The following is the text of a report set out on pages I-1 to I-84, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI GONA SEMICONDUCTOR TECHNOLOGY CO., LTD. 上海果納半導體技術股份有限公司 AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Shanghai GoNa Semiconductor Technology Co., Ltd. **上海果納半導體技術股份有限公司** (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-84, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on I-3 to I-84 forms an integral part of this report, which has been prepared for inclusion in this document of the Company dated [•] (the "**Document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 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 purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 28(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[[•] [•], 2026]

Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in Renminbi)

		Years ended December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	133,289	308,925	521,511
Cost of sales		(97,552)	(217,431)	(364,745)
Gross profit		35,737	91,494	156,766
Other net income	*5*	2,748	9,330	7,018
Selling and marketing expenses		(11,677)	(20,429)	(30,832)
Administrative expenses		(47,510)	(53,711)	(66,909)
Research and development expenses		(41,375)	(59,594)	(47,139)
Impairment losses on trade receivables		(215)	(1,056)	(1,484)
(Loss)/profit from operations		(62,292)	(33,966)	17,420
Changes in the carrying amount of ordinary shares with redemption rights	*23*	(16,355)	(20,160)	(22,855)
Other finance costs	*6(a)*	(4,025)	(7,407)	(9,533)
Finance costs		(20,380)	(27,567)	(32,388)
Loss before taxation		(82,672)	(61,533)	(14,968)
Income tax	*7*	852	(2,055)	2,238
Loss for the year		(81,820)	(63,588)	(12,730)
Attributable to:				
Equity shareholders of the Company		(81,819)	(61,603)	(11,101)
Non-controlling interests		(1)	(1,985)	(1,629)
Loss for the year		(81,820)	(63,588)	(12,730)
Loss per share	*10*			
– Basic and diluted loss per share		(2.69)	(1.85)	(0.33)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	(81,820)	(63,588)	(12,730)
Other comprehensive income for the year, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of an overseas subsidiary	1,107	1,819	4,178
Other comprehensive income for the year	1,107	1,819	4,178
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company	(80,925)	(60,222)	(7,603)
Non-controlling interests	212	(1,547)	(949)
Total comprehensive income for the year	(80,713)	(61,769)	(8,552)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	139,714	188,933	189,985
Right-of-use assets	*12*	14,320	20,941	18,645
Intangible assets	*13*	19,438	18,540	40,796
Goodwill	*14*	7,039	7,397	63,377
Deferred tax assets	*25(b)*	3,991	5,068	8,912
Prepayments and other receivables	*18*	–	4,608	4,912
		184,502	245,487	326,627
Current assets				
Inventories and contract costs	*16*	168,956	237,476	289,690
Trade and bills receivable	*17*	38,356	90,825	142,711
Prepayments and other receivables	*18*	58,138	46,534	24,719
Pledged bank deposits	*19(a)*	2,880	1,310	–
Cash and cash equivalents	*19(a)*	56,518	15,839	93,270
		324,848	391,984	550,390
Current liabilities				
Interest-bearing borrowings	*20*	154,536	157,144	204,317
Trade and other payables	*21*	127,814	230,584	284,467
Lease liabilities	*22*	1,650	3,905	4,436
Income tax payables	*25(a)*	2,888	3,120	106
Ordinary shares with redemption rights	*23*	284,420	304,580	427,435
		571,308	699,333	920,761
Net current liabilities		(246,460)	(307,349)	(370,371)
Total assets less current liabilities		(61,958)	(61,862)	(43,744)

	Note	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current liabilities				
Interest-bearing borrowings	20	41,252	95,448	97,033
Lease liabilities	22	1,245	5,832	2,611
Deferred income	24	11,398	11,269	17,307
Deferred tax liabilities	25(b)	3,943	3,955	7,322
		57,838	116,504	124,273
NET LIABILITIES		(119,796)	(178,366)	(168,017)
CAPITAL AND RESERVES	28			
Paid-in capital		33,309	33,309	–
Share capital		–	–	34,982
Reserves		(163,305)	(220,328)	(227,202)
Total deficits attributable to equity shareholders of the Company		(129,996)	(187,019)	(192,220)
Non-controlling interests		10,200	8,653	24,203
TOTAL DEFICIT		(119,796)	(178,366)	(168,017)

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in Renminbi)

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	6,031	8,719	6,547
Right-of-use assets	*12*	1,783	6,974	4,460
Intangible assets	*13*	3,364	3,378	3,364
Investment in subsidiaries	*15*	74,896	75,279	155,678
Deferred tax assets		704	1,223	2,364
Prepayments and other receivables	*18*	–	772	1,273
		86,778	96,345	173,686
Current assets				
Inventories and contract costs	*16*	158,482	220,789	269,991
Trade and bills receivable	*17*	20,303	76,267	131,012
Prepayments and other receivables	*18*	66,123	51,611	40,011
Cash and cash equivalents	*19(a)*	36,057	14,280	77,383
		280,965	362,947	518,397
Current liabilities				
Interest-bearing borrowings	*20*	149,688	155,675	171,343
Trade and other payables	*21*	54,282	168,446	220,652
Lease liabilities	*22*	1,166	2,762	2,706
Ordinary shares with redemption rights	*23*	284,420	304,580	427,435
		489,556	631,463	822,136
Net current liabilities		(208,591)	(268,516)	(303,739)
Total assets less current liabilities		(121,813)	(172,171)	(130,053)

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Interest-bearing borrowings	*20*	5,175	–	45,516
Lease liabilities	*22*	923	4,514	1,732
Deferred tax liabilities		129	369	409
		6,227	4,883	47,657
NET LIABILITIES		(128,040)	(177,054)	(177,710)
CAPITAL AND RESERVES	*28*			
Paid-in capital		33,309	33,309	–
Share capital		–	–	34,982
Reserves		(161,349)	(210,363)	(212,692)
TOTAL DEFICIT		(128,040)	(177,054)	(177,710)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

		Attributable to equity shareholders of the Company								
	Note	**Paid-in capital**	**Share capital**	**Capital reserve**	**Share premium**	**Exchange reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total deficit**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Note28 (c))	*(Note28 (d))*	*(Note28 (e)(ii))*	*(Note28 (d))*	*(Note28 (e)(iii))*				
Balance at January 1, 2023		14,762	–	3,632	–	–	(102,030)	(83,636)	–	(83,636)
Changes in equity for 2023										
Loss for the year		–	–	–	–	–	(81,819)	(81,819)	(1)	(81,820)
Other comprehensive income		–	–	–	–	894	–	894	213	1,107
Total comprehensive income		–	–	–	–	894	(81,819)	(80,925)	212	(80,713)
Acquisition of a subsidiary with non-controlling interest	*27 (a)*	–	–	–	–	–	–	–	9,988	9,988
Capital injection by ordinary equity shareholders	*28(c)*	17,151	–	–	–	–	–	17,151	–	17,151
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,396	–	68,604	–	–	–	70,000	–	70,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(70,000)	–	–	–	(70,000)	–	(70,000)
Equity-settled share-based payment transaction	*26(c)*	–	–	17,414	–	–	–	17,414	–	17,414
Balance at December 31, 2023 and January 1, 2024		33,309	–	19,650	–	894	(183,849)	(129,996)	10,200	(119,796)
Changes in equity for 2024										
Loss for the year		–	–	–	–	–	(61,603)	(61,603)	(1,985)	(63,588)
Other comprehensive income		–	–	–	–	1,381	–	1,381	438	1,819
Total comprehensive income		–	–	–	–	1,381	(61,603)	(60,222)	(1,547)	(61,769)
Equity-settled share-based payment transaction	*26(c)*	–	–	3,199	–	–	–	3,199	–	3,199

		Attributable to equity shareholders of the Company								
	Note	**Paid-in capital**	**Share capital**	**Capital reserve**	**Share premium**	**Exchange reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total deficit**
		RMB'000 *(Note28 (c))*	*RMB'000* *(Note28 (d))*	*RMB'000* *(Note28 (e)(ii))*	*RMB'000* *(Note28 (d))*	*RMB'000* *(Note28 (e)(iii))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at December 31, 2024 and January 1, 2025		33,309	–	22,849	–	2,275	(245,452)	(187,019)	8,653	(178,366)
Changes in equity for 2025										
Loss for the year		–	–	–	–	–	(11,101)	(11,101)	(1,629)	(12,730)
Other comprehensive income		–	–	–	–	3,498	–	3,498	680	4,178
Total comprehensive income		–	–	–	–	3,498	(11,101)	(7,603)	(949)	(8,552)
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,673	–	98,327	–	–	–	100,000	–	100,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(100,000)	–	–	–	(100,000)	–	(100,000)
Capital injection by non-controlling interests		–	–	–	–	–	–	–	4,889	4,889
Equity-settled share-based payment transaction	*26(c)*	–	–	2,402	–	–	–	2,402	–	2,402
Acquisition of a subsidiary with non-controlling interest	*27 (b)*	–	–	–	–	–	–	–	11,610	11,610
Conversion into a joint stock limited liability company	*28(d)(i)*	(34,982)	34,982	(363,045)	243,366	–	119,679	–	–	–
Balance at December 31, 2025		–	34,982	(339,467)	243,366	5,773	(136,874)	(192,220)	24,203	(168,017)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Renminbi)

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash (used in)/generated from operations	*19(b)*	(76,261)	(22,307)	6,100
Income tax paid		(68)	(3,033)	(5,076)
Net cash (used in)/generated from operating activities		(76,329)	(25,340)	1,024
Investing activities				
Payment for acquisition of property, plant and equipment and intangible assets		(75,445)	(62,099)	(27,947)
Payment for acquisition of land use right		(12,298)	–	(3,524)
Proceeds from disposal of property, plant and equipment		–	7	527
Payment for acquisition of a subsidiary, net of cash acquired	*19(e)*	(28,678)	–	(32,039)
Net cash used in investing activities		(116,421)	(62,092)	(62,983)
Financing activities				
Proceeds from interest-bearing borrowings	*19(c)*	211,927	229,766	274,651
Repayment of interest-bearing borrowings	*19(c)*	(88,187)	(172,963)	(225,893)
Interest paid	*19(c)*	(4,203)	(7,924)	(10,030)
Capital injection by non-controlling interests		–	–	4,889
Payment of **[REDACTED]** expenses		–	–	(235)
Proceeds from capital injection by ordinary equity shareholders	*28(c)*	17,151	–	–
Proceeds from the issuance of ordinary shares with redemption rights	*23*	70,000	–	100,000
Capital element of lease rentals paid	*19(c)*	(1,899)	(2,344)	(4,110)
Net cash generated from financing activities		204,789	46,535	139,272
Net increase/(decrease) in cash and cash equivalents		12,039	(40,897)	77,313
Cash and cash equivalents at January 1		44,387	56,518	15,839
Effect of foreign exchange rate changes		92	218	118
Cash and cash equivalents at December 31		56,518	15,839	93,270

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai GoNa Semiconductor Technology Co., Ltd. 上海果納半導體技術股份有限公司 (the "**Company**") was incorporated in Shanghai, the People's Republic of China (the "**PRC**") as a limited liability company on March 17, 2020. On December 31, 2025, the Company was converted into a joint stock limited liability company.

During the Track Record Period, the Company and its subsidiaries (together, the "**Group**") are mainly engaged in the research and development ("**R&D**"), manufacturing and sales of wafer transfer equipment, automated material handling system (the "**AMHS**"), and the related key components and related products.

