ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YANGZHOU NANOPORE INNOVATIVE MATERIALS TECHNOLOGY CO., LTD AND BNP PARIBAS SECURITIES (ASIA) LIMITED

Introduction

We report on the historical financial information of Yangzhou Nanopore Innovative Materials Technology Co., Ltd. (formerly known as Yangzhou Nanopore Innovative Materials Technology Limited) (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-77, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-77 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the initial **[REDACTED]** of the shares of the Company on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

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

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

Adjustments

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

Dividends

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

Certified Public Accountants
Hong Kong
[•]

HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	21,946	257,983	578,626
Cost of sales		(30,742)	(320,905)	(628,287)
Gross loss		(8,796)	(62,922)	(49,661)
Other income and gains	*5*	9,321	6,739	8,095
Other expenses	*6*	—	—	(1,017)
Selling expenses		(13,040)	(20,209)	(22,873)
Administrative expenses		(115,971)	(51,706)	(102,015)
Research and development expenses		(66,238)	(93,618)	(146,579)
Impairment of financial assets	*16*	—	(2,832)	(4,772)
Finance costs	*7*	(16,010)	(19,079)	(17,410)
LOSS BEFORE TAX	*6*	(210,734)	(243,627)	(336,232)
Income tax credit/(expense)	*10*	929	518	(318)
LOSS FOR THE YEAR		(209,805)	(243,109)	(336,550)
Attributable to:				
Owners of the Company		(209,805)	(243,109)	(336,550)
OTHER COMPREHENSIVE LOSS				
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		—	(64)	(276)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		—	(64)	(276)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(209,805)	(243,173)	(336,826)
Attributable to:				
Owners of the Company		(209,805)	(243,173)	(336,826)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY				
Basic and diluted (RMB)	*12*	(1.05)	(1.08)	(1.22)

For the details of Pre-**[REDACTED]** Investments, please refer to note 24 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	469,381	687,760	694,179
Right-of-use assets	*14*	93,339	86,090	78,841
Prepayments and deposits	*17*	75,370	44,310	173,033
Deferred tax assets	*23*	2,250	2,768	2,450
Total non-current assets		640,340	820,928	948,503
CURRENT ASSETS				
Inventories	*15*	32,733	101,566	139,416
Trade and bills receivables	*16*	18,712	167,272	263,724
Prepayments, deposits and other receivables	*17*	56,804	68,360	95,931
Financial assets at fair value through profit or loss	*18*	230,100	—	150,523
Pledged deposits	*19*	29,000	7,851	20,347
Cash and cash equivalents	*19*	219,655	153,187	326,049
Total current assets		587,004	498,236	995,990
CURRENT LIABILITIES				
Trade and bills payables	*20*	31,231	92,908	236,690
Other payables and accruals	*21*	129,567	180,218	158,607
Interest-bearing bank and other borrowings	*22*	5,000	56,000	25,564
Lease liabilities	*14*	5,463	5,501	7,268
Total current liabilities		171,261	334,627	428,129
NET CURRENT ASSETS		415,743	163,609	567,861
TOTAL ASSETS LESS CURRENT LIABILITIES		1,056,083	984,537	1,516,364
NON-CURRENT LIABILITIES				
Other payables	*21*	12,578	49,929	111,714
Interest-bearing bank and other borrowings	*22*	134,000	132,000	—
Lease liabilities	*14*	92,029	87,814	83,109
Total non-current liabilities		238,607	269,743	194,823
Net assets		817,476	714,794	1,321,541
EQUITY				
Equity attributable to owners of the Company				
Paid-in capital/Share capital	*24*	221,880	232,940	322,140
Reserves	*25*	595,596	481,854	999,401
Total equity		817,476	714,794	1,321,541

For the details of Pre-**[REDACTED]** investments, please refer to note 24 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Paid-in capital	Capital reserve*	Share reward reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000 *(Note 24)*	*RMB'000* *(Note 25)*	*RMB'000* *(Note 26)*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
At 1 January 2023	160,147	296,659	—	—	(44,384)	412,422
Loss and total comprehensive loss for the year	—	—	—	—	(209,805)	(209,805)
Capital contribution by shareholders	61,733	486,663	—	—	—	548,396
Equity-settled share-based payment *(note 26)*	—	—	66,463	—	—	66,463
At 31 December 2023	221,880	783,322	66,463	—	(254,189)	817,476
Year ended 31 December 2024						
At 1 January 2024	221,880	783,322	66,463	—	(254,189)	817,476
Loss for the year	—	—	—	—	(243,109)	(243,109)
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	—	—	—	(64)	—	(64)
Total comprehensive loss for the year	—	—	—	(64)	(243,109)	(243,173)
Capital contribution by shareholders	11,060	129,431	—	—	—	140,491
At 31 December 2024	232,940	912,753	66,463	(64)	(497,298)	714,794

	Attributable to owners of the Company						
	Share capital	Paid-in capital	Capital reserve*	Share reward reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000 *(Note 24)*	*RMB'000* *(Note 24)*	*RMB'000* *(Note 25)*	*RMB'000* *(Note 26)*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025							
At 1 January 2025	—	232,940	912,753	66,463	(64)	(497,298)	714,794
Loss for the year	—	—	—	—	—	(336,550)	(336,550)
Other comprehensive loss for the year:							
Exchange differences on translation of foreign operations	—	—	—	—	(276)	—	(276)
Total comprehensive loss for the year	—	—	—	—	(276)	(336,550)	(336,826)
Capital contribution by shareholders	—	79,382	678,562	—	—	—	757,944
Conversion of Convertible Bond *(note 24(e))*	—	9,818	140,327	—	—	—	150,145
Equity-settled share-based payment *(note 26)*	—	—	—	35,484	—	—	35,484
Conversion into a joint stock company *(note 24(f))*	322,140	(322,140)	(490,220)	—	—	490,220	—
At 31 December 2025	322,140	—	1,241,422	101,947	(340)	(343,628)	1,321,541

* These reserve amounts comprise the consolidated reserves of RMB595,596,000, RMB481,854,000 and RMB999,401,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(210,734)	(243,627)	(336,232)
Adjustments for:				
Finance costs	7	16,010	19,079	17,410
Interest income	5	(1,481)	(1,294)	(1,273)
Investment income from financial assets at FVTPL	5	(4,526)	(3,071)	(879)
Fair value gain on financial assets at FVTPL	5	—	—	(601)
Loss/(gain) on disposal of items of property, plant and equipment	6	—	(46)	47
Depreciation of right-of-use assets	6	6,879	7,249	7,249
Depreciation of property, plant and equipment	6	17,996	37,216	59,219
Share-based payment expenses	6	66,463	—	35,484
Impairment of trade receivables	6	—	2,832	4,772
Write-down of inventories	6	—	8,474	5,279
Government grants and subsidies	5	(2,632)	(1,522)	(5,003)
		(112,025)	(174,710)	(214,528)
Increase in inventories		(30,482)	(77,307)	(43,129)
Increase in trade and bills receivables		(17,178)	(151,392)	(334,064)
Increase in prepayments, deposits and other receivables		(40,183)	(10,531)	(43,566)
Increase in trade and bills payables		29,814	61,677	298,591
Increase in other payables and accruals		5,268	14,064	47,849
Placement of pledged deposits		—	—	(23,706)
Withdrawal of pledged deposits		—	—	15,488
Net cash flows used in operating activities		(164,786)	(338,199)	(297,065)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		1,481	1,294	1,273
Purchases of items of property, plant and equipment		(221,843)	(190,222)	(161,513)
Proceeds from disposal of items of property, plant and equipment		—	88	128
Purchases of financial assets at FVTPL		(1,793,000)	(1,255,000)	(1,229,320)
Proceeds from disposal of financial assets at fair value through profit or loss		1,567,426	1,488,171	1,080,277
Placement of pledged deposits		(29,000)	—	(44,623)
Withdrawal of pledged deposits		—	21,149	40,345
Net cash flows from/(used in) investing activities		(474,936)	65,480	(313,433)

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from contribution by shareholders		548,396	140,491	757,944
New bank and other borrowings	*27(b)*	79,000	54,000	43,144
Repayment of bank and other borrowings	*27(b)*	—	(5,000)	(65,435)
Interest paid		(19,610)	(19,004)	(17,349)
Proceeds from government grants	*27(b)*	15,414	40,005	70,736
Principal portion of lease payments	*27(b)*	(941)	(4,177)	(2,938)
Increase in prepayments, deposits and other receivables		—	—	(2,466)
Net cash flows from financing activities		622,259	206,315	783,636
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(17,463)	(66,404)	173,138
Cash and cash equivalents at beginning of year		237,118	219,655	153,187
Effect of foreign exchange rate changes, net		—	(64)	(276)
CASH AND CASH EQUIVALENTS AT END OF YEAR		219,655	153,187	326,049
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	*19*	219,655	153,187	326,049

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investments in subsidiaries	*1*	100,000	107,788	108,284
Property, plant and equipment	*13*	315,179	368,095	387,603
Right-of-use assets	*14*	58,062	55,033	52,004
Prepayments	*17*	42,068	39,848	146,857
Deferred tax assets	*23*	1,700	2,128	1,708
Total non-current assets		517,009	572,892	696,456
CURRENT ASSETS				
Inventories	*15*	2,795	49,878	64,239
Trade and bills receivables	*16*	1,695	148,036	395,165
Prepayments, deposits and other receivables	*17*	239,865	520,518	597,743
Financial assets at fair value through profit or loss	*18*	230,000	—	150,523
Pledged deposits	*19*	—	—	20,347
Cash and cash equivalents	*19*	212,877	123,867	300,786
Total current assets		687,232	842,299	1,528,803
CURRENT LIABILITIES				
Trade and bills payables	*20*	6,070	142,438	358,396
Other payables and accruals	*21*	95,049	115,286	120,401
Interest-bearing bank and other borrowings	*22*	2,000	51,000	18,000
Lease liabilities	*14*	2,602	2,724	4,143
Total current liabilities		105,721	311,448	500,940
NET CURRENT ASSET		581,511	530,851	1,027,863
TOTAL ASSETS LESS CURRENT LIABILITIES		1,098,520	1,103,743	1,724,319
NON-CURRENT LIABILITIES				
Other payables	*21*	10,518	43,982	90,886
Interest-bearing bank and other borrowings	*22*	134,000	132,000	—
Lease liabilities	*14*	62,260	60,822	59,250
Total non-current liabilities		206,778	236,804	150,136
Net assets		891,742	866,939	1,574,183
EQUITY				
Paid-in capital/Share capital	*24*	221,880	232,940	322,140
Reserves	*25*	669,862	633,999	1,252,043
Total equity		891,742	866,939	1,574,183

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was established in the People's Republic of China (the "**PRC**") on 7 January 2022 as a limited liability company and on 20 November 2025, it was converted into a joint stock company with limited liability under the Company Law of the PRC (further details of which are set out in note 24(f) to the Historical Financial Information). The registered office of the Company is located at No. 168 Pujiang East Road, Xiannv Town, Jiangdu District, Yangzhou, the PRC.

