chery (Dalian) Auto Parts Industrial Park Co., Ltd.	—	30	23
Chery Automobile Henan Co., Ltd.	1	—	—
	241	621	295

Note: The balances were trade in nature.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities:			
Chery Automobile Henan Co., Ltd.	—	514	—
Wuhu Chery Technology Co., Ltd.	—	12	6
Chery Automobile Co., Ltd.	—	52	6,818
Chery New Energy Automotive Co., Ltd.	—	29	—
South East (Fujian) Motor Co., Ltd.	—	—	14,035
Chery Commercial Vehicle (Anhui) Company Limited	—	—	7
	—	607	20,866

Note: The balances were trade in nature.

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	600	755	838
Salaries, allowances, bonuses and benefits in kind	11,474	8,865	7,793
Retirement scheme contributions	194	196	208
Share-based payment expenses	96	60	21
Total compensation of key management personnel	12,364	9,876	8,860

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each financial instrument as at the end of each year for the reporting period are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortised cost			
— Trade and notes receivables	2,646,126	4,135,697	3,908,601
— Other receivables	12,495	15,147	23,214
— Restricted bank deposits	86,717	49,724	14,621
— Time deposits	—	—	634,545
— Cash at bank and on hand	2,252,827	2,135,307	1,767,075
Financial assets at FVTPL			
— Bank WMPs and structured deposits	213,744	92,841	420,838
— Unlisted equity instruments	—	100,000	165,993
— Listed equity instruments	899	721	—
— Fund products	—	—	1,789,301
— Income certificates	—	—	301,994
Financial assets at FVTOCI			
— Notes receivables measured at FVTOCI	1,300,431	1,098,797	2,108,214
— Unlisted equity instruments	60,231	72,633	84,137
	6,573,470	7,700,867	11,218,533
Financial liabilities			
Financial liabilities measured at amortised cost			
— Financial liabilities included in trade, notes and other payables	3,822,183	5,002,990	5,427,110
— Bonds payable	—	—	2,593,601
— Borrowings	343,599	99,273	78,743
— Lease liabilities	4,830	5,053	14,992
	4,170,612	5,107,316	8,114,446

43. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3 : significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2023, 2024 and 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, significant unobservable inputs) (Level 3).

(a) Fair value hierarchy

As at December 31, 2023, 2024 and 2025, the financial assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets at FVTPL				
— Listed equity instruments	899	—	—	899
— Bank WMPs and structured deposits	—	213,744	—	213,744
Financial assets at FVTOCI				
— Unlisted equity instruments	—	—	60,231	60,231
— Notes receivables measured at FVTOCI	—	—	1,300,431	1,300,431
	899	213,744	1,360,662	1,575,305
As at December 31, 2024				
Financial assets at FVTPL				
— Listed equity instruments	721	—	—	721
— Bank WMPs and structured deposits	—	92,841	—	92,841
— Unlisted equity instruments	—	—	100,000	100,000
Financial assets at FVTOCI				
— Unlisted equity instruments	—	—	72,633	72,633
— Notes receivables measured at FVTOCI	—	—	1,098,797	1,098,797
	721	92,841	1,271,430	1,364,992

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025				
Financial assets at FVTPL				
— Bank WMPs and structured deposits	—	420,838	—	420,838
— Fund products	—	1,789,301	—	1,789,301
— Income certificates	—	301,994	—	301,994
— Unlisted equity instruments	—	—	165,993	165,993
Financial assets at FVTOCI				
— Unlisted equity instruments	—	—	84,137	84,137
— Notes receivables measured at FVTOCI	—	—	2,108,214	2,108,214
	—	2,512,133	2,358,344	4,870,477

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price, and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly include discounted cash flow approach and market approach. The inputs of the valuation technique mainly include net assets value, recent transaction price, discount for lack of marketability and discount rate.

Assets subject to Level 3 fair value measurement mainly included notes receivables measured at FVTOCI, equity investments in unlisted entities at FVTPL and FVTOCI. These assets and liabilities were measured mainly using discounted cash flow approach and market approach. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value.

During the Track Record Period, there was no transfer between Level 1 and Level 2 and between Level 2 and Level 3.