The statutory financial statements of the Company for the year ended December 31, 2023, 2024 and 2025, were audited by Shanghai Gongxin Certified Public Accountants (上海公信會計師事務所).

The functional currency of the Company is Renminbi ("**RMB**"). The consolidated financial statements are presented in RMB as mainly of the Group's operations are conducted by the Company and its subsidiaries established in the PRC and the functional currency of which is RMB.

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private limited liability companies:

Company name	Place and date of incorporation/ establishment and place of business	Particulars of issued and paid-up capital	Effective interest held by the Group As at December 31, 2023	2024	2025	At the date of this report	Principal activities
Directly held by the Company							
Zhejiang Gona Semiconductor Technology Co., Ltd.(ii) (iii) (浙江果納半導體技術有限公司)	PRC January 18, 2022	RMB40,000,000/ RMB40,000,000	100%	100%	100%	100%	Manufacturing and sales of components of wafer transfer equipment
Wuhan Nayou Electronics Technology Co., Ltd.(ii) (iii) (武漢納優電子技術有限公司)	PRC October 12, 2022	RMB10,000,000/ RMB2,000,000	100%	100%	100%	100%	Repair of semiconductor transfer equipment and sales of components
Guangdong Gona Semiconductor Technology Co., Ltd.(ii) (iii) (廣東果納半導體技術有限公司)	PRC November 15, 2024	RMB20,000,000/ Nil	100%	100%	100%	100%	R&D and sales of semiconductor transfer equipment
Shanghai Gona Catering Management Co., Ltd.(ii) (iii) (上海果納餐飲管理有限公司)	PRC December 17, 2024	RMB500,000/ RMB500,000	100%	100%	100%	100%	Catering services
Waftech Sdn. Bhd. (i) (vi) (the "**Waftech**")	Malaysia January 12, 2007	Malaysian Ringgit ("**MYR**") 533,333/ MYR533,333	70%	70%	70%	70%	R&D, manufacturing and sales of semiconductor packaging automation equipment
Xindao (Wuxi) Precision Equipment Co., Ltd. (iii) (iv) (vii) (viii) (the "**Xindao Wuxi**") (芯導（無錫）精密設備有限公司)	PRC November 26, 2021	RMB1,160,000/ RMB1,160,000	N/A	N/A	51.78%	51.78%	Investment holding

Company name	Place and date of incorporation/ establishment and and place of business	Particulars of issued and paid-up capital	Effective interest held by the Group As at December 31, 2023	2024	2025	At the date of this report	Principal activities
Huzhou Gona Semiconductor Technology Co., Ltd. (ii) (iii) (湖州果納半導體技術有限公司)	PRC December 16, 2025	RMB30,000,000/ Nil	N/A	N/A	100%	100%	R&D, manufacturing and sales of semiconductor transfer system
Indirectly held by the Company							
Xindao Precision (Beijing) Equipment Co., Ltd. (iii) (iv) (vii) (the "**Xindao Precision**") (芯導精密（北京）設備有限公司)	PRC July 16, 2018	RMB25,000,000/ RMB25,000,000	N/A	N/A	51.78%	51.78%	R&D, manufacturing and sales of the components of wafer transfer equipment
Xindao Innovation (Beijing) Technology Co., Ltd. (iii) (iv) (vii) (芯導創能（北京）科技有限公司)	PRC May 10, 2021	RMB10,000,000/ RMB10,000,000	N/A	N/A	51.78%	51.78%	R&D and sales of the components of wafer transfer equipment

Notes:

(i) The entity prepared the statutory financial statements for the year ended December 31, 2023, 2024 and 2025, in accordance with the Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirement of the Company Act. 2016 in Malaysia. The financial statements for the year ended December 31, 2023 and 2024, were audited by KCK & ASSOCIATES PLT., certified public accountants registered in Malaysia. As at the date of this report, no audited financial statements have been prepared for the year ended December 31, 2025.

(ii) No audited financial statements were prepared for these entities during the Track Record Period.

(iii) The official names of these entities are in Chinese. The English translation is for identification purpose only.

(iv) These entities prepared the statutory financial statements for the year ended December 31, 2023, 2024 and 2025 in accordance with the requirements of Accounting Standards for Business Enterprise, which are also referred to as China Accounting Standards, issued by the Ministry of Finance of the PRC. The financial statements for the year ended December 31, 2023, 2024 and 2025, were audited by Beijing Yunsheng Certified Public Accountants (General Partnership) 北京雲升會計師事務所 (普通合夥), certified public accountants registered in PRC.

(v) The directors of the Company are of the view that the Group had no individually material non-controlling interest as of December 31, 2023, 2024 and 2025.

(vi) This entity was acquired by the Group on December 14, 2023 and became a subsidiary of the Group since then, see Note 27(a).

(vii) These entities were acquired by the Group on October 17, 2025 and became subsidiaries of the Group since then, see Note 27(b).

(viii) Shares of this entity have been pledged for certain interest-bearing borrowings from bank amounting to RMB13,886,000 (Note 20) as at December 31, 2025.

All companies now comprising the Group have adopted December 31 as their financial year end date.

As at December 31, 2025, the Group had net liabilities of RMB168,017,000 and net current liabilities of RMB370,371,000, which is primarily due to ordinary shares with redemption rights (see Note 23). All special rights granted will be automatically terminated upon **[REDACTED]** and the ordinary shares with redemption rights will be reclassified to equity accordingly. The directors of the Company have reviewed the Group's cash flow projections, which cover a period of at least twelve months from December 31, 2025. Notwithstanding the net current liabilities and net liabilities position as at December 31, 2025, the directors of the Company consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 34.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVOCI are stated at their fair value as explained in Note 2(e).

(b) Use of estimates and judgement

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(n) or (p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Business combination and goodwill

The Group accounts for the business combination using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. Business combination is accounted for using the acquisition method as at the acquisition date when control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquires includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction cost are expensed as incurred.

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(i)(ii)).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at financial assets measured at fair value through profit or loss ("**FVPL**") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

– fair value through other comprehensive income ("**FVOCI**") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in other comprehensive income ("**OCI**"). When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings, and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and impairment losses (see Note 2(i)(ii)).

Construction in progress represents buildings and various machinery, plant and equipment under construction and pending installation, and is stated at cost less impairment losses (see Note 2(i)(ii)). Cost comprises direct costs of construction as well as interest charges during the periods of construction.

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use. No depreciation is provided in respect of construction in progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write-off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives during the Track Record Period are as follows:

– Property	40 years
– Equipment and machinery	3–10 years
– Vehicles	5 years
– Computer and office equipment	3–10 years
– Leasehold improvements	Shorter of useful lives or lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Intangible assets (other than goodwill)

Intangible assets, including software, patents and customer relationships, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(i)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives during the Track Record Period are as follows:

– Software	5–10 years
– Patents	5–10 years
– Customer relationships	10 years

Patents are capitalized on the basis of the cost incurred to acquire and bring to use the specific patent. The patents relate to production technologies developed by the Group. The useful lives of the patents were estimated by the Group based on the respective periods over which economic benefits are expected to be derived from the underlying technologies. The estimation of the useful lives has taken into account the patent protection period, the historical life of similar products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on the different production commencement dates and the expected lifespan of economic benefits of individual technologies, the useful lives of the Group's patents have been assessed to 5–10 years.

Customer relationships were acquired through the business combination of subsidiaries. They are recognized at fair value at the date of acquisition and the useful lives of these customer relationships were estimated by the Group based on contractual terms, historical customer retention and renewal experience, expected customer attrition, industry dynamics, technological changes, and assumptions adopted in the independent valuation.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see Notes 2(e)(i), 2(u)(ii) and 2(i)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognizes a loss allowance for expected credit losses ("**ECL**"s) on:

– financial assets measured at amortized cost (including cash and cash equivalents, trade and other receivables);

– contract assets (see Note 2(k));

– non-equity securities measured at FVOCI (recycling) assets (see Note 2(e)(i));

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganization; or significant financial difficulties of the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written-off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Inventories and contract costs

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized in cost of sales in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(ii) contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalized as inventory (see Note 2(j)(i)), property, plant and equipment (see Note 2(f)) or intangible assets (see Note 2(g)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalized if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Amortization of capitalized contract costs is recognized in profit or loss when the revenue to which the asset relates is recognized (see Note 2(u)(i)).

(k) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see Note 2(u)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(i)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(l)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(u)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)(i)).

(l) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortized cost, using the effective interest method (see Note 2(i)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(n) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Ordinary shares with redemption rights

The Group recognizes as a financial liability its obligation to purchase its own equity instruments for cash or another financial asset. The financial liability is measured at the highest present value of the settlement amounts that can arise. Any changes in the carrying amount of the financial liability arising from the remeasurement of the distributions amount is recognized in profit or loss as "Changes in the carrying amount of ordinary shares with redemption rights".

The Group derecognizes the financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(w).

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(r) Share-based payment transactions

(i) Equity-settled share-based payment transaction with employees

The grant-date fair value of restricted share and share option granted to employees and non-employee consultants is measured based on the binomial lattice model and equity allocation model. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the capital reserve until either the restricted share is vested, and option is exercised (when it is included in the amount recognized in share capital for the shares issued) or the option and restricted share expires/forfeited (when it is released directly to retained earnings).

(ii) Equity-settled share-based payment transaction with parties other than employees

For equity-settled share-based payment transaction with parties other than employees, services are recognized as expenses when they are received with reference to the fair value of the services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the services received, the entity shall measure their value by reference to the fair value of the equity instruments granted. The fair value shall be measured at the date the counterparty renders service.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

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

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Sales of equipment and other products

Revenue arising from the sale of intelligent semiconductor transfer system, semiconductor packaging automation equipment and components are recognized when the customer takes possession of and accepts the equipment and related products.

Rendering of services

Revenue from the rendering technical services is recognized over time, using an output method to measure progress based on surveys of work completed or milestones achieved, which directly reflect the value transferred to customers. Where progress cannot be reliably measured, revenue is recognized only to the extent of costs incurred that are expected to be recoverable.

(ii) Revenue from other sources and other income

Interest income

Interest income is recognized as it accrues using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Where the grant that compensate the Group for the cost of an asset, the grant received are recognized initially as deferred income and amortized as income in the profit or loss on a straight-line basis over the useful life of the related asset.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

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

(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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 14, 26, 29(a) and 29(e) contains information about the assumptions and their risk factors relating to goodwill impairment, fair value of equity-settled share-based transactions, ECLs for trade receivables and fair value of other financial assets. Other significant sources of judgment and estimation uncertainty are as follows:

(a) Net realizable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting period.

(b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service and the timing of revenue recognition is as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Sales of equipment and other products			
Intelligent semiconductor transfer system			
– Wafer transfer equipment	104,953	239,226	380,453
– AMHS	–	–	13,423
– Components and others	1,679	4,026	13,377
Semiconductor packaging automation equipment and components	3,848	13,198	44,304
Subtotal	**110,480**	**256,450**	**451,557**
Technical services and others	22,809	52,475	69,954
Total	133,289	308,925	521,511
Disaggregated revenue from contracts with customers within the scope of IFRS 15 by timing of revenue recognition			
Point in time	111,425	267,599	475,408
Over time	21,864	41,326	46,103
Total	133,289	308,925	521,511

(ii) Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the Track Record Period is set out below:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	24,075	42,613	52,572
Customer B	22,713	183,348	207,818
Customer C	13,996	N/A*	N/A*

* Less than 10% of the Group's revenue in the respective years.