During the Relevant Periods, the Group was principally engaged in research and development, design, manufacturing and sales of advanced functional current collectors and related byproducts, and the provision of related technology solutions.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of establishment/ incorporation and place of operation	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Principal activities
Jiangyin Nanopore Innovative Materials Technology Co., Ltd. ("**Jiangyin Nanopore**") *(notes (a, c))* 江陰納力新材料科技有限公司	PRC/Chinese Mainland, 26 January 2021	RMB100,000,000	100%	Research and development design, manufacturing and sales of advanced functional current collectors, and the provision of related technology solutions
Nanopore USA Business Development, LLC *(note (b))*	The United States of America 31 August 2023	United States dollar ("**USD**") 1,350,000	100%	Dormant
Nanopore Japan Co., Ltd. *(note (b))*	Japan, 30 September 2024	Japanese Yen ("**JPY**") 18,000,000	100%	Sales of advanced functional current collectors
Nanopore Korea Co., Ltd. *(note (b))*	Republic of Korea, 4 October 2024	South Korean Won ("**KWR**") 192,000,000	100%	Dormant
Nanopore Innovative Materials Technology (Hong Kong) Limited *(note (b))*	Hong Kong 26 August 2025	Hong Kong Dollar ("**HKD**") 10,000,000	100%	Dormant
Beijing Nali New Materials Technology Co., Ltd *(notes (b, c))* 北京納力新材料技有限公司	PRC/Chinese Mainland, 3 December 2025	RMB5,000,000	100%	Research and development, and the provision of technology solutions

Notes:

(a) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025, prepared under PRC Generally Accepted Accounting Principles were audited by Shanghai Heng Ding Certificated Public Accountants, Wuxi Hengyuan Certified Public Accountants (General Partnership) and Zhonghui Certified Public Accountants LLP, certified public accountants registered in the PRC, respectively.

(b) As at the date of this report, no audited financial statements have been prepared for these entities, as these entities are not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation/registration.

(c) The English names of these entities represent the best effort made by the directors of the Company (the "**Directors**") to translate their Chinese names as they have not been registered with any official English name.

The Company

The carrying amount of the Company's investments in subsidiaries is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investments, at cost	100,000	107,788	108,284

2.1 BASIS OF PREPARATION

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

The Historical Financial Information has been prepared under the historical cost convention except for unlisted investments at fair value through profit or loss and bills receivables, which have been measured at fair value at the end of each of the Relevant Periods.

For capital subscribed by Pre-**[REDACTED]** investors, pursuant to the supplemental agreements entered into between the Company and the Pre-**[REDACTED]** investors in relation to the termination of certain special rights granted by the Company, including redemption rights, liquidation preferences and anti-dilution rights, which are *void ab initio* as described in note 24(g) to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the Pre-**[REDACTED]** investments as equity throughout the Relevant Periods. Further details of financial impacts of the arrangements are included in note 24(g) to the Historical Financial Information.

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

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

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

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended standards upon **[REDACTED]**. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. IFRS 18 and the consequential amendments to other standards are effective for annual periods beginning on or after 1 January

2027 with earlier application permitted. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements. So far, the Group has expected that the other new and amended standards may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position in the period of **[REDACTED]**.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

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

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

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful lives as follows:

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Machinery, electronic equipment and others	9.5% to 31.67%
Furniture and fixtures	31.67%
Computer software	19% to 31.67%
Motor vehicles	23.75%

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

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

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

Research and development expenses

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. 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:

Offices and factory premises	9 to 21 years

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

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes wealth management products and structured deposits held for trading purpose. Investment income (including interest income) on these assets is recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

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

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

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

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

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

Simplified approach

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

Classification as equity and financial liabilities

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as at amortised cost, or at fair value through profit or loss as appropriate.

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

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

Subsequent measurement

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

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Provisions

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

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

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

Income tax

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

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

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Sale of products

Revenue from the sales of products is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the products in accordance with the contracts, and when the customers confirmed the acceptance of the products.

Some contracts for the sale of products provide customers with rights of return and warranty provisions, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Provision of technology solutions

Revenue from the provision of technology solutions is recognised only upon the completion of the services and there is no unfulfilled obligation that could affect the buyer's acceptance of the result. Before that, the counterparty had no right to receive and consume the benefits of the technology solutions.

Other income

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

Contract liabilities

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

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each of the reporting periods.

Share-based payments

The Group operates two share award schemes. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an independent professionally qualified valuer using the backsolve method.

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

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

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

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

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

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

Borrowing costs

Unless the borrowing costs are qualified for capitalisation, other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

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

Foreign currencies

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

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

Estimation uncertainty

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

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each of the Relevant Periods and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of the relevant industry. Management estimates the net realisable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each of the Relevant Periods. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Provision for expected credit losses ("ECLs") on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 16 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

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

Recognition of share-based payment expenses

The Group makes the best estimate of the number of equity instruments to be finally vested at the end of each reporting period. Share-based payment expenses are recognised based on the fair value on the grant date and the estimated number of equity instruments that will be vested. The fair value is determined by an independent professionally qualified valuer using the backsolve method. Further details are contained in note 26 to the Historical Financial Information.

Impairment of non-financial assets

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

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sales of advanced functional current collectors and related byproducts, and the provision of technology solutions and only has one reportable operating segment.

The information reported to the Directors, who are the chief operating decision makers, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no further operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Geographical markets			
Chinese Mainland	21,611	248,673	459,318
European Union	—	7,735	29,969
Asia-Pacific (excluding Chinese Mainland)	204	1,232	89,019
United States of America	131	343	312
United Kingdom	—	—	8
Total	21,946	257,983	578,626

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

(b) Non-current assets

All of the Group's non-current assets are located in Chinese Mainland. Thus, no geographic information in accordance with *IFRS 8 Operating Segments* is presented.

Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue during the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	5,188	N/A*	N/A*
Customer B	7,899	128,289	N/A*
Customer C	2,296	N/A*	N/A*
Customer D	N/A*	36,952	154,973
Customer E	N/A*	N/A*	105,504
Customer F	N/A*	N/A*	78,658

* Revenue from these customers did not account for 10% or more of the Group's total revenue for the respective year.

5. REVENUE AND OTHER INCOME AND GAINS

Revenue

An analysis of the Group's revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	21,946	257,983	578,626

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Type of goods or services			
Sales of products	21,946	250,248	548,541
Provision of technology solutions	—	7,735	30,085
Total	21,946	257,983	578,626

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
Goods transferred at a point in time	21,946	250,248	548,541
Services transferred at a point in time	—	7,735	30,085
Total	21,946	257,983	578,626

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:			
Sales of products	46	153	438

(b) Performance obligations

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

Sale of products

The performance obligation is satisfied upon delivery and acceptance of products by the customers and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Provision of technology solutions

The performance obligation is satisfied at the point in time when services are completed and payment is generally due within 30 days upon completion of the services and customer acceptance.

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

Other income and gains

An analysis of the Group's other income and gains is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants and subsidies*	2,632	1,522	5,003
Bank interest income	1,481	1,294	1,273
Investment income from financial assets at FVTPL	4,526	3,071	879
Others	10	415	339
Subtotal	8,649	6,302	7,494
Gains			
Foreign exchange gains	672	437	—
Fair value gain on financial assets at FVTPL	-	—	601
Total	9,321	6,739	8,095

* The Group has received certain government grants and subsidies from local governmental authorities related to its business investment activities and research and development activities. The government grants received that have future costs to be incurred and/or require the Group to comply with conditions attached to the grants and subsidies are included in "other payables and accruals" in the statements of financial position.

The government grants related to assets were recognised in profit or loss over the remaining useful lives of the relevant assets. Other government grants and subsidies related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to those grants and subsidies recognised in profit or loss.

6. LOSS BEFORE TAX

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

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold*		30,742	307,152	612,351
Cost of services provided*		—	5,279	10,657
Write-down of inventories*		—	8,474	5,279
Research and development expenses		66,238	93,618	146,579
Depreciation of property, plant and equipment**	*13*	17,996	37,216	59,219
Depreciation of right-of-use assets**	*14*	6,879	7,249	7,249
Foreign exchange loss/(gains), net		(672)***	(437)***	970****
Lease payments not included in the measurement of lease liabilities		80	2,712	2,797
Loss/(gain) on disposal of items of property, plant and equipment		—	(46)***	47****
[REDACTED]		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Impairment of trade receivables	*16*	—	2,832	4,772
Auditor's remuneration		178	276	403
Employee benefit expense (including directors', supervisors' and chief executive's remuneration):				
— Wages and salaries		46,176	86,257	118,557
— Pension scheme contributions		5,795	12,275	17,989
— Share-based payment expenses		66,463	—	35,484
Total		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

* The amounts are included in "Cost of sales" in profit or loss.