The quantitative information of fair value measurements as at December 31, 2023, 2024 and 2025 for Level 3 is as follows:

	Fair value hierarchy	As at December 31, 2023	2024	2025	Valuation technique and key input(s)	Impact of significant unobservable input(s)	Range of inputs	Sensitivity of fair value to the input
		RMB'000	*RMB'000*	*RMB'000*				
Financial assets at FVTPL								
— Unlisted equity instruments — Shanghai Volant	Level 3	—	—	50,000	Market approach, recent transaction price	The higher the recent transaction price, the higher the fair value	N/A	N/A
— Unlisted equity instruments — Changan Kaicheng	Level 3	—	100,000	115,993	Market approach, recent transaction price; Market approach, discount for lack of marketability	The higher the recent transaction price, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value	N/A; 25.65%	N/A; A 10% increase or decrease in the discount for lack of marketability as at December 31, 2025 would result in a corresponding decrease or increase in the fair value of such assets by RMB4,002,000.
Financial assets at FVTOCI								
— Unlisted equity instruments	Level 3	60,231	72,633	84,137	Adjusted net asset value	The higher the adjusted net asset value of the underlying investments, the higher the fair value	N/A	N/A
— Notes receivables measured at FVTOCI	Level 3	1,300,431	1,098,797	2,108,214	Discounted cash flow	The higher the discounted rate, the lower the fair value	0.29%-2.4%	A 10% increase or decrease in the discount rate as at December 31, 2023, 2024 and 2025 would result in a corresponding decrease or increase in the fair value of such assets by RMB430,000/RMB431,000, RMB372,000/RMB373,000 and RMB420,000/RMB420,000, respectively.
		1,360,662	1,271,430	2,358,344				

(c) Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity instruments at FVTPL	Notes receivables measured at FVTOCI	Unlisted equity instruments at FVTOCI
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	—	811,502	65,852
Acquisitions	—	4,165,616	—
Disposals/Settlements	—	(3,676,687)	(13,800)
Fair value gains	—	—	8,179
As at December 31, 2023	—	1,300,431	60,231
As at January 1, 2024	—	1,300,431	60,231
Additions	100,000	5,874,226	30,000
Disposals/Settlements	—	(6,075,860)	(3,300)
Fair value losses	—	—	(14,298)
As at December 31, 2024	100,000	1,098,797	72,633
As at January 1, 2025	100,000	1,098,797	72,633
Additions	50,000	9,614,999	—
Disposals/Settlements	—	(8,605,582)	(187)
Fair value gains	15,993	—	11,691
As at December 31, 2025	165,993	2,108,214	84,137

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial instruments of the Group mainly comprise cash at bank and on hand, time deposits, restricted bank deposits, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, borrowings and bonds payable, the main purpose of which is to support for the operations of the Group. The Group has various other financial assets and liabilities such as trade, notes and other receivables, trade, notes and other payables, which arise directly from its operations.

The risks of the Group's financial instruments are mainly arising from foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2023, 2024 and 2025, the Group's major monetary assets and liabilities exposed to foreign currency risk are listed below:

	USD	EUR	MXN
	RMB'000	*RMB'000*	*RMB'000*
As at December 31, 2023			
Assets	225,410	1,507	270
Liabilities	(25,094)	(35,611)	—
Net exposure	200,316	(34,104)	270

	USD	EUR	MXN
	RMB'000	*RMB'000*	*RMB'000*
As at December 31, 2024			
Assets	283,960	9,770	1,898
Liabilities	(163,077)	(5,806)	(8,864)
Net exposure	120,883	3,964	(6,966)
As at December 31, 2025			
Assets	1,445,747	52,924	3,272
Liabilities	(1,016,611)	(44,850)	(15,443)
Net exposure	429,136	8,074	(12,171)

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in RMB against USD, EUR, and MXN. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding USD, EUR, and MXN denominated monetary items and adjusts their translation at the end of each year for the Track Record Period for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit before income tax where RMB strengthen 10% against USD, EUR, and MXN. For a 10% weakening of RMB against USD, EUR and MXN, there would be an equal and opposite impact on the profit before income tax and the amounts below would be positive.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
USD	(20,032)	(12,088)	(42,914)
EUR	3,410	(396)	(807)
MXN	(27)	697	1,217