(iii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year or less.

(b) Segment reporting

(i) Segment information

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the founder of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, the Company has determined that it only has one operating segment.

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, non-current portion of prepayment and other receivables ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of right-of-use assets, property, plant and equipment, the location of the operation to which they are allocated in the case of intangible assets, goodwill and non-current portion of prepayment and other receivables.

Revenues from external customers

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	128,528	292,979	477,037
Other countries and regions	4,761	15,946	44,474
	133,289	308,925	521,511

Specified non-current assets

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	156,235	214,396	287,604
Other countries and regions	24,276	26,023	30,111
	180,511	240,419	317,715

5 OTHER NET INCOME

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Government grants	(i)	1,469	2,771	3,058
Gain from input VAT deduction in Chinese mainland	(ii)	664	6,424	3,158
Interest income on deposits		369	371	362
Net gain/(loss) on disposal of property, plant and equipment and right-of-use assets		31	(9)	314
Net foreign exchange gain/(loss)		171	(557)	(1,044)
Insurance compensation		–	–	876
Others		44	330	294
		2,748	9,330	7,018

(i) Government grants primarily consist of subsidies received by the Group's operating subsidiaries from various government authorities. These grants are mainly to compensate the Group's research and development expenditures.

(ii) Pursuant to Notice of the Ministry of Finance and the State Taxation Administration on the VAT Additional Deduction Policy for Integrated Circuit Enterprises (Notice No. 17 of 2023 by the Ministry of Finance and the State Taxation Administration) (財政部稅務總局關於積體電路企業增值稅加計抵減政策的通知 (財稅[2023] 17號)), effective from January 1, 2023 to December 31, 2027, the Company and certain subsidiaries in Chinese mainland are allowed to have an additional 15% deduction of input VAT, which was recognized as other net income.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Other finance costs

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Interest on loans and borrowings	19(c)	4,175	8,382	9,368
Interest on lease liabilities	19(c)	62	89	165
Total interest expense on financial liabilities not at fair value through profit or loss		4,237	8,471	9,533
Less: Interest expense capitalized into construction in progress*		(212)	(1,064)	–
		4,025	7,407	9,533

* The borrowings costs have been capitalized at a rate of 3.5% per annum for the years ended December 31, 2023 and 2024. No borrowing cost have been capitalized for the year ended December 31, 2025.

(b) Staff costs

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits		62,243	102,655	138,933
Equity-settled share-based payment expenses recognized for directors, senior management and core employees	*26(c)*	17,009	1,961	1,816
Contributions to defined contribution retirement plan	*(i)*	5,179	7,349	8,688
		84,431	111,965	149,437

(i) The employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal governments. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal governments to the plan to fund the retirement benefits of the employee.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories	*16(b)*	96,636	215,760	361,541
Research and development expenses		41,375	59,594	47,139
Depreciation charge				
– property, plant and equipment		4,047	5,266	10,652
– right-of-use assets		2,514	1,947	4,113
Amortization of intangible assets		1,780	2,706	2,991
[REDACTED] expenses		–	–	1,295

(i) For the years ended December 31, 2023, 2024 and 2025, cost of inventories includes RMB19,985,000, RMB36,229,000, and RMB61,721,000, respectively relating to staff costs, depreciation and amortization expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) During the years ended December 31, 2023, 2024 and 2025, research and development expenses include staff cost, depreciation expense and amortization expense of RMB26,925,000, RMB35,816,000, RMB36,761,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

7 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	Note	Years ended December 31, 2023 RMB'000	2024 RMB'000	2025 RMB'000
Current tax				
Provision for the year	*25(a)*	2,543	3,265	2,062
Deferred tax				
Origination and reversal of temporary differences	*25(b)*	(3,395)	(1,210)	(4,300)
		(852)	2,055	(2,238)

(i) Pursuant to the Corporate Income Tax Law of Chinese mainland (the "**CIT**"), the Company and its subsidiaries incorporated in the PRC are subject to the CIT at a rate of 25% unless otherwise specified.

Pursuant to the PRC Corporate Income Tax Law and its relevant regulations, entities that qualified as a high technology enterprise ("**HNTE**") are entitled to a preferential income tax rate of 15%. The Company and Xindao Precision obtained the certificate of HNTE in December 2022 and December 2022, respectively. The Company and Xindao Precision renewed the certificate in December 2025 and August 2024, respectively, with a validity period of three years and therefore, are entitled to a preferential income tax rate of 15% during the Track Record Period.

For the Company's Malaysian subsidiary Waftech, with effect from the years of assessment during the Track Record Period, Small and Medium Enterprises ("**SME**") in which more than 20% of the paid-up ordinary share capital is owned by a foreign company or a non-Malaysian citizen will be subject to the income tax rate of 24%.

(ii) Effective from January 1, 2023, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the CIT law and its relevant regulations.

(b) Reconciliation between tax (benefit)/expense and accounting loss at applicable tax rates:

	Note	Years ended December 31, **2023** RMB'000	**2024** RMB'000	**2025** RMB'000
Loss before taxation		(82,672)	(61,533)	(14,968)
Income tax calculated at applicable tax rate		(12,348)	(9,827)	(2,248)
Effect of non-deductible interest on ordinary shares with redemption rights		2,453	3,024	3,428
Effect of non-deductible share-based payment expenses		2,612	480	360
Effect of other non-deductible expenses		43	31	26
Effect of unused tax losses not recognized		12,827	17,305	3,452
Effect of additional deduction on research and development expenses	*7(a)(ii)*	(6,439)	(8,958)	(7,256)
Actual tax (benefit)/expense		(852)	2,055	(2,238)

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

(a) Directors' and supervisors' emoluments as recorded in the Historical Financial Information are as follows:

For the year ended December 31, 2023

	Note	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payment expenses *(x)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors								
Ms. Ye Ying		–	1,520	1,030	–	2,550	–	2,550
Ms. Fung Kai Ye	*(i)*	–	700	75	–	775	14,346	15,121
Non-executive directors								
Ms. Chen Min	*(viii)*	–	–	–	–	–	–	–
Ms. Zhang Qian		–	–	–	–	–	–	–
Mr. Gong Liguang	*(ii)*	–	–	–	–	–	43	43
Supervisor								
Ms. Zhou Yunyu		–	494	60	68	622	111	733
Total		–	2,714	1,165	68	3,947	14,500	18,447

For the year ended December 31, 2024

	Note	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payment expenses *(x)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors								
Ms. Ye Ying		–	2,138	1,413	–	3,551	–	3,551
Mr. Gong Liguang	*(ii)*	–	681	–	–	681	6	687
Ms. Fung Kai Ye	*(i)*	–	1,500	–	–	1,500	–	1,500
Non-executive directors								
Ms. Chen Min	*(viii)*	–	–	–	–	–	–	–
Ms. Zhang Qian		–	–	–	–	–	–	–
Supervisor								
Ms. Zhou Yunyu		–	518	–	71	589	–	589
Total		–	4,837	1,413	71	6,321	6	6,327

For the year ended December 31, 2025

	Note	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payment expenses *(x)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors								
Ms. Ye Ying		–	2,833	940	–	3,773	–	3,773
Mr. Gong Liguang	*(ii)*	–	1,235	–	–	1,235	13	1,248
Ms. Fung Kai Ye	*(i)*	–	1,500	–	–	1,500	–	1,500
Ms. Gao Huixia.	*(iii)*	–	557	–	71	628	161	789
Non-executive directors								
Ms. Chen Min	*(viii)*	–	–	–	–	–	–	–
Ms. Zhang Qian		–	–	–	–	–	–	–
Mr. Zhang Tong	*(iv)*	–	–	–	–	–	–	–
Independent non-executive director								
Mr. Ni Weixin	*(v)*	–	–	–	–	–	–	–
Supervisors								
Ms. Zhou Yunyu		–	549	–	71	620	–	620
Ms. Wang Youying	*(vi)*	–	354	–	–	354	–	354
Mr. Pan Xuejun	*(vii)*	–	603	–	71	674	–	674
Total		–	7,631	940	213	8,784	174	8,958

(i) Ms. Fung Kai Ye was appointed as an executive director of the Company in November 2023 and resigned in December 2025.

(ii) Mr. Gong Liguang resigned as a non-executive director of the Company and was reappointed as an executive director of the Company in April 2024.

(iii) Ms. Gao Huixia was appointed as an executive director of the Company in December 2025.

(iv) Mr. Zhang Tong was appointed as a non-executive director of the Company in December 2025.

(v) Mr. Ni Weixin was appointed as an independent non-executive director of the Company in December 2025.

(vi) Ms. Wang Youying was appointed as a supervisor of the Company in December 2025.

(vii) Mr. Pan Xuejun was appointed as a supervisor of the Company in December 2025.

(viii) Mr. Stephen Jin was appointed as a non-executive director, Dr. Huang Jiandong and Mr. Li Kwok Tai James were appointed as independent non-executive directors and Ms. Chen Min resigned as a non-executive director of the Company in March 2026.

(ix) In order to further optimize the governance structure of the Company, the shareholders of the Company resolved to abolish the Supervisory Committee in an extraordinary general meeting ("**EGM**") held in March 2026, each of the Supervisors has tendered his/her resignation to the Supervisory Committee and resigned as a Supervisor with effect from the conclusion of the EGM.

(x) These represent the estimated value of share-based payment granted to the directors under the Company's share-based payment scheme as set out in Note 26. The value of these share-based payment is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(r) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of share-based payment granted, are disclosed in Note 26.

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments, and no amounts were paid or payable by the Group to the directors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two, two and three are directors whose emoluments are disclosed in Note 8 during the years ended December 31, 2023, 2024 and 2025, respectively. The aggregate of the emoluments in respect of the paid amount to remaining individuals are as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	2,383	2,416	2,333
Discretionary bonuses	1,325	960	–
Retirement scheme contributions	162	181	71
Equity-settled share-based payment expenses	1,274	906	358
	5,144	4,463	2,762

The emoluments of the three, three and two individuals with the highest emoluments are within the following bands:

	Years ended December 31,		
	2023	**2024**	**2025**
	Number of individuals	*Number of individuals*	*Number of individuals*
HKD1,000,001 – HKD1,500,000	–	1	1
HKD1,500,001 – HKD2,000,000	2	2	1
HKD2,000,001 – HKD2,500,000	1	–	–

During the Track Record Period, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be issued during the Track Record Period.

As described in Note 28(d)(i), the Company was converted into a joint stock limited liability company in December 2025. The Company's paid-in capital of RMB34,982,480 was converted into 34,982,480 shares of RMB1.00 each accordingly. For the purpose of computing basic and diluted loss per share, the weighted average number of shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since January 1, 2023, at the exchange ratio established in the conversion in December 2025.

(i) Loss for the year attributable to ordinary shareholders of the Company

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss attributable to equity shareholders of the Company		(81,819)	(61,603)	(11,101)
Allocation of loss for the year attributable to ordinary shares with redemption rights	*23*	30,522	22,765	4,220
Loss attributable to ordinary equity shareholders of the Company		(51,297)	(38,838)	(6,881)

(ii) Weighted average number of shares deemed to be in issue

	Note	Years ended December 31, 2023	2024	2025
		('000)	*('000)*	*('000)*
Ordinary shares at January 1, deemed to be in issue		14,762	33,309	33,309
Effect of shares deemed to be in issue		15,701	–	568
Effect of the ordinary shares with redemption rights	*23*	(11,364)	(12,309)	(12,877)
Weighted average number of ordinary shares at the end of the year deemed to be in issue		19,099	21,000	21,000

The weighted average number of ordinary shares does not take into account the impact of the share subdivision that will become effective immediately before the **[REDACTED]** (Note 32).