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

*** The amounts are included in "Other income and gains" in profit or loss.

**** The amounts are included in "Other expenses" in profit or loss.

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank borrowings	38	345	353
Interest on other borrowings	8,219	10,851	9,481
Interest on lease liabilities	7,753	7,883	7,576
Total	16,010	19,079	17,410

8. DIRECTORS', SUPERVISOR'S AND CHIEF EXECUTIVE'S REMUNERATION

Details of the remuneration received or receivable by the directors, supervisor and chief executive of the Company are as follows:

The Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fees	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	7,287	7,383	5,018
Pension scheme contributions	21	21	28
Share-based payment expenses	66,463	—	18,143
Total	73,771	7,404	23,189

During the year ended 31 December 2023, restricted share units ("**RSUs**") were granted to two directors in respect of their contribution to the Group, further details of these share award schemes are set out in note 26 to the Historical Financial Information. The fair value of such RSUs was determined at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above directors', supervisors' and chief executive's remuneration disclosures.

In January 2022, Dr. Li Xuefa ("**Dr. Li**"), a director of the Company was granted and paid an incentive payment with an aggregate amount of RMB10,250,000 (the "**Management Incentive Payment**") as a reward for his contribution to the Group, and in return, he is required to provide services to the Group for a period of ten years commencing from January 2022. The Management Incentive Payment has been recognised in profit or loss over his service period of ten years.

(a) Independent non-executive directors

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Mr. Mei Jinchun	—	—	—
Mr. Yang Yuanguang	—	—	—
Ms. Xue Lei	—	—	—
Total	—	—	—

The independent non-executive directors of the Company were appointed on 23 November 2025.

(b) Directors, supervisor and the chief executive

Year ended 31 December 2023

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors and the chief executive:					
Mr. Zhang Guoping*(note i)*	—	3,257	—	—	3,257
Dr. Li*(note ii)*	—	4,030	21	—	4,051
Mr. Zhang Calvin Qianfeng*(note iii)*	—	—	—	66,463	66,463
Ms. Zou Yafang*(note iv)*	—	—	—	—	—
Mr. Li Xi*(note v)*	—	—	—	—	—
Mr. Niu Jijing	—	—	—	—	—
Mr. Qian Ji*(note iii)*	—	—	—	—	—
Ms. Tong Xuanzi*(note vi)*	—	—	—	—	—
Ms. Liu Qiuying	—	—	—	—	—
Mr. Guo Fei*(note vii)*	—	—	—	—	—
Ms. Li Diya*(note viii)*	—	—	—	—	—
Subtotal	—	7,287	21	66,463	73,771
Supervisor:					
Mr. Li Biwei*(note x)*	—	—	—	—	—
Total	—	7,287	21	66,463	73,771

Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors and the chief executive:					
Mr. Zhang Guoping *(note i)*	—	3,257	—	—	3,257
Dr. Li*(note ii)*	—	4,126	21	—	4,147
Mr. Zhang Calvin Qianfeng*(note iii)*	—	—	—	—	—
Ms. Zou Yafang*(note iv)*	—	—	—	—	—
Mr. Niu Jijing	—	—	—	—	—
Mr. Qian Ji*(note iii)*	—	—	—	—	—
Ms. Tong Xuanzi*(note vi)*	—	—	—	—	—
Ms. Liu Qiuying	—	—	—	—	—
Mr. Guo Fei*(note vii)*	—	—	—	—	—
Ms. Li Diya*(note viii)*	—	—	—	—	—
Subtotal	—	7,383	21	—	7,404
Supervisor:					
Mr. Li Biwei*(note x)*	—	—	—	—	—
Total	—	7,383	21	—	7,404

Year ended 31 December 2025

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors and the chief executive:					
Mr. Zhang Guoping(note i)	—	400	—	—	400
Dr. Li(note ii)	—	4,575	21	16,841	21,437
Mr. Zhang Calvin Qianfeng(note iii)	—	—	—	—	—
Ms. Zou Yafang(note iv)	—	—	—	—	—
Mr. Niu Jijing	—	—	—	—	—
Mr. Qian Ji(note iii)	—	—	—	—	—
Ms. Tong Xuanzi(note vi)	—	—	—	—	—
Ms. Liu Qiuying	—	—	—	—	—
Mr. Guo Fei(note vii)	—	—	—	—	—
Ms. Li Diya(note viii)	—	—	—	—	—
Mr. Yang Cuifan(note ix)	—	—	—	—	—
Ms. Xia Yijuan(note xi)	—	43	7	1,302	1,352
Subtotal	—	5,018	28	18,143	23,189
Non-executive directors:					
Mr. Zhang Calvin Qianfeng(note iii)	—	—	—	—	—
Ms. Li Diya(note viii)	—	—	—	—	—
Ms. Zou Yafang (note iv)	—	—	—	—	—
Mr. Qian Ji (note iii)	—	—	—	—	—
Subtotal	—	—	—	—	—
Supervisor:					
Mr. Li Biwei(note x)	—	—	—	—	—
Total	—	5,018	28	18,143	23,189

Notes:

(i) Mr. Zhang Guoping resigned as the chief executive and a director of the Company on 6 January 2023 and 14 February 2025, respectively.

(ii) Dr. Li was appointed as the chief executive of the Company with effect from 6 January 2023.

(iii) Mr. Zhang Calvin Qianfeng and Mr. Qian Ji were redesignated as non-executive directors of the Company on 23 November 2025.

(iv) Ms. Zou Yafang was redesignated as non-executive director of the Company on 23 November 2025.

(v) Mr. Li Xi resigned as a director of the Company on 24 February 2023.

(vi) Ms. Tong Xuanzi resigned as a director of the Company on 24 January 2025.

(vii) Mr. Guo Fei was appointed as a director of the Company with effect from 24 February 2023.

(viii) Ms. Li Diya was appointed as a director of the Company with effect from 13 May 2023 and was redesignated as non-executive director of the Company on 23 November 2025.

(ix) Mr. Yang Cuifan was appointed as a director of the Company with effect from 24 January 2025 and resigned as a director of the Company on 14 February 2025.

(x) Mr. Li Biwei resigned as the supervisor of the Company on 20 November 2025.

(xi) Ms. Xia Yijuan was appointed as a director of the Company with effect from 23 November 2025.

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

9. FIVE HIGHEST PAID EMPLOYEES

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,295	2,103	2,024
Discretionary bonuses	173	256	340
Pension scheme contributions	140	250	252
Equity-settled share-based payment expenses	—	—	7,284
	1,608	2,609	9,900

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

	Year ended 31 December		
	2023	2024	2025
Below HKD1,000,000	2	2	—
HKD1,000,001 to HKD1,500,000	—	1	—
HKD3,000,001 to HKD3,500,000	—	—	1
HKD3,500,001 to HKD4,000,000	—	—	1
HKD4,000,001 to HKD4,500,000	—	—	1
	2	3	3

During the Relevant Periods, RSUs were granted to certain non-director, non-supervisor and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in note 26 to the Historical Financial Information. As the non-service conditions for the awards had not been fulfilled by the end of each of the year ended 31 December 2023 and 2024, no recognition of the related share-based payment expense was recognised in profit or loss in 2023 and 2024.

In November 2025, all non-service conditions were removed and the related share-based payment expenses were recognised accordingly.

10. INCOME TAX

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

Chinese Mainland

Pursuant to the Corporate Income Tax ("**CIT**") Law of the PRC and the respective regulations, the Company and subsidiaries which operate in Chinese Mainland are subject to CIT at a standard rate of 25% on the taxable income during the Relevant Periods, except for the following tax concession.

During the year ended 31 December 2023, a subsidiary of the Company was accredited as a "High and New Technology Enterprise" and was therefore entitled to a preferential CIT rate of 15% from 2023 to 2025. In addition, the Company was accredited as a "High and New Technology Enterprise" during the year ended 31 December 2025 and was therefore entitled to a preferential CIT rate of 15% from 2025 to 2027. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

The Group is eligible for a 75% super deduction of eligible research and development ("**R&D**") expenses from 7 January 2022 (date of establishment), based on the Public Notice 2018 No. 99 and Public Notice 2021 No. 6 issued by the Ministry of Finance ("**MOF**") and the State Tax Bureau of the PRC on 20 September 2018 and 31 March 2021, respectively. Furthermore, based on the Public Notice 2023 No. 7 issued by the MOF and the State Tax Bureau of the PRC on 26 March 2023, the Group were eligible for a 100% deduction of eligible R&D expense from 1 January 2023. The Group has claimed such super deduction during the Relevant Periods.

Overseas and Hong Kong

No income tax on the overseas and Hong Kong subsidiaries has been provided as there was no assessable profit arising in such overseas tax jurisdictions or Hong Kong during the Relevant Periods.

The income tax credit/(expense) of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deferred income tax credit/(expense)	929	518	(318)

A reconciliation of the tax credit applicable to loss before tax using applicable rate for jurisdictions in which the Company and its major subsidiary are domiciled to the tax expense/(credit) at effective tax rates is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(210,734)	(243,627)	(336,232)
Tax at the statutory tax rate	(52,684)	(60,907)	(84,058)
Effect of preferential tax rate	5,175	7,789	34,463
Income not subject to tax	—	(4)	(15)
Expenses not deductible for tax	2,152	2,270	3,418
Super deduction for eligible research and development expenses	(12,407)	(20,169)	(14,739)
Tax effect of tax losses and deductible temporary differences not recognised	56,835	70,503	61,249
Tax expense/(credit) at the Group's effective rate	(929)	(518)	318

Since the Group did not fall within the scope of the Pillar Two model rules, the Pillar Two model rules did not have any impact to the Group during the Relevant Periods.