Price risk

The Group is exposed to equity price risk mainly arising from listed equity instruments held by the Group that are classified as FVTPL. To manage its price risk arising from the listed equity instruments, the Group diversifies its investment portfolio. The investments are made for strategic purposes. Each investment is managed by management of the Group on a case-by-case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of financial assets at FVTPL at the end of each reporting period. If prices of the respective listed instruments held by the Group had increased/decreased by 10% as at December 31, 2023, 2024 and 2025, with all other variable held constant, pre-tax profit would increase/decrease by approximately RMB90,000, RMB72,000 and nil, respectively, as a result of gains/losses on listed equity instruments classified as FVTPL.

Interest rate risk

The Group's interest rate risk primarily arises from long-term interest-bearing borrowings with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

The following tables list out the interest rate profiles of the Group's variables interest-bearing financial instruments as at December 31, 2023, 2024 and 2025:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Floating rate instruments			
— Borrowings	59,395	59,468	49,735

The benchmark rates of floating rate borrowings were 1-year Loan Prime Rate ("**LPR**") as at December 31, 2023, 2024 and 2025. The interest rates of floating rate borrowings as at December 31, 2023, 2024 and 2025 was 3.20%, 3.00% and 2.65%, respectively. If interest rates of floating rate instruments had been 100 basis points higher/lower with all other variables held constant, the profit before income tax would be lower/higher by approximately RMB408,000, RMB594,000 and RMB495,000 as at December 31, 2023, 2024 and 2025, respectively.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The Group's maximum exposure to credit risk is represented by cash at bank and on hand, time deposits, restricted bank deposits, trade receivables, notes receivables and other receivables, as disclosed in Note 42 to the Historical Financial Information. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group has concentration of credit risk as 41.72%, 47.54% and 35.12% of the total trade and notes receivables was due from the Group's largest customer as at December 31, 2023, 2024 and 2025, respectively. The Group has concentration of credit risk as 72.36%, 76.76% and 69.52% of the total trade and notes receivables was due from the Group's five largest customers as at December 31, 2023, 2024 and 2025, respectively.

As at December 31, 2023, 2024 and 2025, The Group has no other credit risk other than financial assets whose carrying amounts best represent the maximum exposure to credit risk.

(a) Cash at bank and on hand, time deposits and restricted bank deposits

To manage risk arising from cash at bank and on hand, time deposits and restricted cash, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Cash at bank and on hand and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Trade receivables, notes receivables and notes receivables measured at FVOCI

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and ageing.

The expected loss rates are determined by reference to the credit rating analysis of respective customers and external data or based on the payment profiles of sales over a period before the respective period ends and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") and inflation rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that there will be difficulty in recovering the amounts of the receivables partially or entirely and has recognised impairment losses.

The Group's trade receivables as described in Note 21 mainly represented receivables received from the sales of goods to customers.

Trade and notes receivables

Except for trade and notes receivables assessed for credit risk on an individual basis, the Group groups its trade and notes receivables portfolios based on common credit risk characteristics.

As at December 31, 2023, 2024 and 2025, the allowance for impairment for the trade and notes receivables were determined as follows:

	Gross carrying amount	Allowance for impairment	Expected loss rate
	RMB'000	*RMB'000*	*%*
As at 31 December 2023			
Assessed based on common credit risk.	2,783,502	139,453	5.01
Assessed individually	157,542	155,465	98.68
	2,941,044	294,918	10.03
As at 31 December 2024			
Assessed based on common credit risk.	4,351,365	219,784	5.05
Assessed individually	160,585	156,469	97.44
	4,511,950	376,253	8.34
As at 31 December 2025			
Assessed based on common credit risk	4,116,043	207,442	5.04
Assessed individually	160,838	160,838	100.00
	4,276,881	368,280	8.61

Notes receivables measured at FVTOCI

All of notes receivables measured at FVTOCI were issued by banks. Notes receivables measured at FVTOCI are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Accordingly, the impairment provision is immaterial.