(b) Diluted loss per share

The ordinary shares with redemption rights (Note 23) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share during the Track Record Period.

11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Note	Property *(ii)*	Equipment and machinery *(iii)*	Leasehold improvements	Vehicles *(iv)*	Computer and office equipment	Construction in progress *(i)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:								
At January 1, 2023		–	3,151	2,882	986	2,294	291	9,604
Additions		–	1,223	290	134	624	132,491	134,762
Disposals		–	–	–	–	(27)	–	(27)
Addition through acquisition of a subsidiary	27*(a)*	–	25	149	329	174	–	677
Exchange adjustments		–	15	–	14	5	–	34
At December 31, 2023 and January 1, 2024		–	4,414	3,321	1,463	3,070	132,782	145,050
Additions		–	6,977	5,164	584	4,723	37,025	54,473
Transfer from construction in progress		169,807	–	–	–	–	(169,807)	–
Disposals		–	–	(2,661)	(54)	(69)	–	(2,784)
Exchange adjustments		–	82	8	81	39	–	210
At December 31, 2024 and January 1, 2025		169,807	11,473	5,832	2,074	7,763	–	196,949
Additions		6,328	749	2,881	–	1,904	–	11,862
Disposals		–	(789)	(220)	(225)	(2)	–	(1,236)
Addition through acquisition of a subsidiary	27*(b)*	–	3	–	–	5	–	8
Exchange adjustments		–	118	30	116	95	–	359
At December 31, 2025		176,135	11,554	8,523	1,965	9,765	–	207,942
Accumulated depreciation:								
At January 1, 2023		–	(351)	–	(160)	(777)	–	(1,288)
Charge for the year		–	(556)	(2,334)	(305)	(852)	–	(4,047)
Written back on disposals		–	–	–	–	27	–	27
Exchange adjustments		–	(14)	–	(10)	(4)	–	(28)

	Note	Property *(ii)*	Equipment and machinery *(iii)*	Leasehold improvements	Vehicles *(iv)*	Computer and office equipment	Construction in progress *(i)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023 and January 1, 2024		–	(921)	(2,334)	(475)	(1,606)	–	(5,336)
Charge for the year		(1,680)	(1,399)	(612)	(359)	(1,216)	–	(5,266)
Written back on disposals		–	–	2,661	51	45	–	2,757
Exchange adjustments		–	(81)	(1)	(64)	(25)	–	(171)
At December 31, 2024 and January 1, 2025		(1,680)	(2,401)	(286)	(847)	(2,802)	–	(8,016)
Charge for the year		(4,266)	(1,949)	(2,192)	(357)	(1,888)	–	(10,652)
Written back on disposals		–	749	220	5	4	–	978
Exchange adjustments		–	(116)	(5)	(99)	(47)	–	(267)
At December 31, 2025		(5,946)	(3,717)	(2,263)	(1,298)	(4,733)	–	(17,957)
Net book value:								
At December 31, 2023		–	3,493	987	988	1,464	132,782	139,714
At December 31, 2024		168,127	9,072	5,546	1,227	4,961	–	188,933
At December 31, 2025		170,189	7,837	6,260	667	5,032	–	189,985

Notes:

(i) Construction in progress with net book value of RMB132,782,000, RMB nil, RMB nil were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(ii) Property with net book value of RMB nil, RMB168,127,000 and RMB170,189,000 were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(iii) Equipment and machinery with net book value of RMB nil, RMB6,246,000 and RMB5,024,000 were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(iv) Vehicles with net book value of RMB nil, RMB345,000 and RMB272,000 were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

The Company

	Equipment and machinery	Leasehold improvements	Vehicles	Computer and office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At January 1, 2023	3,151	2,882	986	2,294	9,313
Additions	1,134	188	134	303	1,759
At December 31, 2023 and January 1, 2024	4,285	3,070	1,120	2,597	11,072
Additions	820	4,898	117	905	6,740
Disposals	(1,989)	(2,661)	(54)	(69)	(4,773)
At December 31, 2024 and January 1, 2025	3,116	5,307	1,183	3,433	13,039
Additions	36	–	–	1,060	1,096
Disposals	(789)	(220)	–	(2)	(1,011)
At December 31, 2025	2,363	5,087	1,183	4,491	13,124
Accumulated depreciation:					
At January 1, 2023	(351)	–	(160)	(777)	(1,288)
Charge for the year	(503)	(2,310)	(216)	(724)	(3,753)
At December 31, 2023 and January 1, 2024	(854)	(2,310)	(376)	(1,501)	(5,041)
Charge for the year	(1,282)	(549)	(212)	(624)	(2,667)
Written back on disposals	631	2,661	51	45	3,388
At December 31, 2024 and January 1, 2025	(1,505)	(198)	(537)	(2,080)	(4,320)
Charge for the year	(335)	(1,946)	(225)	(721)	(3,227)
Written back on disposals	749	220	–	1	970
At December 31, 2025	(1,091)	(1,924)	(762)	(2,800)	(6,577)
Net book value:					
At December 31, 2023	3,431	760	744	1,096	6,031
At December 31, 2024	1,611	5,109	646	1,353	8,719
At December 31, 2025	1,272	3,163	421	1,691	6,547

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

The Group

	Note	**Land use right *(i)***	**Properties leased for own use carried at cost**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
Cost:				
At January 1, 2023		–	5,723	5,723
Additions		12,298	1,596	13,894
Addition through acquisition of a subsidiary	*27(a)*	–	442	442
Exchange adjustments		–	8	8
At December 31, 2023 and January 1, 2024		12,298	7,769	20,067
Additions		–	9,888	9,888
Termination of lease		–	(7,327)	(7,327)
Exchange adjustments		–	41	41
At December 31, 2024 and January 1, 2025		12,298	10,371	22,669
Additions		–	1,002	1,002
Addition through acquisition of a subsidiary	*27(b)*	–	668	668
Exchange adjustments		–	229	229
At December 31, 2025		12,298	12,270	24,568
Accumulated depreciation:				
At January 1, 2023		–	(3,230)	(3,230)
Charge for the year		(203)	(2,311)	(2,514)
Exchange adjustments		–	(3)	(3)
At December 31, 2023 and January 1, 2024		(203)	(5,544)	(5,747)
Charge for the year		(248)	(1,699)	(1,947)
Termination of lease		–	5,985	5,985
Exchange adjustments		–	(19)	(19)

	Note	**Land use right** *(i)*	**Properties leased for own use carried at cost**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
At December 31, 2024 and January 1, 2025		(451)	(1,277)	(1,728)
Charge for the year		(246)	(3,867)	(4,113)
Exchange adjustments		–	(82)	(82)
At December 31, 2025		(697)	(5,226)	(5,923)
Net book value:				
At December 31, 2023		12,095	2,225	14,320
At December 31, 2024		11,847	9,094	20,941
At December 31, 2025		11,601	7,044	18,645

(i) Land use right with net book value of RMB12,095,000, RMB11,847,000 and RMB11,601,000 was pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

The Company

	Properties leased for own use carried at cost
	RMB'000
Cost:	
At January 1, 2023	5,723
Additions	1,604
At December 31, 2023 and January 1, 2024	7,327
Additions	7,436
Termination of lease	(7,327)
At December 31, 2024 and January 1, 2025 and December 31, 2025	7,436
Accumulated depreciation:	
At January 1, 2023	(3,230)
Charge for the year	(2,314)
At December 31, 2023 and January 1, 2024	(5,544)
Charge for the year	(903)
Termination of lease	5,985
At December 31, 2024 and January 1, 2025	(462)
Charge for the year	(2,514)
At December 31. 2025	(2,976)
Net book value:	
At December 31, 2023	1,783
At December 31, 2024	6,974
At December 31, 2025	4,460

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

		Years ended December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:				
– Land use right	*(i)*	203	248	246
– Office buildings	*(ii)*	2,311	1,699	3,867
		2,514	1,947	4,113
Interest on lease liabilities	*6(a)*	62	89	165
Expense relating to short-term leases		618	813	1,212

(i) During the year ended December 31, 2023, the Group acquired the land use right for land parcels located at Hai Ning, Zhe Jiang, the PRC, for the purpose of the construction of office and manufacturing facilities. The land use right is granted for 50 years.

(ii) The Group has leased properties for own use through tenancy agreements. The leases typically run for an initial period of 2 to 5 years. None of the leases includes variable lease payments.

The total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 19(d) and Note 22, respectively.

13 INTANGIBLE ASSETS

The Group

	Note	Patents	Software	Customer relationships	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At January 1, 2023		–	2,740	–	2,740
Additions		–	2,983	–	2,983
Addition through acquisition of a subsidiary	*27(a)*	3,972	189	11,917	16,078
Exchange adjustments		36	13	105	154
At December 31, 2023 and January 1, 2024		4,008	5,925	12,022	21,955
Additions		–	991	–	991
Exchange adjustments		204	77	612	893
At December 31, 2024 and January 1, 2025		4,212	6,993	12,634	23,839
Additions		–	503	–	503
Addition through acquisition of a subsidiary	*27(b)*	13,900	–	9,800	23,700
Exchange adjustments		291	113	874	1,278
At December 31, 2025		18,403	7,609	23,308	49,320
Accumulated amortization:					
At January 1, 2023		–	(725)	–	(725)
Charge for the year		(82)	(1,592)	(106)	(1,780)
Exchange adjustments		–	(11)	(1)	(12)
At December 31, 2023 and January 1, 2024		(82)	(2,328)	(107)	(2,517)
Charge for the year		(421)	(949)	(1,336)	(2,706)
Exchange adjustments		(2)	(69)	(5)	(76)

	Note	Patents	Software	Customer relationships	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024 and January 1, 2025		(505)	(3,346)	(1,448)	(5,299)
Charge for the year		(798)	(519)	(1,674)	(2,991)
Exchange adjustments		(32)	(102)	(100)	(234)
At December 31, 2025		(1,335)	(3,967)	(3,222)	(8,524)
Net book value:					
At December 31, 2023		3,926	3,597	11,915	19,438
At December 31, 2024		3,707	3,647	11,186	18,540
At December 31, 2025		17,068	3,642	20,086	40,796

Note:

(i) The amortization charge for the Track Record Period is included in "Cost of sales", "Selling and marketing expenses" and "Research and development expenses" in the consolidated statement of profit or loss.

The Company

	Software
	RMB'000
Cost:	
At January 1, 2023	2,740
Additions	2,911
At December 31, 2023 and January 1, 2024	5,651
Additions	2,455
At December 31, 2024 and January 1, 2025	8,106
Additions	473
At December 31, 2025	8,579
Accumulated amortization:	
At January 1, 2023	(725)
Charge for the year	(1,562)
At December 31, 2023 and January 1, 2024	(2,287)
Charge for the year	(2,441)
At December 31, 2024 and January 1, 2025	(4,728)
Charge for the year	(487)
At December 31, 2025	(5,215)
Net book value:	
At December 31, 2023	3,364
At December 31, 2024	3,378
At December 31, 2025	3,364

14 GOODWILL

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost	27	6,977	6,977	62,473
Exchange adjustment		62	420	904
Accumulated impairment loss		–	–	–
Total		7,039	7,397	63,377

Goodwill arose from the Group's acquisition of Waftech in 2023 and Xindao Wuxi in 2025, respectively (see Note 27).