11. DIVIDENDS

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

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

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

The weighted average number of ordinary shares in issue for 2023, 2024 and 2025 before the conversion of the Company into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in November 2025.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

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

	Year ended 31 December		
	2023	2024	2025
Loss			
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation *(RMB'000)*	(209,805)	(243,109)	(336,550)
Shares			
Weighted average number of ordinary shares in issue during the year, used in the basic loss per share calculation *('000)*	199,616	225,204	276,940

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Furniture and fixtures	Motor vehicles	Machinery, electronic equipment and others	Computer software	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023							
At 1 January 2023:							
Cost	86	1,099	58,345	13	61,812	60,019	181,374
Accumulated depreciation	(9)	(123)	(891)	(8)	—	(2,089)	(3,120)
Net carrying amount	77	976	57,454	5	61,812	57,930	178,254
At 1 January 2023, net of accumulated depreciation	77	976	57,454	5	61,812	57,930	178,254
Additions	8	1,376	3,802	7	302,063	1,867	309,123
Transfers	232	—	42,816	—	(110,654)	67,606	—
Depreciation provided during the year	(40)	(369)	(7,610)	(12)	—	(9,965)	(17,996)
At 31 December 2023, net of accumulated depreciation	277	1,983	96,462	—	253,221	117,438	469,381
At 31 December 2023:							
Cost	326	2,475	104,963	20	253,221	129,492	490,497
Accumulated depreciation	(49)	(492)	(8,501)	(20)	—	(12,054)	(21,116)
Net carrying amount	277	1,983	96,462	—	253,221	117,438	469,381

The Group

	Furniture and fixtures	Motor vehicles	Machinery, electronic equipment and others	Computer Software	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024							
At 1 January 2024:							
Cost	326	2,475	104,963	20	253,221	129,492	490,497
Accumulated depreciation	(49)	(492)	(8,501)	(20)	—	(12,054)	(21,116)
Net carrying amount	277	1,983	96,462	—	253,221	117,438	469,381
At 1 January 2024, net of accumulated depreciation	277	1,983	96,462	—	253,221	117,438	469,381
Additions	92	1,820	14,762	438	238,348	177	255,637
Transfers	251	—	153,417	—	(242,267)	88,599	—
Disposals	—	(39)	(3)	—	—	—	(42)
Depreciation provided during the year	(149)	(787)	(21,023)	(71)	—	(15,186)	(37,216)
At 31 December 2024, net of accumulated depreciation	471	2,977	243,615	367	249,302	191,028	687,760
At 31 December 2024							
Cost	669	4,033	273,138	458	249,302	218,268	745,868
Accumulated depreciation	(198)	(1,056)	(29,523)	(91)	—	(27,240)	(58,108)
Net carrying amount	471	2,977	243,615	367	249,302	191,028	687,760

The Group

	Furniture and fixtures	Motor vehicles	Machinery, electronic equipment and others	Computer Software	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025							
At 1 January 2025:							
Cost	669	4,033	273,138	458	249,302	218,268	745,868
Accumulated depreciation	(198)	(1,056)	(29,523)	(91)	—	(27,240)	(58,108)
Net carrying amount	471	2,977	243,615	367	249,302	191,028	687,760
At 1 January 2025, net of accumulated depreciation	471	2,977	243,615	367	249,302	191,028	687,760
Additions	—	139	7,439	—	55,815	2,420	65,813
Transfers	18	74	156,755	1,540	(196,642)	38,255	—
Disposals	—	(46)	(129)	—	—	—	(175)
Depreciation provided during the year	(203)	(981)	(34,709)	(237)	—	(23,089)	(59,219)
At 31 December 2025, net of accumulated depreciation	286	2,163	372,971	1,670	108,475	208,614	694,179
At 31 December 2025:							
Cost	687	4,166	437,150	1,998	108,475	258,943	811,419
Accumulated depreciation	(401)	(2,003)	(64,179)	(328)	—	(50,329)	(117,240)
Net carrying amount	286	2,163	372,971	1,670	108,475	208,614	694,179

The Company

	Furniture and fixtures	Motor vehicles	Machinery, electronic equipment and others	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023						
At 1 January 2023:						
Cost	58	346	18,366	53,781	32,475	105,026
Accumulated depreciation	(3)	(21)	(21)	—	(318)	(363)
Net carrying amount	55	325	18,345	53,781	37,157	104,663
At 1 January 2023, net of accumulated depreciation	55	325	18,345	53,781	32,157	104,663
Additions	—	739	291	217,109	1,120	219,259
Transfers	232	—	21,400	(70,756)	49,124	—
Depreciation provided during the year	(28)	(112)	(2,350)	—	(6,253)	(8,743)
At 31 December 2023, net of accumulated depreciation	259	952	37,686	200,134	76,148	315,179
At 31 December 2023:						
Cost	290	1,085	40,057	200,134	82,719	324,285
Accumulated depreciation	(31)	(133)	(2,371)	—	(6,571)	(9,106)
Net carrying amount	259	952	37,686	200,134	76,148	315,179

The Company

	Furniture and fixtures	Motor vehicles	Machinery, electronic equipment and others	Computer Software	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024							
At 1 January 2024:							
Cost	290	1,085	40,057	—	200,134	82,719	324,285
Accumulated depreciation	(31)	(133)	(2,371)	—	—	(6,571)	(9,106)
Net carrying amount	259	952	37,686	—	200,134	76,148	315,179
At 1 January 2024, net of accumulated depreciation	259	952	37,686	—	200,134	76,148	315,179
Additions	—	891	298	430	73,802	—	75,421
Transfers	251	—	116,531	—	(155,560)	38,778	—
Depreciation provided during the year	(121)	(358)	(11,405)	(63)	—	(10,558)	(22,505)
At 31 December 2024, net of accumulated depreciation	389	1,485	143,110	367	118,376	104,368	368,095
At 31 December 2024:							
Cost	541	1,976	156,886	430	118,376	121,497	399,706
Accumulated depreciation	(152)	(491)	(13,776)	(63)	—	(17,129)	(31,611)
Net carrying amount	389	1,485	143,110	367	118,376	104,368	368,095

The Company

	Furniture and fixtures	Motor vehicles	Machinery, electronic equipment and others	Computer Software	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025							
At 31 December 2024 and 1 January 2025:							
Cost	541	1,976	156,886	430	118,376	121,497	399,706
Accumulated depreciation	(152)	(491)	(13,776)	(63)	—	(17,129)	(31,611)
Net carrying amount	389	1,485	143,110	367	118,376	104,368	368,095
At 1 January 2025, net of accumulated depreciation	389	1,485	143,110	367	118,376	104,368	368,095
Additions	—	47	184	—	52,441	196	52,868
Transfers	18	74	97,358	723	(134,565)	36,392	—
Disposals	—	—	(47)	—	—	—	(47)
Depreciation provided during the year	(168)	(469)	(19,234)	(169)	—	(13,273)	(33,313)
At 31 December 2025, net of accumulated depreciation	239	1,137	221,371	921	36,252	127,683	387,603
At 31 December 2025:							
Cost	559	2,097	254,365	1,153	36,252	158,085	452,511
Accumulated depreciation	(320)	(960)	(32,994)	(232)	—	(30,402)	(64,908)
Net carrying amount	239	1,137	221,371	921	36,252	127,683	387,603

At 31 December 2025, certain of the Group's machinery with an aggregate carrying amount of RMB8,675,000 were pledged to secure the Group's other borrowing (note 22).

14. LEASES

The Group as a lessee

The Group has lease contracts for offices and factory premises used in its operations. Lease of the offices and factory premises have lease terms ranged from 9 to 21 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	The Group	The Company
	Offices and factory premises	Offices and factory premises
	RMB'000	*RMB'000*
At 1 January 2023	70,130	43,511
Additions	30,088	17,438
Depreciation charge	(6,879)	(2,887)
At 31 December 2023 and 1 January 2024	93,339	58,062
Depreciation charge	(7,249)	(3,029)
At 31 December 2024 and 1 January 2025	86,090	55,033
Depreciation charge	(7,249)	(3,029)
At 31 December 2025	78,841	52,004

(b) Lease Liabilities

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	68,345	97,492	93,315
Additions	30,088	—	—
Accretion of interest recognised during the year	7,753	7,883	7,576
Payments	(8,694)	(12,060)	(10,514)
Carrying amount at 31 December	97,492	93,315	90,377
Analysed into:			
Within one year	5,463	5,501	7,268
In the second year	4,215	4,705	5,236
In the third to fifth years, inclusive	15,752	17,486	19,371
Beyond five years	72,062	65,623	58,502
	97,492	93,315	90,377

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	46,684	64,862	63,546
Additions	17,438	—	—
Accretion of interest recognised during the year	5,513	5,661	5,539
Payments	(4,773)	(6,977)	(5,692)
Carrying amount at 31 December	64,862	63,546	63,393
Analysed into:			
Within one year	2,602	2,724	4,143
In the second year	1,438	1,572	1,718
In the third to fifth years, inclusive	5,168	5,648	6,174
Beyond five years	55,654	53,602	51,358
	64,862	63,546	63,393

The maturity analysis of lease liabilities is disclosed in note 33 to the Historical Financial Information.

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

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	7,753	7,883	7,576
Depreciation charge of right-of-use assets	6,879	7,249	7,249
Lease payments in respect of short-term leases and leases of low-value assets	80	2,712	2,797
Total amount recognised in profit or loss	14,712	17,844	17,622

(d) The total cash outflow for leases is disclosed in note 27(c) to the Historical Financial Information.

15. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	26,377	76,511	87,207
Work in process	27	2,025	2,538
Finished goods	6,329	23,030	49,671
Total	32,733	101,566	139,416

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	2,746	31,937	35,921
Work in process	27	464	1,564
Finished goods	22	17,477	26,754
Total	2,795	49,878	64,239

16. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
Third parties	13,624	113,514	228,940
Less: Impairment	—	(2,832)	(7,510)
Trade receivables, net	13,624	110,682	221,430
Bills receivables*	5,088	56,590	42,294
	18,712	167,272	263,724

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
Subsidiary	—	77,898	160,867
Third parties	1,695	63,815	210,695
Less: Impairment	—	(2,444)	(6,404)
Trade receivables, net	1,695	139,269	365,158
Bills receivables*	—	8,767	30,007
	1,695	148,036	395,165

* Bills receivables are measured at FVTPL and with a maturity of six months.