Other receivables

Over the term of other receivables, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. To assess whether there is a significant increase in credit risk in other receivables, the Group compares the risk of a default occurring on the financial assets at the end of each year for the Track Record Period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available).
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, other receivables from related parties were settled within 12 months after upon maturity, hence the ECL is minimal. The impairment on other receivables as stated in Note 22 to the Historical Financial Information, which were accounted for as at amortised cost is measured as either 12-month ECL or lifetime ECL. On such basis, the following table sets forth the impairment for other receivables as at December 31, 2023, 2024 and 2025, the balances of other receivables are classified as Stage 1 without any significant increase in credit risk tracked since initial recognition:

	Gross carrying amount	Allowance for impairment	Expected loss rate
	RMB'000	*RMB'000*	*%*
As at December 31, 2023			
Other receivables	16,045	(3,550)	22.13
As at December 31, 2024			
Other receivables	20,084	(4,937)	24.58
As at 31 December 2025			
Other receivables	27,241	(4,027)	14.78

Liquidity risk

The Group aims to maintain sufficient cash at bank and on hand. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period since the end of each year for the Track Record Period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows or the carrying amount of the financial liabilities to be delivered.

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023					
Financial liabilities included in trade, notes and other payables	3,700,693	—	50,160	71,330	3,822,183
Borrowings	286,033	11,466	20,937	30,331	348,767
Lease liabilities	2,643	2,398	—	—	5,041
	3,989,369	13,864	71,097	101,661	4,175,991
As at December 31, 2024					
Financial liabilities included in trade, notes and other payables	4,881,500	50,160	—	71,330	5,002,990
Borrowings	31,699	23,287	33,740	14,929	103,655
Lease liabilities	3,281	588	588	882	5,339
	4,916,480	74,035	34,328	87,141	5,111,984
As at December 31, 2025					
Financial liabilities included in trade, notes and other payables	5,354,764	—	16,000	56,346	5,427,110
Borrowings	32,522	33,706	14,929	—	81,157
Lease liabilities	3,946	3,922	3,794	4,715	16,377
Bonds payable	2,802	8,406	16,812	3,152,250	3,180,270
	5,394,034	46,034	51,535	3,213,311	8,704,914

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern by pricing services commensurately with the level of risk so that it can continue to provide returns and benefits to the shareholders and other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there are no changes in capital management objectives, policies or procedures.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	10,746,749	12,786,037	17,275,682
Total liabilities	4,692,941	5,845,773	8,860,962
Liability-to-asset ratio	43.67%	45.72%	51.29%

45. CONTINGENT LIABILITY

As of December 31, 2023, 2024 and 2025, the Group has no significant outstanding litigation or contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

46. EVENT AFTER THE END OF THE REPORTING PERIOD

(i) On February 25, 2026 and April 28, 2026, the Company entered into a share transfer agreement and a supplemental agreement with the four existing shareholders of Yubei Steering System (Xinxiang) Co., Ltd. ("**Yubei Steering**"), pursuant to which each of the four existing shareholders (all being Independent Third Parties) of Yubei Steering conditionally agreed to transfer and the Company conditionally agreed to acquire 30.4365%, 15.0817%, 3.6364% and 1.8182% equity interest in Yubei Steering, respectively (the "**Acquisition**") at a consideration of RMB669,602,185, RMB331,797,815, RMB80,000,000 and RMB40,000,000, respectively. As of the date of this report, the Acquisition has not been completed. Upon completion, Yubei Steering will be owned as to 50.9727% by the Company and become a non-wholly-owned subsidiary of the Group.

(ii) Pursuant to the profit distribution proposal for the year ended December 31, 2025 approved by the shareholders at the Annual General Meeting held on April 20, 2026, the Company will distribute a cash dividend of RMB3.8 (tax inclusive) per 10 shares of the Company. Based on the Company's issued share capital of 606,513,139 shares as at April 30, 2026, the total cash dividend payable is approximately RMB230,475,000. In addition, the Company will capitalise its capital reserve by way of a bonus issue of 4.8 new shares for every 10 existing shares held by the shareholders (the "**Capitalisation**"). Based on the Company's issued share capital of 606,513,139 shares as at April 30, 2026, the issued share capital of the Company will increase to 897,639,446 shares upon completion of the capitalisation.

Other than the events disclosed above and in Note 17, the Group has no other significant event subsequent to December 31, 2025.

III. SUBSEQUENT FINANCIAL STATEMENTS

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