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generation units ("**CGU**") as follow:

Name of CGU	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Waftech	*27(a)*	7,039	7,397	7,908
Xindao Wuxi	*27(b)*	–	–	55,469
Total		7,039	7,397	63,377

The recoverable amounts of the respective CGUs are determined based on the value-in-use ("**VIU**") calculation. The Group engaged an independent professional valuer to assist with the calculation. As at December 31, 2023, 2024 and 2025, these calculations use cash flow projections based on financial budgets approved by management covering five-year to seven-year forecast period (the "**Forecast Period**"). Cash flows of Waftech and Xindao Wuxi beyond the Forecast Period are extrapolated using estimated terminal growth rates of 2.0% and 1.5%, respectively. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGUs themselves and macro-environment of the relevant region. Key assumptions are set out as follows:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Waftech	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*
Annual growth rate of revenue for forecast period	-51.4%-172.7%	Not applicable	20.0%-172.7%	Not applicable	20.0%-78.6%	10.0%-416.7%
Gross profit margin	27.4%-47.0%	Not applicable	29.2%-47.0%	Not applicable	39.8%-47.0%	28.5%-34.3%
Pre-tax discount rate	18.2%	Not applicable	19.4%	Not applicable	19.4%	17.2%

(i) The basis used to determine the value assigned to the annual growth rate of revenue was based on the average growth levels experienced over the past years and the estimated sales volume and price growth for the Forecast Period.

Detail of the headroom calculated based on the recoverable amounts deducting the carrying amount of the CGU is set out as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Xindao Wuxi	–	–	9,014
Waftech	3,843	4,970	18,302

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the Forecast Period, gross profit margin and pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as at December 31, 2023, 2024 and 2025.

	As at December 31,2023		As at December 31,2024		As at December 31,2025	
	Waftech	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*
Annual growth rate of revenue for forecast period	-0.4%	Not applicable	-0.4%	Not applicable	-0.9%	-0.8%
Gross profit margin	-0.4%	Not applicable	-0.9%	Not applicable	-2.1%	-0.9%
Pre-tax discount rate	+0.4%	Not applicable	+1.2%	Not applicable	+3.3%	+0.8%

The Company performs impairment test on goodwill at each reporting date. The recoverable amount of the CGU based on the value-in-use ("**VIU**") calculations is higher than its carrying amount as at December 31, 2023, 2024 and 2025. With regard to the assessment of the VIU of the CGUs, the directors of the Company believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

15 INVESTMENT IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment in subsidiaries	74,896	75,279	155,678

Particulars of the subsidiaries are set out in Note 1.

16 INVENTORIES AND CONTRACT COSTS

(a) Inventories and contract costs in the consolidated statements of financial position comprise:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Inventories			
Raw materials	69,103	63,399	75,073
Work in progress	20,842	53,939	73,349
Finished goods	26,499	18,927	17,253
Goods delivered to customers	47,959	94,949	106,827
	164,403	231,214	272,502
Contract costs	4,553	6,262	17,188
Total	168,956	237,476	289,690

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Inventories			
Raw materials	67,964	61,911	66,405
Work in progress	15,115	43,007	69,704
Finished goods	25,336	17,694	15,319
Goods delivered to customers	47,875	94,574	106,827
	156,290	217,186	258,255
Contract costs	2,192	3,603	11,736
Total	158,482	220,789	269,991

Inventories with carrying amount of RMB nil, RMB54,481,000 and RMB11,885,000 have been pledged as security for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	95,247	213,951	359,273
Write-down of inventories and contract costs	1,389	1,809	2,268
	96,636	215,760	361,541

Net realisable value of inventories and contract costs is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions.

17 TRADE AND BILLS RECEIVABLE

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivable			
Gross amount of trade receivables	38,747	92,297	142,736
Less: loss allowance	(391)	(1,472)	(3,015)
	38,356	90,825	139,721
Bills receivable, carried at amortised cost	–	–	2,781
Bills receivable, measures at FVOCI	–	–	209
Trade and bills receivable	38,356	90,825	142,711

All of the current portion of trade and bills receivable are expected to be recovered or recognized as expense within one year.

Trade receivables with carrying amount of RMB nil, RMB20,442,000 and RMB nil have been pledged as security for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivable			
Gross amount of trade receivables	16,677	77,020	116,132
Amounts due from subsidiaries	3,960	–	13,704
Less: loss allowance	(334)	(753)	(1,814)
	20,303	76,267	128,022
Bills receivable, carried at amortised cost	–	–	2,781
Bills receivable, measures at FVOCI	–	–	209
Trade and bills receivable	20,303	76,267	131,012

Aging analysis

As at the end of each reporting period, the aging analysis of trade receivables, based on the revenue recognition date and net of loss allowance on expected credit losses, is as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
1-6 months	35,945	89,575	125,838
7-12 months	2,405	1,062	12,053
More than 12 months	6	188	1,830
	38,356	90,825	139,721

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
1-6 months	18,537	76,079	114,566
7-12 months	1,760	–	12,053
More than 12 months	6	188	1,403
	20,303	76,267	128,022

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 29(a).

18 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Prepayments	50,471	21,909	14,622
Contract assets	86	72	1,022
Other receivables			
– Deposits	1,335	1,282	2,128
– Value-Added tax recoverable	6,050	11,354	5,139
– Capital injection deposits in transit	–	11,409	–
– Prepayments for **[REDACTED]** expenses	–	–	432
– Others	196	508	1,376
Subtotal of other receivables	7,581	24,553	9,075
Non-current assets			
Prepayment for purchase of property, plant and equipment and right-of-use assets	–	3,836	4,140
Rental deposits	–	772	772
	–	4,608	4,912
	58,138	51,142	29,631

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Prepayments	49,846	20,612	11,665
Amounts due from subsidiaries	15,036	19,067	25,393
Contract assets	86	72	1,022
Other receivables			
– Deposits	1,048	207	1,098
– Capital injection deposits in transit	–	11,409	–
– Prepayments for **[REDACTED]** expenses	–	–	432
– Others	107	244	401
Subtotal of other receivables	1,155	11,860	1,931
Non-current assets			
Prepayment for purchase of property, plant and equipment and right-of-use assets	–	–	501
Rental deposits	–	772	772
	–	772	1,273
	66,123	52,383	41,284

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Cash at banks		59,398	17,149	93,270
Less: Pledged bank deposits	*(i)*	(2,880)	(1,310)	–
Cash and cash equivalents in the consolidated cash flow statement		56,518	15,839	93,270

(i) The Group's pledged bank deposits mainly represented deposits pledged for bank borrowings as at December 31, 2023, 2024 and 2025.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	36,057	14,280	77,383

(b) Reconciliation of loss before taxation to cash (used in)/generated from operations:

		Years ended December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before taxation		(82,672)	(61,533)	(14,968)
Adjustments for:				
Depreciation of property, plant and equipment	*6(c)*	4,047	5,266	10,652
Depreciation of right-of-use assets	*6(c)*	2,514	1,947	4,113
Amortisation of intangible assets	*6(c)*	1,780	2,706	2,991
Changes in the carrying amount of ordinary shares with redemption rights	*23*	16,355	20,160	22,855
Other finance costs	*6(a)*	4,025	7,407	9,533
Net (gain)/loss on disposal of property, plant and equipment and right-of use assets	*5*	(31)	9	(314)
Equity-settled share-based payment expenses	*26(c)*	17,414	3,199	2,402
Write-down of inventories and contract costs	*16(b)*	1,389	1,809	2,268
Impairment losses on trade receivables		215	1,056	1,484
Changes in working capital:				
Increase in inventories and contract costs		(29,735)	(70,329)	(54,482)
Increase in trade and bills receivable		(21,594)	(53,550)	(53,429)
(Increase)/decrease in prepayments and other receivables		(7,752)	10,832	21,815
Increase in trade and other payables		3,424	107,273	43,832
Decrease in pledged bank deposits		2,962	1,570	1,310
Increase/(decrease) in deferred income		11,398	(129)	6,038
Cash (used in)/generated from operations		(76,261)	(22,307)	6,100

(c) Reconciliation of liabilities arising from financing activities

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

	Note	Interest-bearing borrowings	Ordinary shares with redemption rights	Lease liabilities	Interest payable	Total
		RMB'000 (*Note 20*)	*RMB'000* (*Note 23*)	*RMB'000* (*Note 22*)	*RMB'000* (*Note (i)*)	*RMB'000*
At January 1, 2023		68,652	198,065	2,744	165	269,626
Changes from financing cash flows:						
Proceeds from interest-bearing borrowings		211,927	–	–	–	211,927
Repayment of interest-bearing borrowings		(88,187)	–	–	–	(88,187)
Interest paid		–	–	(62)	(4,141)	(4,203)
Issuance of ordinary shares with redemption rights	*23*	–	70,000	–	–	70,000
Payment of capital element of lease liabilities		–	–	(1,899)	–	(1,899)
Total changes from financing cash flows		123,740	70,000	(1,961)	(4,141)	187,638
Exchange adjustments		(1)	–	–	–	(1)
Other changes:						
Interest expenses	*6(a), 23*	–	16,355	62	4,175	20,592
Increase from acquisition of a subsidiary	*27(a)*	3,397	–	454	–	3,851
Increase in lease liabilities from entering into new leases during the year		–	–	1,596	–	1,596
At December 31, 2023		195,788	284,420	2,895	199	483,302

	Note	**Interest-bearing borrowings**	**Ordinary shares with redemption rights**	**Lease liabilities**	**Interest payable**	**Total**
		RMB'000 *(Note 20)*	*RMB'000* *(Note 23)*	*RMB'000* *(Note 22)*	*RMB'000* *(Note (i))*	*RMB'000*
Changes from financing cash flows:						
Proceeds from interest-bearing borrowings		229,766	–	–	–	229,766
Repayment of interest-bearing borrowings		(172,963)	–	–	–	(172,963)
Interest paid		–	–	(89)	(7,835)	(7,924)
Payment of capital element of lease liabilities		–	–	(2,344)	–	(2,344)
Total changes from financing cash flows		56,803	–	(2,433)	(7,835)	46,535
Exchange adjustments		1	–	–	–	1
Other changes:						
Interest expenses	*6(a), 23*	–	20,160	89	8,382	28,631
Increase in lease liabilities from entering into new leases during the year		–	–	9,888	–	9,888
Decrease in lease liabilities from ceasing leases contract during the year		–	–	(702)	–	(702)
At December 31, 2024		252,592	304,580	9,737	746	567,655
At January 1, 2025		252,592	304,580	9,737	746	567,655

	Note	Interest-bearing borrowings	Ordinary shares with redemption rights	Lease liabilities	Interest payable	Total
		RMB'000 *(Note 20)*	*RMB'000* *(Note 23)*	*RMB'000* *(Note 22)*	*RMB'000* *(Note (i))*	*RMB'000*
Changes from financing cash flows:						
Proceeds from interest-bearing borrowings		274,651	–	–	–	274,651
Repayment of interest-bearing borrowings		(225,893)	–	–	–	(225,893)
Issuance of ordinary shares with redemption rights	*23*	–	100,000	–	–	100,000
Interest paid		–	–	(165)	(9,865)	(10,030)
Payment of capital element of lease liabilities		–	–	(4,110)	–	(4,110)
Total changes from financing cash flows		48,758	100,000	(4,275)	(9,865)	134,618
Exchange adjustments		–	–	–	–	–
Other changes:						
Interest expenses	*6(a), 23*	–	22,855	165	9,368	32,388
Increase from acquisition of a subsidiary	*27(b)*	–	–	418	–	418
Increase in lease liabilities from entering into new leases during the year		–	–	1,002	–	1,002
At December 31, 2025		301,350	427,435	7,047	249	736,081

Note (i): Interest payable is included in trade and other payables as disclosed in Note 21.