The Group's trading terms with its customers are on credit, and the credit period is generally 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimise credit risk. Overdue balances are reviewed regularly by management. At 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 84%, 69% and 75% of the Group's trade receivables were due from the Group's five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
1 to 6 months	13,624	110,528	216,368
6 to 12 months	—	154	3,440
Over 12 months	—	—	1,622
Total	13,624	110,682	221,430

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
1 to 6 months	1,695	139,157	361,688
6 to 12 months	—	112	3,387
Over 12 months	—	—	83
Total	1,695	139,269	365,158

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	—	—	2,832
Impairment losses, net	—	2,832	4,772
Amount written off as uncollectible	—	—	(94)
At end of year	—	2,832	7,510

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	—	—	2,444
Impairment losses, net	—	2,444	4,054
Amount written off as uncollectible	—	—	(94)
At end of year	—	2,444	6,404

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company estimated that the expected loss rate for its trade receivables due from a subsidiary is minimal.

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

As at 31 December 2023

	The Group			The Company		
	Gross carrying amount	Expected credit loss rate	Expected credit losses	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*	*RMB'000*		*RMB'000*
Trade receivables aged:						
Current	11,675	0.00%	—	1,695	0.00%	—
Past due:						
Within 6 months	1,949	0.00%	—	—	—	—
	13,624	0.00%	—	1,695	0.00%	—

As at 31 December 2024

	The Group			The Company		
	Gross carrying amount	Expected credit loss rate	Expected credit losses	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*	*RMB'000*		*RMB'000*
Trade receivables aged:						
Current	102,863	1.80%	1,847	133,890	1.28%	1,720
Past due:.						
Within 6 months	10,296	7.61%	784	7,567	7.65%	579
6 to 12 months	355	56.62%	201	256	56.64%	145
	113,514	2.50%	2,832	141,713	1.72%	2,444

As at 31 December 2025

	The Group			The Company		
	Gross carrying amount	Expected credit loss rate	Expected credit losses	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*	*RMB'000*		*RMB'000*
Trade receivables aged:						
Current	198,794	2.08%	4,126	344,415	1.09%	3,742
Past due:						
Within 6 months	27,300	7,97%	2,175	26,417	7.63%	2,015
6 to 12 months	206	52.43%	108	155	46.45%	72
Over 12 months	2,640	41.70%	1,101	575	100.00%	575
	228,940	3.28%	7,510	371,562	1.72%	6,404

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "**Endorsed Bills**") with a carrying amount of RMB4,886,000, RMB45,756,000 and RMB33,369,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "**Derecognised Bills**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB949,000, RMB50,366,000 and RMB102,323,000, respectively. The Derecognised Bills had a maturity of six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the Directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

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

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayments for construction costs and equipment	65,214	35,179	144,927
Prepaid Management Incentive Payment *(note 8)*	7,175	6,150	5,125
Other receivables and deposits	2,981	2,981	22,981
Total	75,370	44,310	173,033
Current:			
Prepayment for inventories	1,341	3,783	1,703
Prepaid expenses	1,418	2,258	4,500
Prepaid Management Incentive Payment *(note 8)*	1,025	1,025	1,025
Value-added tax recoverable	50,959	56,561	79,399
Other receivables and deposits	2,061	2,539	6,502
Right-of-return assets	—	2,194	2,802
Total	56,804	68,360	95,931

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayments for construction costs and equipment	34,893	33,698	141,732
Prepaid Management Incentive Payment *(note 8)*	7,175	6,150	5,125
Total	42,068	39,848	146,857
Current:			
Prepayment for inventories	333	258	640
Prepaid expenses	739	1,311	4,500
Prepaid Management Incentive Payment *(note 8)*	1,025	1,025	1,025
Value-added tax recoverable	36,237	14,890	36,661
Amount due from a subsidiary	199,610	500,531	548,052
Other receivables and deposits	1,921	1,261	4,745
Right-of-return assets	—	1,242	2,120
Total	239,865	520,518	597,743

The amount due from a subsidiary is non-trade in nature, unsecured, non-interest-bearing and repayable on demand. Other receivables and current portion of deposits are non-trade in nature, unsecured, non-interest-bearing and are collectable within one year. The Group has applied the general approach to provide for expected credit losses for amount due from a subsidiary, other receivables and deposits under IFRS 9 Financial Instruments. Amount due from a subsidiary, other receivables and deposits had no historical default and past due amounts. The financial assets included in the above balances were categorised in stage 1 at the end of each of the Relevant Periods. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate. In the opinion of the Directors, the ECLs in respect of these balances are minimal.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments, at fair value	230,100	—	150,523

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments, at fair value	230,000	—	150,523

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

19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	219,655	153,187	346,396
Time deposits with maturities less than three months	29,000	7,851	—
Subtotal	248,655	161,038	346,396
Less:			
Pledged deposits pledged for letter of credit *(note a)*	(29,000)	(7,851)	—
Pledged deposits for bills payable *(note b)*	—	—	(20,347)
Cash and cash equivalents	219,655	153,187	326,049
Denominated in			
RMB	243,875	118,979	296,888
USD	4,780	40,318	47,624
JPY	—	828	813
KRW	—	913	614
Euro ("**EUR**")	—	—	457
Total	248,655	161,038	346,396

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	212,877	123,867	321,133
Less: Pledged deposits for bills payable *(note b)*	—	—	(20,347)
Cash and cash equivalents	212,877	123,867	300,786
Denominated in			
RMB	208,097	89,509	286,640
USD	4,780	34,358	34,036
EUR	—	—	457
Total	212,877	123,867	321,133

Notes:

(a) As at 31 December 2023 and 2024, the Group's bank balances amounted to RMB29,000,000 and RMB7,851,000, respectively, were pledged to a bank for the issuance of a letter of guarantee in respect of purchase contracts signed with suppliers.

(b) As at 31 December 2025, the bank balances amounting to RMB20,347,000 were pledged to a bank for bills payable amounting to RMB20,347,000.

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

20. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	31,231	92,908	216,343
Bills payables	—	—	20,347
	31,231	92,908	236,690

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	31,218	75,724	233,755
6 to 12 months	13	15,484	1,313
Over 12 months	—	1,700	1,622
	31,231	92,908	236,690

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
Subsidiary	3,485	105,341	215,894
Third parties	2,585	37,097	122,155
Bills payables	—	—	20,347
	6,070	142,438	358,396

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	6,067	125,254	356,206
6 to 12 months	3	15,484	1,053
Over 12 months	—	1,700	1,137
	6,070	142,438	358,396

The trade and bills payables are non-interest-bearing and are normally settled on terms of 1 to 6 months.

21. OTHER PAYABLES AND ACCRUALS

The Group

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Employee benefits payables		8,194	13,039	19,929
Payable for non-current assets		117,452	152,832	109,107
Contract liabilities	*(a)*	153	438	2,005
Deposits received		40	2,117	2,598
Refund liabilities		—	2,743	7,004
Other payables	*(b)*	3,524	7,638	12,666
Interest payable		—	75	14
Deferred income	*(c)*	12,782	51,265	116,998
Subtotal		142,145	230,147	270,321
Less: Portion classified as non-current liabilities		(12,578)	(49,929)	(111,714)
Portion classified as current liabilities		129,567	180,218	158,607

Notes:

(a) Details of the contract liabilities are as follows:

	As at 1 January 2023	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sales of products	46	153	438	674
Provision of technology solutions	—	—	—	1,331
	46	153	438	2,005

Contract liabilities mainly arise from the advance payments received from customers for product sales and provision of technology solutions. The increase in contract liabilities as at 31 December 2023 and 2024 mainly due to the increase of short-term advances received from customers in related to the sale of goods as at 31 December 2023 and 2024. The increase in contract liabilities as at 31 December 2025 mainly due to the increase of short-term advances received from customers in related to the sale of goods and provision of technical solutions as at 31 December 2025.

(b) Other payables are non-interest-bearing and have no fixed terms of settlement.

(c) Details of deferred income are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	12,782	51,265	116,998
At beginning of year	—	12,782	51,265
Grants received during the year	15,414	40,005	70,736
Released to profit or loss during the year	(2,632)	(1,522)	(5,003)
At end of year	12,782	51,265	116,998

The Company

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Employee benefits payables		5,895	9,456	15,143
Payable for non-current assets		82,296	90,628	71,078
Contract liabilities	*(a)*	4,056	4,319	1,955
Deposits received		20	2,097	965
Refund liabilities		—	1,552	5,301
Other payables	*(b)*	2,578	5,824	20,661
Interest payable		—	75	14
Deferred income	*(c)*	10,722	45,317	96,170
Subtotal		105,567	159,268	211,287
Less: Portion classified as non-current liabilities		(10,518)	(43,982)	(90,886)
Portion classified as current liabilities		95,049	115,286	120,401

Notes:

(a) Details of the contract liabilities are as follows:

	As at 1 January 2023	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sales of products	8	4,056	4,319	624
Provision of technology solutions	—	—	—	1,331
	8	4,056	4,319	1,955

Contract liabilities mainly arise from the advance payments received from customers for product sales and for technology solutions that will be completed at a later stage. The increase in contract liabilities as at 31 December 2023 and 2024 was mainly due to the increase of short-term advances received from a subsidiary and third-party customers in related to the sale of goods as at 31 December 2023 and 2024. The decrease in contract liabilities as at 31 December 2025 was mainly due to decrease of short-term advances received from a subsidiary and third parties' customers in related to the sale of goods, partly offset by advances received for the provision of technical solutions.

(b) Other payables are non-interest-bearing and have no fixed terms of settlement.