(d) Total cash outflow for leases

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	618	813	1,212
Within investing cash flows	12,298	–	3,524
Within financing cash flows	1,961	2,433	4,275
	14,877	3,246	9,011

(e) Net cash outflow arising from the acquisition of a subsidiary

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Total consideration paid in cash	*27*	32,321	–	34,734
Less: cash of subsidiary acquired	*27*	(3,643)	–	(2,695)
		28,678	–	32,039

20 INTEREST-BEARING BORROWINGS

(a) As at the end of each reporting period, the carrying amount of interest-bearing borrowings is as follows :

The Group

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	14,848	47,469	38,178
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	134,688	84,675	166,139
Unsecured and unguaranteed interest-bearing borrowings from banks	*(iii)*	5,000	25,000	–
		154,536	157,144	204,317
Non-current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	36,077	95,448	64,014
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	5,175	–	33,019
		41,252	95,448	97,033
Total		195,788	252,592	301,350

The Company

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	10,000	46,000	5,204
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	134,688	84,675	166,139
Unsecured and unguaranteed interest-bearing borrowings from banks	*(iii)*	5,000	25,000	–
		149,688	155,675	171,343
Non-current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	–	–	12,497
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	5,175	–	33,019
		5,175	–	45,516
Total		154,863	155,675	216,859

(i) Secured interest-bearing borrowings from banks and other financial institutions carried interest at annual rates ranging from 3.20% to 3.50%, 2.85% to 4.80% and 2.85% to 4.20%, as at December 31, 2023, 2024 and 2025, respectively.

(ii) Unsecured and guaranteed interest-bearing borrowings from banks carried interest at annual rates ranging from 3.35% to 3.50%, 2.70% to 3.35% and 2.40% to 3.50%, as at December 31, 2023, 2024 and 2025, respectively.

(iii) Unsecured and unguaranteed interest-bearing borrowings from banks carried interest at annual rates ranging from 3.65%, 2.80% to 3.45% and nil, as at December 31, 2023, 2024 and 2025, respectively.

(b) Assets pledged as security and covenants for loans and borrowings:

As at the end of each reporting period, the following assets of the Group had been pledged to secure for the Group's interest-bearing borrowings.

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Inventories	*16*	–	54,481	11,885
Trade and bills receivable	*17*	–	20,442	–
Pledged bank deposits	*19(a)*	2,880	1,310	–
Property, plant and equipment	*11*	132,782	174,718	175,485
Right-of-use assets – land use right	*12*	12,095	11,847	11,601

As at December 31, 2023, 2024 and 2025, interest-bearing borrowings from banks of RMB nil , RMB nil and RMB13,866,000, respectively were guaranteed by Shares of Wuxi Xindao held by the Company.

As at December 31, 2023, 2024 and 2025, secured interest-bearing borrowings from banks of RMB45,379,000, RMB135,657,000 and RMB95,402,000 and unsecured and guaranteed loans interest-bearing borrowings from banks of RMB139,863,000, RMB84,675,000 and RMB199,158,000, respectively were guaranteed by Ms. Ye Ying, the executive Director, Chairlady and controlling shareholder of the Company ("**Ms. Ye**").

Certain banking facilities of the Company are subject to the fulfilment of covenants relating to the financial result of the Company. If the Company was to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. During the Track Record Period, none of the covenants relating to drawn down facilities had been breached.

21 TRADE AND OTHER PAYABLES

The Group

	Note	**As at December 31,** 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Trade payables		13,289	59,992	84,823
Contract liabilities	*(i)*	30,824	79,717	79,114
Other payables				
– Payroll payables		13,909	14,384	21,327
– Construction and equipment payables		62,397	59,598	40,796
– Other taxes and surcharges payables		3,700	4,382	5,787
– Payable for acquisition of a subsidiary	*27 (b)*	–	–	33,200
– Provision		1,691	2,450	6,513
– Others		2,004	10,061	12,907
		127,814	230,584	284,467

(i) The amount of revenue recognized for the year ended December 31, 2023, 2024 and 2025, were included in the contract liabilities balance at the beginning of the year were RMB27,312,000, RMB28,572,000, RMB57,564,000, respectively.

(ii) All trade and other payables are to be settled within one year or are repayable on demand.

The Company

	Note	**As at December 31,** 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Trade payables		10,701	51,097	70,809
Contract liabilities		27,916	79,141	75,728
Other payables				
– Payroll payables		7,976	8,646	13,003
– Amounts due to subsidiaries		1,438	14,065	11,197
– Other taxes and surcharges payables		3,405	3,157	3,811
– Payable for acquisition of a subsidiary	*27 (b)*	–	–	33,200
– Provision		1,687	2,437	5,764
– Others		1,159	9,903	7,140
		54,282	168,446	220,652

As of the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	12,761	58,186	82,220
After 1 year but within 2 years	412	1,315	1,218
After 2 years but within 3 years	116	381	930
Over 3 years	–	110	455
Total	13,289	59,992	84,823

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	10,173	49,291	69,219
After 1 year but within 2 years	412	1,315	252
After 2 years but within 3 years	116	381	883
Over 3 years	–	110	455
Total	10,701	51,097	70,809

22 LEASE LIABILITIES

At December 31, 2023, 2024 and 2025, the lease liabilities were repayable as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,650	3,905	4,436
After 1 year but within 2 years	965	3,907	1,964
After 2 years but within 5 years	280	1,925	647
	1,245	5,832	2,611
	2,895	9,737	7,047

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,166	2,762	2,706
After 1 year but within 2 years	643	2,589	1,732
After 2 years but within 5 years	280	1,925	–
	923	4,514	1,732
	2,089	7,276	4,438

23 ORDINARY SHARES WITH REDEMPTION RIGHTS

Since the date of incorporation to December 31, 2025, the Company has completed several rounds of financing by issuing shares with preferred rights to investors, namely, Series Angel Financing, Series Pre-A, Series A, Series B, Series B+, Series C (the "**Pre-[REDACTED] Investors**").

Distribution upon occurrence of deemed liquidation events

Pursuant to the agreements between the Company and its Pre-**[REDACTED]** Investors, upon the occurrence of any deemed liquidation events, among other events, including: (i) a substantial breach on the agreement by the Company or the founders; (ii) a change in the actual controllers of the Company, the Pre-**[REDACTED]** Investors with preferred rights will be entitled to receive distributions from such events and require the Company to redeem all their shares (or paid-in capital before the Company's conversion into a joint stock company), according to the following orders as specified in the shareholders' agreements:

a. the distribution in amount the respective subscription consideration plus a simple interest at interest rate of 8% per annum. In the order of Series C Investor, Series B+ Investors, Series B Investors, Series A Investor, Series Pre-A Investor and Angel Financing Investor.

b. Remaining assets and funds shall be distributed ratably among all shareholders with preferred rights according to the relative number of ordinary shares (or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i)).

Presentation and classification

As the Group did not have an unconditional right to avoid redeeming the investment of the Company for cash, the Group recognized financial liabilities for the obligation to redeem these shares (or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i)) that were initially measured at the present value of the distributions amount, which represents the amount expected to be paid to the investors with preferred rights upon occurrence of the events with the highest settlement outcome in accordance with the accounting policies set out in Note 2(o).

The movements of the ordinary shares with redemption rights during the Track Record Period are set out as below:

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	198,065	284,420	304,580
Issued during the year	70,000	–	100,000
Changes in the carrying amount of ordinary shares with redemption rights	16,355	20,160	22,855
At the end of the year	284,420	304,580	427,435
Presented in			
– Current liabilities	284,420	304,580	427,435

Special rights granted by Ms. Ye, the controlling shareholder of the Company

In connection with the above financing, certain Pre-**[REDACTED]** Investors had been granted certain customary special rights against the controlling shareholder of the Company including, among others, redemption rights. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the abovementioned special rights granted by the controlling shareholder of the Company; and (ii) the Company has not provided any guarantee for the abovementioned special rights granted by the controlling shareholder of the Company in the event of a default by the controlling shareholder of the Company. Accordingly, no financial liability has been recorded in the Historical Financial Information with respect to these special rights granted to the Pre-**[REDACTED]** Investors by the controlling shareholder of the Company.

24 DEFERRED INCOMES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	11,398	11,269	17,307

Government grants are related to assets which were obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets and land use right.

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year		–	2,888	3,120
Acquisition of a subsidiary	*27(a)*	413	–	–
Provision for the year		2,543	3,265	2,062
Tax paid		(68)	(3,033)	(5,076)
At the end of the year		2,888	3,120	106

(b) Deferred tax assets and liabilities recognized:

(i) The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	*Note*	Deferred income	Write down of inventory and expected credit loss allowance	Unrealized profits from internal transactions	Lease liabilities	Right-of-use assets	Fair value adjustment in relation to acquisition of subsidiaries	Provision and others	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023		–	26	–	412	(374)	–	144	208
Acquisition of a subsidiary	*27 (a)*	–	226	–	7	–	(3,813)	186	(3,394)
Credited/(charged) to profit or loss		2,849	342	–	(96)	106	33	161	3,395
Exchange adjustments		–	(74)	–	(2)	–	(34)	(51)	(161)
At December 31, 2023		2,849	520	–	321	(268)	(3,814)	440	48
(Charged)/credited to profit or loss		(32)	783	295	760	(1,087)	347	144	1,210
Exchange adjustments		–	(31)	–	12	–	(119)	(7)	(145)
At December 31, 2024		2,817	1,272	295	1,093	(1,355)	(3,586)	577	1,113
Acquisition of subsidiaries	*27 (b)*	–	–	–	104	(193)	(3,555)	–	(3,644)
Credited/(charged) to profit or loss		1,509	327	917	530	565	446	6	4,300
Exchange adjustments		–	(16)	–	(24)	–	(154)	15	(179)
At December 31, 2025		4,326	1,583	1,212	1,703	(983)	(6,849)	598	1,590

(ii) Reconciliation to the consolidated statement of financial position

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognized in the consolidated statement of financial position	3,991	5,068	8,912
Net deferred tax liabilities recognized in the consolidated statement of financial position . . .	(3,943)	(3,955)	(7,322)
	48	1,113	1,590

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(s), as at 31 December 2023, 2024 and 2025, the Company and its subsidiaries have not recognized deferred tax assets in respect of their cumulative tax losses of RMB172,927,000, RMB272,769,000 and RMB338,198,000, respectively, as they have been loss-making for years and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilized. The tax losses arising from operations in Chinese mainland can be carried forward to offset against taxable profits of subsequent years for up to five years (or ten years for HNTE), from the year in which they arose.