(c) Details of deferred income are as follows:

	As at 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	10,722	45,317	96,170
At beginning of year	—	10,722	45,317
Grants received during the year	13,314	35,734	55,501
Released to profit or loss during the year	(2,592)	(1,139)	(4,648)
At end of year	10,722	45,317	96,170

22. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	2023			2024			2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current									
Bank loans — unsecured *(note c)*	3.20–3.70	2024	5,000	2.85–3.70	2025	7,000	2.75-3.50	2026	23,000
Other borrowing — secured *(note b)*	—	—	—	—	—	—	7.56	2026	2,564
Other borrowing — unsecured	—	—	—	4.70	2025	49,000	—	—	—
Subtotal			5,000			56,000			25,564
Non-current									
Bank loans — unsecured	3.20	2025–2026	4,000	2.85	2026	2,000	—	—	—
Other borrowings — Convertible Bond *(note d)*	7.50	2026	130,000	7.50	2026	130,000	—	—	—
Subtotal			134,000			132,000			—
Total			139,000			188,000			25,564

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable:			
Within one year	5,000	7,000	23,000
In the second year	2,000	2,000	—
In the third year	2,000	—	—
Total	9,000	9,000	23,000
Other borrowings repayable:			
Within one year	—	49,000	2,564
In the second year	—	130,000	—
In the third to fifth year, inclusive	130,000	—	—
Total	130,000	179,000	2,564

The Company

	2023			2024			2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current									
Bank loans — unsecured	3.20	2024	2,000	2.85	2025	2,000	2.75	2026	18,000
Other borrowing — unsecured *(note e)*	—	—	—	4.70	2025	49,000	—	—	—
Subtotal			2,000			51,000			18,000
Non-current									
Bank loans — unsecured	3.20	2025–2026	4,000	2.85	2026	2,000	—	—	—
Other borrowings — Convertible Bond *(note d)*	7.50	2026	130,000	7.50	2026	130,000	—	—	—
Subtotal			134,000			132,000			—
Total			136,000			183,000			18,000

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable:			
Within one year	2,000	2,000	18,000
In the second year	2,000	2,000	—
In the third year	2,000	—	—
Total	6,000	4,000	18,000
Other borrowings repayable:			
Within one year	—	49,000	—
In the second year	—	130,000	—
In the third to fifth year, inclusive	130,000	—	—
Total	130,000	179,000	—

The Group and The Company

Note:

(a) All the bank and other borrowings are denominated in RMB as at 31 December 2023, 2024 and 2025.

(b) As at 31 December 2025, the Group's other borrowing of RMB2,564,000 was secured by the pledge of certain machinery of the Group (note 13).

(c) As at 31 December 2023, 2024 and 2025, the Group's bank loans of RMB3,000,000, RMB5,000,000 and RMB5,000,000, respectively, were guaranteed by Mr. Zhang Guoping.

(d) On 24 January 2022, the Company entered into a convertible bond investment agreement (the "**Bond Agreement**") with one of the pre-**[REDACTED]** investors (the "**Bondholder**") for the issue of a convertible loan, with a total facility amount of RMB250,000,000 (the "**Convertible Bond**") and a maturity date on the earlier of the date on which the shareholders' meeting of the Company is convened for the conversion of the Company into a joint stock company or 31 December 2026 (the "**Bond Maturity Date**"). The Convertible Bond was unsecured, guaranteed by certain shareholders of the Company and a related company controlled and beneficially owned by a close family member of Mr. Zhang Calvin Qianfeng, a director of the Company, (collectively the "**Guarantors**") (the "**CB Guarantee**"), and bore interest at a fixed rate of 7.5% per annum, which was payable yearly on 10 December.

The Convertible Bond can be converted into capital of the Company in full or in part before the Bond Maturity Date but such conversion is subject to (i) the unanimous consent of the Bondholder, the Company and the Guarantors and (ii) the agreement between the Company and the Bondholder on the valuation of the Company and the total amount of the Convertible Bond to be converted. Any Convertible Bond which is not converted will be redeemed by the Company on the Bond Maturity Date at the principal amount.

Pursuant to a supplemental agreement dated 29 July 2025, the CB Guarantee was released, the total facility amount of the Convertible Bond was reduced to RMB150,145,000 and the Bondholder agreed to the conversion of the entire outstanding Convertible Bond of RMB150,145,000 into capital of the Company at a valuation to be approved by the Company's shareholders' meeting. The conversion of the outstanding Convertible Bond was completed on 18 September 2025 and further details are included in note 24(e) to the Historical Financial Information.

During the year ended 31 December 2023 and 2024, no conversion of the Convertible Bond into capital of the Company had been exercised and the Convertible Bond had been recognised as a financial liability measured at amortised cost.

(e) As at 31 December 2024, the Company's other borrowing of RMB49,000,000 were guaranteed by a subsidiary of the Company.

23. DEFERRED TAX

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

Deferred tax assets

	The Group	The Company
	Lease liabilities	Lease liabilities
	RMB'000	*RMB'000*
As at 1 January 2023	17,086	11,671
Deferred tax credited to profit or loss	4,024	4,544
As at 31 December 2023 and 1 January 2024	21,110	16,215
Deferred tax charged to profit or loss	(759)	(329)
As at 31 December 2024 and 1 January 2025	20,351	15,886
Deferred tax charged to profit or loss	(6,795)	(6,378)
As at 31 December 2025	13,556	9,508

Deferred tax liabilities

	The Group	The Company
	Right-of-use assets	Right-of-use assets
	RMB'000	*RMB'000*
As at 1 January 2023	15,765	10,878
Deferred tax charged to profit or loss	3,095	3,637
As at 31 December 2023 and 1 January 2024	18,860	14,515
Deferred tax credited to profit or loss	(1,277)	(757)
As at 31 December 2024 and 1 January 2025	17,583	13,758
Deferred tax credited to profit or loss	(6,477)	(5,958)
As at 31 December 2025	11,106	7,800

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	2,250	2,768	2,450

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statement of financial position	1,700	2,128	1,708

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	226,526	494,359	788,830
Deductible temporary differences	80,245	130,085	243,836
	306,771	624,444	1,032,666

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	129,587	316,916	507,087
Deductible temporary differences	78,185	119,344	213,583
	207,772	436,260	720,670

The Group has accumulated tax losses and deductible temporary differences in Chinese Mainland as disclosed above, which will expire in one to ten years for offsetting against future taxable profits of the companies in which losses were incurred. Deferred tax assets have not been recognised in respect of these tax losses and deductible temporary differences as they have arisen in the companies that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses and deductible temporary differences can be utilised.

24. PAID-IN CAPITAL/SHARE CAPITAL

Registered capital/Paid-in capital

	Notes	**Registered capital**	**Paid-in capital**
		RMB'000	*RMB'000*
Issued and fully paid:			
As at 1 January 2023		197,647	160,147
Capital contribution by shareholders	*(a),(b)*	54,233	61,733
As at 31 December 2023 and 1 January 2024		251,880	221,880
Capital contribution by shareholders	*(c)*	11,060	11,060
As at 31 December 2024 and 1 January 2025		262,940	232,940
Capital contribution by shareholders	*(a),(d),(e)*	49,382	79,382
Conversion of Convertible Bond	*(e)*	9,818	9,818
Conversion into a joint stock company	*(f)*	—	(322,140)
As at 31 December 2025		322,140	—

Share capital

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

	Note	**Number of shares in issue**	**Share capital**
		(in thousand)	*RMB'000*
Issued and fully paid at 1 January 2023, 31 December 2023 and 31 December 2024		—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each	*(f)*	322,140	322,140
As at 31 December 2025		322,140	322,140

Notes:

(a) The Company was established on 7 January 2022 with an initial registered capital of RMB100,000,000. The initial registered capital was fully subscribed by the founding shareholders at a total consideration of RMB100,000,000, of which RMB75,000,000 was fully paid by the subscribers during the period ended 31 December 2022 and the remaining consideration of RMB5,000,000, RMB10,000,000 and RMB10,000,000 was settled in September 2023, July 2025 and September 2025, respectively.

Pursuant to the approval in the shareholders' meeting held in March 2022, the registered capital of the Company was increased from RMB100,000,000 to RMB150,000,000. The increase in registered capital was subscribed by the founding shareholders at a total consideration of RMB151,976,000, and of which RMB112,500,000 for the subscription of RMB37,500,000 capital was fully paid by the subscribers during the period ended 31 December 2022 and the remaining consideration of RMB9,476,000 and RMB30,000,000 for the subscription of RMB2,500,000 and RMB10,000,000 capital was settled in August 2023 and September 2025, respectively.

Pursuant to the approvals in the shareholders' meetings held in August 2022 and November 2022, the registered capital of the Company was further increased from RMB150,000,000 to RMB197,647,000. The increase in registered capital of RMB47,647,000 was subscribed by certain investors at a total consideration RMB269,306,000 and all of which was fully paid during the period ended 31 December 2022.

(b) Pursuant to the approval in the shareholders' meeting held in May 2023, the registered capital of the Company was increased from RMB197,647,000 to RMB251,880,000. The increase in registered capital of RMB54,233,000 was subscribed by certain investors at a total consideration of RMB533,920,000 and all of which was fully paid during the year ended 31 December 2023.

(c) Pursuant to the approval in the shareholders' meeting held in September 2024, the registered capital of the Company was increased from RMB251,880,000 to RMB262,940,000. The increase in registered capital of RMB11,060,000 was subscribed by certain investors at a total consideration of RMB140,491,000 and all of which was fully paid during the year ended 31 December 2024.

(d) Pursuant to the approval in the shareholders' meeting held in January 2025, the registered capital of the Company was increased from RMB262,940,000 to RMB281,185,000. The increase in registered capital of RMB18,245,000 was subscribed by certain investors at a total consideration of RMB231,800,000 and all of which was fully paid during the year ended 31 December 2025.

(e) Pursuant to the approval in the shareholders' meeting held in August 2025 and the investment agreements entered into in September 2025, the registered capital of the Company was increased from RMB281,185,000 to RMB 322,140,000. The increase in registered capital of RMB40,955,000 was subscribed by certain investors at a total consideration of RMB626,289,000 and all of which was fully paid in September 2025. Included in this subscription was the conversion of the Convertible Bond with a carrying amount of RMB150,145,000 into RMB9,818,000 capital of the Company.