26 SHARE-BASE PAYMENT TRANSACTIONS

(a) Restricted Share Unit Scheme

The Group has adopted a share-based incentive plans since 2021 (the "**Incentive Plans**"), pursuant to which, the Group granted restricted share units (the "**RSUs**") to the eligible participants of the Group who has contributed or will contribute to the development of business of the Group. The participant of the Incentive Plans invested in the Company by holding interests in three shareholding platform (the "**Platform**"), through which they acquired shares of the Company (or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i)) from the existing shareholder. The restricted shares are subject to certain transfer and disposal restrictions until the completion of the vesting. These RSUs contains certain service conditions will vest in instalments over an explicit vesting period.

(i) The term and conditions of the restricted shares are as follows:

	Number of restricted shares	Purchase price	Vesting period
		RMB per share	
Restricted shares granted to directors, senior management and core employees:			
From April 1,2021 to May 10,2023	1,415,000	2.00	From the date of granted to three years after the date of completion of a qualified **[REDACTED]***
June 25, 2023	900,000	2.00	Immediate vested from the date of granted
From October 21,2024 to December 20,2025.	835,000	2.00–3.00	From the date of granted to three years after the date of completion of a qualified **[REDACTED]***
	3,150,000		
Restricted shares granted to non-employee consultants:			
From October 30, 2021 to September 8, 2022.	700,000	2.00	Immediate vested from the date of grant
From July 6, 2023 to December 15, 2024	141,000	4.00–15.00	Immediate vested from the date of grant
December 20, 2025.	100,000	15.00	Immediate vested from the date of grant
	941,000		
	4,091,000		

* Qualified **[REDACTED]** refers to an **[REDACTED]** ("**[REDACTED]**") that meets specific predefined legal, financial, or contractual criteria set by regulators, investors, or agreements.

As set out in Note 28(d), the Company was converted from a limited liability company into a joint stock limited liability company on December 31, 2025. For determining share-base payment transactions, the number of shares in issue before the Company's conversion into a joint stock limited liability company were deemed to be the weighted average number of ordinary shares as if the above conversion had occurred on granted date at the conversion ratio established in December 2025.

(ii) Movements in the number of restricted shares and the respective weighted average grant date fair value are as below:

	Years ended December 31,		
	2023	**2024**	**2025**
Outstanding as at the beginning of the year	1,215,000	1,205,000	1,350,000
Granted during the year	1,166,000	300,000	710,000
Vesting during the year	(966,000)	(75,000)	(100,000)
Forfeited during the year	(210,000)	(80,000)	(150,000)
Outstanding as at the end of the year	1,205,000	1,350,000	1,810,000

(iii) Fair value of RSUs and assumptions

The fair value of services received in return for RSUs is measured by reference to the fair value of RSUs granted. The estimate of the fair value of the newly granted share option is measured based on an equity allocation model, DCF method and Back-solve method.

	Years ended December 31,		
Fair value of restricted shares and assumptions	**2023**	**2024**	**2025**
Fair value at grant date	RMB2.94 to RMB15.94	RMB13.98 to RMB15.98	RMB4.54 to RMB16.54
Exercise price	RMB2.00 to RMB15.00	RMB2.00 to RMB4.00	RMB3.00 to RMB15.00
Expected volatility	44.90%	45.20%	46.10%
Risk-free interest	2.50%	1.30%	1.60%

(b) Share option

The Group has adopted a share option scheme since 2020 (the "**Option Scheme**"), whereby the chairlady of the board of director of the Company is authorised for further implementation. Each option gives the eligible persons the right to subscribe for one ordinary share ((or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i))) of the Company from the existing shareholder by holding interests in the Platform.

(i) The terms and conditions of the share option are as follows:

Grant date	Number of instruments	Vesting conditions	Contractual life of options
Share option granted to directors, senior management and core employees:			
From March 17, 2020 to October 31, 2020 .	1,505,000	25% – 1 year after the grant date 25% – 2 years after the grant date 25% – 3 years after the grant date 25% – 4 years after the grant date	6 years from exercisable date
From January 1, 2021 to January 3, 2021 . .	1,280,000	33% – 1 year after the grant date 33% – 2 years after the grant date 34% – 3 years after the grant date	6 years from exercisable date
From January 4, 2021 to September 12, 2022	600,000	20% – 1 year after the grant date 20% – 2 years after the grant date 30% – 3 years after the grant date 30% – 4 years after the grant date	6 years from exercisable date
	3,385,000		

As set out in Note 28(d), the Company was converted from a limited liability company into a joint stock limited liability company on December 31, 2025. For determining share-base payment transactions, the number of shares in issue before the Company's conversion into a joint stock limited liability company were deemed to be the weighted average number of ordinary shares as if the above conversion had occurred on granted date at the conversion ratio established in December 2025.

(ii) The number and weighted average exercise prices of share options are as follows:

	2023		2024		2025	
	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
Outstanding at the beginning of the year	RMB1.29	1,075,000	RMB1.30	771,500	RMB1.29	506,000
Exercised during the year	RMB1.33	(243,500)	RMB1.31	(265,500)	RMB1.17	(436,000)
Forfeited during the year	RMB1.00	(60,000)		–		–
Outstanding at the end of the year	RMB1.30	771,500	RMB1.29	506,000	RMB2.00	70,000
Exercisable at the end of the year	RMB1.00	360,000	RMB1.00	360,000		–

The weighted average share price at the date of exercise for shares options exercised during the years ended December 31, 2023, 2024 and 2025, were RMB17.05, RMB17.98 and RMB19.54, respectively.

The options outstanding at December 31, 2023, 2024 and 2025 had an exercise price of RMB1.00 or RMB2.00, RMB1.00 or RMB2.00 and RMB2.00, respectively and a weighted average remaining contractual life of 5.5 years, 5.3 years and 6 years, respectively.

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the newly granted share option is measured based on option pricing model, DCF method and Back-solve method.

There was no share option grated during the years ended December 31, 2023,2024 and 2025, respectively.

(c) Equity-settled share-based payment expenses recognized in the consolidated statement of profit or loss during the Track Record Period

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity-settled share-based payment expenses recognized for directors, senior management and core employees *(Note 6(b))*	17,009	1,961	1,816
Equity-settled share-based payment expenses recognized for non-employee consultants	405	1,238	586
Equity-settled share-based payment expenses	17,414	3,199	2,402

27 ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Waftech

Pursuant to a sales and purchase agreement, the Company acquired 70% of the equity interests of Waftech from its former shareholders which are third parties of the Group on December 14, 2023 (the "**2023 Acquisition Date**"). The total consideration was a cash consideration of MYR 21,000,000 (equivalent to RMB32,321,000).

The following table summarized the fair value of assets and liabilities assumed at the 2023 Acquisition Date.

	Note	*RMB'000*
Cash and cash equivalents	*19(e)*	3,643
Inventories		10,154
Property, plant and equipment	*11*	677
Intangible assets	*(i)*	16,078
Right-of-use assets		442
Other net identifiable assets		11,583
Lease liabilities		(454)
Interest-bearing borrowings		(3,397)
Deferred tax liabilities	*25(b)*	(3,394)
Total identifiable net assets		35,332

(i) Intangible assets arising from the acquisition mainly represent patents and customer relationships. The Group has engaged an external valuation firm to perform fair value assessments on these intangible assets in accordance with IAS 38 intangible Assets and IFRS 3 Business Combination. The valuation techniques used for measuring fair value are relief-from-royalty method and multi-period excess earnings method.

The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Goodwill arising from the acquisition has been recognized as follow:

	Note	*RMB'000*
Consideration:		
– cash paid in the year ended December 31, 2023		32,321
Total consideration		32,321
Add: NCI arising from the acquisition, based on proportionate interest in the recognized assets and liabilities of Waftech		9,988
Less: fair value of identifiable net assets		(35,332)
Goodwill	*14*	6,977

Net cash outflow arising on the acquisition:

	Note	*RMB'000*
Total consideration in cash		32,321
Less: cash acquired		(3,643)
Net cash outflow in acquisition	*19(e)*	28,678

The revenue and net loss that Waftech contributed to the Group during the period from December 15, 2023 to December 31, 2023 were RMB1,924,000 and RMB765,000, respectively. If the acquisition had occurred on January 1, 2023, management estimates that the Group's consolidated revenue and consolidated loss for the year ended December 31, 2023 would have been RMB164,109,000 and RMB75,763,000, respectively.

(b) Acquisition of Xindao Wuxi

Pursuant to a series of sales and purchase agreements, the Company acquired total of 51.78% of the equity interests of Xindao Wuxi from its former shareholders which are third parties of the Group on October 17, 2025 (the "**2025 Acquisition Date**"). The total consideration was a cash consideration of RMB67,934,000.

The following table summarized the recognized fair value of assets and liabilities assumed at the 2025 Acquisition Date.

	Note	*RMB'000*
Cash and cash equivalents	*19(e)*	2,695
Inventories		792
Property, plant and equipment	*11*	8
Intangible assets	*(i)*	23,700
Right-of-use assets		668
Other net identifiable assets		274
Lease liabilities		(418)
Deferred tax liabilities	*25(b)*	(3,644)
Total identifiable net assets		24,075

(i) Intangible assets arising from the acquisition mainly represent patents and customer relationships. The Group has engaged an external valuation firm to perform fair value assessments on these intangible assets in accordance with IAS 38 intangible Assets and IFRS 3 Business Combination. The valuation techniques used for measuring fair value are relief-from-royalty method and multi-period excess earnings method.

The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Goodwill arising from the acquisition has been recognized as follow:

	Note	*RMB'000*
Consideration:		
– cash paid in the year ended December 31, 2025		34,734
– cash will be paid in the future		33,200
Total consideration		67,934
Add: NCI arising from the acquisition, based on proportionate interest in the recognized assets and liabilities of Xindao Wuxi		11,610
Less: fair value of identifiable net assets		(24,075)
Goodwill	*14*	55,469

Net cash outflow arising on the acquisition:

	Note	*RMB'000*
Total consideration in cash		67,934
Less: cash acquired		(2,695)
Less: payable for acquisition of a subsidiary	*21*	(33,200)
Net cash outflow in acquisition	*19(e)*	32,039

The revenue and net profit that Xindao Wuxi contributed to the Group during the period from October 18, 2025 to December 31, 2025 were approximately RMB3,519,000 and RMB318,000, respectively. If the acquisition had occurred on January 1, 2025, management estimates that the Group's consolidated revenue and consolidated loss for the year ended December 31, 2025 would have been RMB525,152,000 and RMB20,200,000, respectively.