(f) Pursuant to the approval in the shareholders' meeting held in November 2025, among other matters, the Company was converted from a limited liability company into a joint stock limited company. Pursuant to the promoters' agreement dated 7 November 2025, all the then shareholders approved the conversion of the net assets value of the Company as of 30 September 2025, amounting to RMB1,630,025,000, into 322,140,000 ordinary shares of the Company with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders in proportion to their respective interests in the Company before the conversion. The excess of the net assets value as at 30 September 2025 over the nominal value of the share capital being converted was recorded as capital reserve of the Company, and the Company's name was changed to Yangzhou Nanopore Innovative Materials Technology Co., Ltd. ("**揚州納力新材料科技股份有限公司**"). The conversion was completed on 20 November 2025 and upon completion of the conversion, the registered capital of the Company was RMB322,140,000 divided into 322,140,000 ordinary shares with a nominal value of RMB1.00 each.

(g) Pursuant to certain shareholders agreements entered into during the Relevant Periods (collectively, the "**Agreements**"), certain investors (collectively the "**Pre-[REDACTED] Investors**") subscribed for RMB146,308,000 capital of the Company for a total net cash proceed of approximately RMB1,191,597,000 (collectively the "**Pre-[REDACTED] Investments**"). Pursuant to the Agreements, the Pre-**[REDACTED]** Investors were granted by the Company with special rights (the "**Special Rights**") which included redemption rights, liquidation preferences rights and anti-dilution rights.

There was no exercise of the Special Rights since the date of the respective Agreements.

On 6 November 2025, the Company and its shareholders (including the Pre-**[REDACTED]** Investors) subsequently entered into supplemental agreements, agreeing that certain of the Special Rights granted by the Company to the Pre-**[REDACTED]** investors, have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the Directors considered that it is appropriate to present the Pre-**[REDACTED]** Investments as equity throughout the Relevant Periods.

Had the Special Rights granted to the Pre-**[REDACTED]** Investors been accounted for as financial liabilities measured at fair value prior to entering into the supplemental agreements, the financial liabilities measured at fair value through profit and loss, total non-current liabilities and net liabilities of the Group would have been:

	As at 31 December	
	2023	2024
	RMB'000	*RMB'000*
Financial liabilities measured at fair value through profit and loss	1,129,886	1,334,852
Total non-current liabilities	1,368,493	1,604,595
Net liabilities	(272,402)	(580,050)

The fair value changes associated with the financial liabilities measured at fair value through profit and loss, share-based payment expenses (included in administrative expenses in profit or loss), the net loss for the year, and the basic and diluted loss per share would have been:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fair value loss for the financial liabilities measured at fair value through profit and loss	203,132	64,475	3,864
Decrease in share-based payment expenses	40,008	—	—
Total net loss	372,929	307,584	340,414
Basic and diluted loss per share *(expressed in RMB)*	(1.87)	(1.37)	(1.23)

25. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity on pages [I-6] of the Historical Financial Information.

(i) Capital reserve

The capital reserve of the Group represents (i) the difference between the par value of the paid-in capital and the consideration received; and (ii) the excess of net asset value of the Company over the amount of share capital upon the conversion of the Company into a joint stock company in November 2025.

(ii) Share reward reserve

The share reward reserve is used to recognise the value of equity-settled share-based payments provided to eligible participants, details of which were set out in note 26 to the Historical Financial Information.

The Company

	Reserves			
	Capital reserve	Share reward reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	296,659	—	(19,739)	276,920
Capital contribution by shareholders	486,663	—	—	486,663
Loss and total comprehensive loss for the year	—	—	(160,184)	(160,184)
Equity-settled share-based payment	—	66,463	—	66,463
At 31 December 2023 and 1 January 2024	783,322	66,463	(179,923)	669,862
Capital contribution by shareholders	129,431	—	—	129,431
Loss and total comprehensive loss for the year	—	—	(165,294)	(165,294)
At 31 December 2024 and 1 January 2025	912,753	66,463	(345,217)	633,999
Capital contribution by shareholders	678,562	—	—	678,562
Conversion of Convertible Bond	140,327	—	—	140,327
Loss and total comprehensive loss for the year	—	—	(236,329)	(236,329)
Equity-settled share-based payment	—	35,484	—	35,484
Conversion into a joint stock company	(490,220)	—	490,220	—
At 31 December 2025	1,241,422	101,947	(91,326)	1,252,043

26. SHARE-BASED PAYMENTS

Share Award Scheme

On 27 June and 31 August 2023, the Company launched two share award schemes, namely Scheme I and Scheme II (collectively the "**Schemes**"), respectively, for the purpose of providing incentives and rewards to eligible participants who contribute to the development and success of the Group's operations. Eligible participants of the Schemes include the Company's Directors and other employees of the Group.

On 27 June 2023, one of the Company's Directors was granted 6,376,000 RSUs of the Company under Scheme I at a subscription price of RMB2.28 per unit to reward his contributions to the development of the Group. These RSUs were vested immediately at the date of grant.

On 12 November 2021 and 18 April 2023, Jiangyin Naxin Enterprise Management Partnership (Limited Partnership)* and Yangzhou Nayuan Enterprise Management Partnership (Limited Partnership)* were established by certain founding shareholders of the Company as two employee incentive platforms (the "**Platforms**") and became two shareholders of the Company, holding an aggregate of 16,000,949 RSUs of the Company with a total subscription price of RMB33,808,000. The Group has no control over the Platforms. On 31 August 2023, Dr. Li, a former director and 35 employees (collectively, the "**Grantees**") were granted 3,800,000, 500,000 and 7,450,000 RSUs of the Company, respectively, through the Platforms under the Scheme II at

* The English names of these entities represent the best effort made by the Directors to translate the Chinese names as these partnerships have not been registered with any official English name.

subscription prices of RMB1.67, RMB1.67 and RMB2.28, respectively for each RSU. All RSUs granted by the Platforms shall be subject to the fulfilment of a **[REDACTED]**-based condition (the "**[REDACTED] Condition**"), and certain performance conditions of the Group. The **[REDACTED]** Condition would be satisfied when the ordinary shares of the Company are successfully **[REDACTED]** on a recognised stock exchange. Throughout the period from the date of grant to November 2025, due to the unfulfillment of certain performance conditions, no RSUs have been vested.

In August 2025, pursuant to a resolution passed by the board of directors of the Company for a modification of the terms of the RSUs granted under Scheme II and supplementary agreements entered into between the general partners of the Platforms and the Grantees in November 2025, all performance conditions were removed and the vesting period, the only service condition to be fulfilled by the Grantees, was amended as three years after the successful **[REDACTED]** of the ordinary shares of the Company from the date of modification.

Pursuant to a resolution passed by the board of directors of the Company on 24 October 2025 and supplementary agreements entered into between the general partners of the Platforms and certain employees of the Group on 13 November 2025, 8,012,939 RSUs were granted at subscription prices of RMB3.57 per RSU under Scheme II, including 3,762,000 RSUs which were forfeited prior to the date of modification and available for re-grant to eligible employees.

Under Scheme I and Scheme II, the fair values of the RSUs granted on 27 June 2023, 31 August 2023 and 13 November 2025 were determined at RMB12.7, RMB12.7 and RMB15.3 per RSU, by an independent professionally qualified valuer, through the application of the backsolve method at the grant date by taking into account the subscription prices of the Company's capital close to the grant dates. The fair value of services received in return for RSUs granted was measured by reference to the fair value of RSUs granted and the subscription price paid by the Grantees.

The movements of the outstanding RSUs granted under the Schemes during the Relevant Periods were as follows:

	Number of RSUs		
	Scheme I	**Scheme II**	**Total**
At 1 January 2023	—	—	—
Granted during the year	6,375,711	11,750,010	18,125,721
Vested during the year	(6,375,711)	—	(6,375,711)
At 31 December 2023 and 1 January 2024	—	11,750,010	11,750,010
Forfeited during the year	—	(500,000)	(500,000)
At 31 December 2024 and 1 January 2025	—	11,250,010	11,250,010
Forfeited during the year	—	(3,262,000)	(3,262,000)
Granted during the year	—	8,012,939	8,012,939
At 31 December 2025	—	16,000,949	16,000,949

During the year ended 31 December 2023, the Group recognised share-based payment expenses of RMB66,463,000 with a corresponding increase in share reward reserve. During the year ended 31 December 2024, no share-based payment expenses was recognised. During the year ended 31 December 2025, the Group recognised share-based payment expenses of RMB35,484,000 with a corresponding increase in share reward reserve.

The number of RSUs granted that are expected to be vested has been reduced to reflect the management's best estimate of forfeiture of RSUs granted prior to fulfilment of the vesting conditions and accordingly the share-based payment expenses has been adjusted. At the end of each reporting period, the Group revises its estimates of the number of RSUs that are expected to ultimately vest.

For the details of Pre-**[REDACTED]** investments, please refer to note 24 to the Historical Financial Information.

27. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB30,088,000, in respect of lease arrangements for office and factory premises.

During the year ended 31 December 2025, the outstanding Convertible Bond of RMB150,145,000 were fully converted into RMB9,818,000 capital of the Company. Details refer to note 24(e) to the Historical Financial Information.