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of each year are set out below:

	Note	Attributable to equity shareholders of the Company					
		Paid-in capital	Share capital	Capital reserve	Share premium	Accumulated losses	Total deficit
		RMB'000 (Note28 (c))	RMB'000 (Note28 (d))	RMB'000 (Note28 (e)(ii))	RMB'000 (Note28 (d))	RMB'000	RMB'000
Balance at January 1, 2023		14,762	–	3,632	–	(99,060)	(80,666)
Changes in equity for 2023							
Loss for the year		–	–	–	–	(81,939)	(81,939)
Capital injection by ordinary equity shareholders	*28(c)*	17,151	–	–	–	–	17,151
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,396	–	68,604	–	–	70,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(70,000)	–	–	(70,000)
Equity-settled share-based payment transaction	*26(c)*	–	–	17,414	–	–	17,414
Balance at December 31, 2023 and January 1, 2024		33,309	–	19,650	–	(180,999)	(128,040)
Changes in equity for 2024							
Loss for the year		–	–	–	–	(52,213)	(52,213)
Equity-settled share-based payment transaction	*26(c)*	–	–	3,199	–	–	3,199
Balance at December 31, 2024 and January 1, 2025		33,309	–	22,849	–	(233,212)	(177,054)
Changes in equity for 2025							
Loss for the year		–	–	–	–	(3,058)	(3,058)
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,673	–	98,327	–	–	100,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(100,000)	–	–	(100,000)
Equity-settled share-based payment transaction	*26(c)*	–	–	2,402	–	–	2,402
Conversion into a joint stock limited liability company	*28(d)(i)*	(34,982)	34,982	(363,045)	243,366	119,679	–
Balance at December 31, 2025		–	34,982	(339,467)	243,366	(116,591)	(177,710)

(b) Dividends

No dividends were paid or declared by the Company during Track Record Period.

(c) Paid-in capital

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

	Note	Total RMB'000
Balance at January 1, 2023		14,762
Capital contribution by ordinary equity shareholders	*(i)*	17,151
Issuance of ordinary shares with redemption rights	*(ii)*	1,396
At December 31, 2023, December 31, 2024 and January 1, 2025		33,309
Issuance of ordinary shares with redemption rights	*(iii)*	1,673
Conversion into a joint stock limited liability company	*28(d)*	(34,982)
At December 31, 2025		–

(i) For the year ended December 31, 2023, Shanghai Shixin Management Consulting Partnership (Limited Partnership) (上海仕芯管理諮詢合夥企業 (有限合夥)), Shanghai Zhushi Management Consulting Partnership (Limited Partnership) (上海竺世管理諮詢合夥企業 (有限合夥)) and Shanghai Haotang Management Consulting Partnership (Limited Partnership) (上海皓棠管理諮詢合夥企業 (有限合夥)) completed the injections totalling RMB17,151,000 in the Company for the subscription of the Company's paid-in capital of RMB17,151,000 which was issued in June 2020.

(ii) For the year ended December 31, 2023, Series B+ Investors completed the injections totalling RMB70,000,000 (the "**Series B+ consideration**") in the Company for the subscription of the Company's newly issued paid-in capital of RMB1,396,000. The excess of the Series B+ consideration over the increase in the paid-in capital of RMB68,604,000 was credited to the capital reserve.

(iii) For the year ended December 31, 2025, Series C Investors completed the injections totalling RMB100,000,000 (the "**Series C consideration**") in the Company for the subscription of the Company's newly issued paid-in capital of RMB1,673,000. The excess of the Series C consideration over the increase in the paid-in capital of RMB98,327,000 was credited to the capital reserve.

(d) Share capital

	Note	Numbers of ordinary shares ('000)	Share capital RMB'000
Issued and fully paid			
At January 1, 2023, December 31, 2023, December 31, 2024 and January 1, 2025		–	–
Conversion into a joint stock limited liability company	*(i)*	34,982	34,982
At December 31, 2025		34,982	34,982

(i) Pursuant to the shareholders' resolution dated December 31, 2025, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as at the conversion base date, which is October 31, 2025, including paid-in capital RMB34,982,480 were converted into 34,982,480 ordinary shares with a par value of RMB1 per share. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium.

(e) Nature and purpose of reserves

(i) Share premium

Under PRC rules and regulations, share premium is non-distributable other than in liquidation and may be utilized for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders.

(ii) Capital reserve

The capital reserve mainly comprises the following:

– the fair value of unexercised share options or restricted share units;

– amounts in relation to the recognition of the ordinary shares with redemption rights (see Note 23);

– the excess of the net contributions from the ordinary equity shareholders of the Company over the total paid-in capital issued before the conversion into a joint stock limited liability company.

(iii) Exchange reserve

The exchange reserves comprise the foreign exchange differences arising from the translation of the financial statements of foreign operations

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing borrowings and lease liabilities but excludes ordinary shares with redemption rights), less cash and cash equivalents. Adjusted capital comprises all components of equity and ordinary shares with redemption rights.

The Group's adjusted net debt-to-capital ratio at December 31, 2023, 2024 and 2025 are as follows:

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Interest-bearing borrowings	20	195,788	252,592	301,350
Lease liabilities	22	2,895	9,737	7,047
Total debts		198,683	262,329	308,397
Less: Cash and cash equivalents	19	(56,518)	(15,839)	(93,270)
Adjusted net debts		142,165	246,490	215,127
Total deficit		(119,796)	(178,366)	(168,017)
Add: ordinary shares with redemption rights	23	284,420	304,580	427,435
Adjusted capital		164,624	126,214	259,418
Adjusted net debt to-capital ratio		86%	195%	83%

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents are limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers having low credit risk. Credit risk in respect of other receivables is limited since the balance mainly includes deposits, value-added-tax recoverable, and amounts due from related parties.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2023, 2024 and 2025, 28%, 80% and 70% of the total trade receivables were due from the Group's largest five customer respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at December 31, 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
1-6 months	1%	36,176	(231)
7-12 months	6%	2,564	(159)
More than 12 months	14%	7	(1)
		38,747	(391)

	As at December 31, 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
1-6 months	1%	90,324	(749)
7-12 months	5%	1,118	(56)
More than 12 months	78%	855	(667)
		92,297	(1,472)

	As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
1-6 months	1%	126,897	(1,059)
7-12 months	5%	12,687	(634)
More than 12 months	42%	3,152	(1,322)
		142,736	(3,015)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	Loss allowance
	RMB'000
At January 1, 2023	176
Impairment losses recognized	215
At December 31, 2023 and January 1, 2024	391
Impairment losses recognized	1,056
Exchange adjustments	25
At December 31, 2024 and January 1, 2025	1,472
Impairment losses recognized	1,484
Exchange adjustments	59
At December 31, 2025	3,015

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2023				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	158,294	26,903	15,503	200,700	195,788
Trade and other payables	96,990	–	–	96,990	96,990
Lease liabilities	1,710	1,000	282	2,992	2,895
Ordinary shares with redemption rights	284,420	–	–	284,420	284,420
	541,414	27,903	15,785	585,102	580,093

	As at December 31, 2024				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	186,260	34,948	40,435	261,643	252,592
Trade and other payables	150,867	–	–	150,867	150,867
Lease liabilities	4,128	4,026	1,980	10,134	9,737
Ordinary shares with redemption rights	304,580	–	–	304,580	304,580
	645,835	38,974	42,415	727,224	717,776

	As at December 31, 2025				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	210,165	70,512	29,744	310,421	301,350
Trade and other payables	205,353	–	–	205,353	205,353
Lease liabilities	4,436	2,142	667	7,245	7,047
Ordinary shares with redemption rights	427,435	–	–	427,435	427,435
	847,389	72,654	30,411	950,454	941,185

(c) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The fair value interest rate risk and cash flow interest rate risk that the Group exposed to are not significant.

(i) Interest rate profile

The Group's interest-bearing borrowings, lease liabilities, ordinary shares with redemption rights, cash and cash equivalents and pledged bank deposits as at December 31, 2023, 2024 and 2025 as follows:

	2023		2024		2025	
	Effective interest rate		Effective interest rate		Effective interest rate	
	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*
Fixed rate instruments:.						
Pledged bank deposits. .	2.35~3.30	2,880	2.35~2.70	1,310	N/A	–
Interest-bearing borrowings from banks and other financial institutions	3.20~3.65	(160,409)	2.70~4.80	(162,935)	2.40~4.20	(208,740)
Ordinary shares with redemption rights . .	8.00	(284,420)	8.00	(304,580)	8.00	(427,435)
Lease liabilities	3.85~4.35	(2,895)	3.1~4.35	(9,737)	3.0~4.35	(7,047)
		(444,844)		(475,942)		(643,222)
Variable rate instruments:						
Cash and cash equivalents	0.00~0.25	56,518	0.00~0.50	15,839	0.00~0.50	93,270
Interest-bearing borrowings from banks and other financial institutions	LPR-0.7	(35,379)	LPR-0.70	(89,657)	LPR-0.25~-0.70	(92,610)
		21,139		(73,818)		660
Net exposure		21,139		(73,818)		660

(ii) Sensitivity analysis

A general increase/decrease of 100 basis points in interest rates prevailing at December 31, 2023, 2024 and 2025 with all other variables held constant, would decrease/increase the Group's loss after tax and accumulated losses by approximately RMB179,000, RMB672,000 and RMB6,000, respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100-basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period.

(d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than functional currencies of the respective entities comprising the Group are not material.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of reporting period.

	2023	2024	2025
	USD	USD	USD
	RMB'000	*RMB'000*	*RMB'000*
Trade and other receivables	9,838	5,413	11,759
Cash and cash equivalents	3,516	1,763	316
Trade and other payables	(66)	(115)	(125)
Net exposure arising from recognized assets and liabilities	13,288	7,061	11,950

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2023		2024		2025	
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses
		RMB'000		*RMB'000*		*RMB'000*
USD (against RMB)	1%	(102)	1%	(55)	1%	(92)
	-1%	102	-1%	55	-1%	92

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on the loss after tax and accumulated losses of each entity of the Group measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(e) Fair value measurement

(i) Financial instruments carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

		As at December 31, 2025		
	Fair value at December 31, 2025	**Level 1**	**Level 2**	**Level 3**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVOCI				
– Bills receivable	209	–	209	–

During the years ended December 31, 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Valuation techniques and inputs used in Level 2 fair value measurements.

For bills receivable that are measured at FVOCI, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the balance sheet date.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at amortized cost were not materially different from their fair values as at December 31, 2023, 2024 and 2025.

30 COMMITMENT

Commitments outstanding at the end of each reporting period not provided for in the Historical Financial Information were as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment and right-of-use assets	28,621	6,228	14,080

31 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	2,281	2,903	5,358
Discretionary bonuses	1,236	1,554	1,329
Retirement scheme contributions	68	71	238
Share-based payments	931	491	590
	4,516	5,019	7,515

(b) Related party transactions

As at December 31, 2023, 2024 and 2025, secured interest-bearing borrowings from banks of RMB 45,379,000, RMB 135,657,000 and RMB 95,402,000 and unsecured and guaranteed loans interest-bearing borrowings from banks of RMB 139,863,000, RMB 84,675,000, and RMB 199,158,000, respectively, were guaranteed by Ms. Ye.

32 SUBSEQUENT EVENTS

In March 2026, the Company completed a newly Pre-**[REDACTED]** Series C financing by issuing 1,171,662 shares with special rights to investors and the Company received the consideration of RMB 70,000,000 from the issuance. As a result, the share capital of the Company increased to RMB 36,154,142 with the number of 36,154,142 ordinary shares.

Pursuant to an EGM resolution passed in May 2026, the Company will conduct a share subdivision, each existing share with a par value of RMB1.00 shall be sub-divided into 10 shares with a par value of RMB0.10, and such share subdivision shall take effect immediately before the **[REDACTED]**.

33 ULTIMATE CONTROLLING PARTY

At December 31, 2023, 2024 and 2025, the directors of the Company consider that the ultimate controlling shareholder of the Company to be Ms. Ye.

34 POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	January 1, 2026
Amendments to IFRS 9 and HKFRS 7: *Amendments to the Classification and Measurement of Financial Instruments*	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*.	January 1, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

Subsequent financial statements

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