During the year ended 31 December 2025, the Group obtained an other borrowing with an aggregate amount of RMB10,000,000 in the form of bills receivables and these bills receivables were fully utilised to settle trade payables of certain suppliers.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest-bearing bank and other borrowings	Lease liabilities
	RMB'000	*RMB'000*
At 1 January 2023	60,000	68,345
New leases	—	30,088
Changes from financing cash flow	70,743	(8,694)
Accretion of interest	8,257	7,753
At 31 December 2023 and 1 January 2024	139,000	97,492
Changes from financing cash flow	37,879	(12,060)
Accretion of interest	11,196	7,883
Interest payable	(75)	—
At 31 December 2024 and 1 January 2025	188,000	93,315
Changes from financing cash flow	(32,064)	(10,514)
Additions of bills receivable	10,000	—
Accretion of interest	9,834	7,576
Conversion to Convertible Bond	(150,145)	—
Interest payable	(61)	—
At 31 December 2025	25,564	90,377

(c) Total cash outflow for leases

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	80	2,712	2,797
Within financing activities	8,694	12,060	10,514
	8,774	14,772	13,311

28. PLEDGE OF ASSETS

Details of the Group's pledged machinery and deposits are included in notes 13 and 19, respectively, to the Historical Financial Information.

29. COMMITMENTS

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Purchase of items of property, plant and equipment	95,605	231,607	254,092

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the Historical Financial Information, the Group had the following material transactions with related parties during the Relevant Periods:

(a)

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchases of materials: A related company (controlled by a close family member of Mr. Zhang Calvin Qianfeng)	—	—	26

(b) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	7,706	7,825	6,189
Pension scheme contribution	102	105	140
Equity-settled share-based payment expenses	66,463	—	21,157
	74,271	7,930	27,486

Further details of directors', supervisor's and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

During the Relevant Periods, the Pre-**[REDACTED]** Investors had been granted the redemption right by certain founding shareholders (the "**Founding Shareholders**") of the Company (collectively, the "**FSH Redemption Right**"). The Company is not a party to the FSH Redemption Right. Pursuant to a supplemental agreement entered into by the Company and the shareholders (including the Pre-**[REDACTED]** Investors) in November 2025, the FSH Redemption Right was terminated and if the Company fails to submit its **[REDACTED]** prior to a specific date, or fails to re-submit its **[REDACTED]** within three months after the preceding **[REDACTED]** is withdrawn, rejected or returned, Pre-**[REDACTED]** investors shall resume their FSH Redemption Right to request the Founding Shareholders (rather than the Company) to repurchase their shares.

The Company has not provided any form of guarantee in connection with any potential default or failure by the Founding Shareholders to fulfill their obligations relating to the FSH Redemption Right. Accordingly, no financial liability regarding the FSH Redemption Right was recorded during the Relevant Periods.

(c) As at each of the years ended 31 December 2023 and 2024, the Group's Convertible Bond with an aggregate carrying amount of RMB130,000,000 was guaranteed by the Guarantors. Further details of which are given in note 22(d) to the Historical Financial Information.

(d) As at 31 December 2023, 2024 and 2025, certain of the Group's bank borrowings with carrying amounts of RMB3,000,000, RMB5,000,000, and RMB5,000,000, respectively, were guaranteed by Mr. Zhang Guoping. Further details of which are given in note 22(c) to the Historical Financial Information.

31. FINANCIAL INSTRUMENTS BY CATEGORY

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at fair value through profit or loss:			
Structured deposits and wealth management products	230,100	—	150,523
Bills receivables	5,088	56,590	42,294
Total	235,188	56,590	192,817
Financial assets at amortised cost:			
Trade receivables	13,624	110,682	221,430
Financial assets included in prepayment, deposits and other receivables	5,042	5,520	29,483
Pledged deposits	29,000	7,851	20,347
Cash and cash equivalents	219,655	153,187	326,049
Total	267,321	277,240	597,309
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and bills payables	31,231	92,908	236,690
Financial liabilities included in other payables and accruals	120,610	162,059	123,594
Lease liabilities	97,492	93,315	90,377
Interest-bearing bank and other borrowings	139,000	188,000	25,564
Total	388,333	536,282	476,225

For the details of Pre-**[REDACTED]** investments, please refer to note 24 to the Historical Financial Information.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at fair value through profit or loss:			
Structured deposits and wealth management products	230,000	—	150,523
Bills receivables	—	8,767	30,007
Total	230,000	8,767	180,530
Financial assets at amortised cost:			
Trade receivables	1,695	139,269	365,158
Financial assets included in prepayment, deposits and other receivables	201,531	501,792	552,797
Pledged deposits	—	—	20,347
Cash and cash equivalents	212,877	123,867	300,786
Total	416,103	764,928	1,239,088
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and bills payables	6,070	142,438	358,396
Financial liabilities included in other payables and accruals	84,543	98,104	92,047
Lease liabilities	64,862	63,546	63,393
Interest-bearing bank and other borrowings	136,000	183,000	18,000
Total	291,475	487,088	531,836

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the Directors periodically for financial reporting.

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

The Group invests in unlisted investments, which represent structured deposit and wealth management products in Chinese Mainland. Fair values of the unlisted investments were determined by the quoted price of the net asset values by financial institutions as at the end of each of the Relevant Periods.

The fair values of bills receivables at fair value through profit or loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of non-current financial assets and financial liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for non-current financial assets and financial liabilities during the Relevant periods were assessed to be insignificant.

The changes in fair values as a result of the Group for bills receivables at fair value through profit or loss during the Relevant Periods were assessed to be insignificant.

Fair value hierarchy

Assets measured at fair value:

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments as at the end of each Relevant Periods.

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	—	5,088	—	5,088
Financial assets at fair value through profit or loss	—	230,100	—	230,100
	—	235,188	—	235,188

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	—	56,590	—	56,590

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	—	42,294	—	42,294
Financial assets at fair value through profit or loss	—	150,523	—	150,523
	—	192,817	—	192,817

The Group did not have any financial liabilities measured at fair value at the end of each of the Relevant Periods.

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial assets included in prepayment, deposit and other receivables, financial assets at fair value through profit or loss, financial liabilities included in other payables and accruals, lease liabilities, interest-bearing bank and other borrowings, pledged deposits and cash and cash equivalent. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

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

Interest rate risk

The Group's exposure to the risk of changes in fair value relates primarily to the Group's bank borrowings with a floating interest rate.

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

	Increase/(decrease) in basis point	(Increase)/decrease in loss before tax	(Decrease)/increase in equity
		RMB'000	*RMB'000*
Year ended 31 December 2023			
RMB	100	—	—
RMB	(100)	—	—
Year ended 31 December 2024			
RMB	100	(56)	(56)
RMB	(100)	56	56
Year ended 31 December 2025			
RMB	100	—	—
RMB	(100)	—	—

Foreign currency risk

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

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

	Increase/ (decrease) in rate of foreign currency	Decrease/ (increase) in loss before tax	Increase/ (decrease) in equity
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2023			
If RMB weakens against USD	5	239	239
If RMB strengthens against USD	(5)	(239)	(239)
Year ended 31 December 2024			
If RMB weakens against USD	5	2,016	2,016
If RMB strengthens against USD	(5)	(2,016)	(2,016)
Year ended 31 December 2025			
If RMB weakens against USD	5	2,524	2,524
If RMB strengthens against USD	(5)	(2,524)	(2,524)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For financial assets included in prepayments, deposits and other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

At the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 84%, 69% and 75% of the Group's trade receivables were due from the Group's five largest customers, respectively which are disclosed in note 16 to the Historical Financial Information.

Maximum exposure and year-end staging

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

The amounts presented are gross carrying amounts for financial assets.

The Group

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	13,624	13,624
Financial assets included in Prepayments, deposits and other receivables					
— normal**	5,042	—	—	—	5,042
Pledged deposits					
— not yet past due	29,000	—	—	—	29,000
Cash and cash equivalents					
— not yet past due	219,655	—	—	—	219,655
	253,697	—	—	13,624	267,321

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	113,514	113,514
Financial assets included in Prepayments, deposits and other receivables					
— normal**	5,520	—	—	—	5,520
Pledged deposits					
— not yet past due	7,851	—	—	—	7,851
Cash and cash equivalents					
— not yet past due	153,187	—	—	—	153,187
	166,558	—	—	113,514	280,072

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	228,940	228,940
Financial assets included in Prepayments, deposits and other receivables					
— normal**	29,483	—	—	—	29,483
Pledged deposits					
— not yet past due	20,347	—	—	—	20,347
Cash and cash equivalents					
— not yet past due	326,049	—	—	—	326,049
	375,879	—	—	228,940	604,819

* For trade receivables to which the Group and the Company applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 16 to the Historical Financial Information.

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

Liquidity risk

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

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

As at 31 December 2023

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	31,231	—	—	31,231
Financial liabilities included in other payables and accruals	120,610	—	—	120,610
Lease liabilities	13,346	60,453	104,867	178,666
Interest-bearing bank and other borrowings	15,000	153,685	—	168,685
Total	180,187	214,138	104,867	499,192

As at 31 December 2024

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	92,908	—	—	92,908
Financial liabilities included in other payables and accruals	162,059	—	—	162,059
Lease liabilities	11,791	61,223	92,306	165,320
Interest-bearing bank and other borrowings	67,520	141,793	—	209,313
Total	334,278	203,016	92,306	629,600

As at 31 December 2025

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	236,690	—	—	236,690
Financial liabilities included in other payables and accruals	123,594	—	—	123,594
Lease liabilities	14,509	62,011	79,581	156,101
Interest-bearing bank and other borrowings	26,050	—	—	26,050
Total	400,843	62,011	79,581	542,435

Capital management

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

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

The Group monitors capital using a gearing ratio, which is net debt divided by the equity plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, and certain other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to owners of the Company. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank and other borrowings	139,000	188,000	25,564
Trade and bills payables	31,231	92,908	236,690
Other payables and accruals	120,610	162,059	123,594
Lease liabilities	97,492	93,315	90,377
Less: cash and cash equivalents	(219,655)	(153,187)	(326,049)
Net debt	168,678	383,095	150,176
Equity attributable to owners of the Company	817,476	714,794	1,321,541
Equity and net debt	986,154	1,097,889	1,471,717
Gearing ratio	17%	35%	10%

34. EVENTS AFTER THE REPORTING PERIODS

There were no significant events after the end of the Relevant Periods that require additional disclosure or adjustments.

35. SUBSEQUENT FINANCIAL STATEMENTS

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