The following is the text of a report set out on pages I-3 to I-[49], 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 GLB INTELLIGENT POWER TECHNOLOGIES CO., LTD. 格雷博智能動力科技股份有限公司 AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of GLB Intelligent Power Technologies Co., Ltd. 格雷博智能動力科技股份有限公司 (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-[49], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, 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 31 December 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 pages I-3 to I-[49] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the initial [**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' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation 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.

Reporting accountants' responsibility (continued)

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 31 December 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
[Date]

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 AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	4	314,098	737,911	3,628,233
Cost of revenue		(335,355)	(730,418)	(3,366,715)
Gross (loss)/profit		(21,257)	7,493	261,518
Other net expenses	5	(918)	(2,860)	(427)
Selling and marketing expenses		(4,727)	(5,317)	(11,656)
Administrative expenses		(51,290)	(61,013)	(88,156)
Research and development costs		(77,189)	(93,352)	(111,324)
Impairment loss reversal/(recognised) on trade and other receivables		1,274	(428)	350
(Loss)/profit from operations		(154,107)	(155,477)	50,305
Finance costs	*6(a)*	(8,299)	(16,434)	(17,358)
Changes in carrying value of redemption liabilities	26	(107,992)	(173,207)	(321,090)
Loss before taxation	6	(270,398)	(345,118)	(288,143)
Income tax	7	–	–	–
Loss for the year		(270,398)	(345,118)	(288,143)
Other comprehensive income		–	–	–
Total comprehensive income		(270,398)	(345,118)	(288,143)
Loss per share				
Basic and diluted (RMB)	10	(2.21)	(2.76)	(2.09)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	247,550	303,381	423,991
Right-of-use assets	*12*	55,125	48,337	89,595
Intangible assets	*13*	2,985	4,176	3,623
Other receivables	*16*	–	–	1,864
Prepayments and other assets	*17*	5,914	31,404	49,044
		311,574	387,298	568,117
Current assets				
Inventories	*15*	56,721	137,242	224,068
Trade and other receivables	*16*	292,482	542,912	1,364,616
Prepayments and other assets	*17*	2,140	3,767	16,050
Financial assets measured at fair value through profit or loss	*18*	–	–	60,145
Restricted cash	*19(a)*	8,789	6,000	27,545
Cash and cash equivalents	*19(a)*	22,837	64,330	212,830
		382,969	754,251	1,905,254
Current liabilities				
Loans and borrowings	*22*	114,108	213,722	91,975
Trade and other payables	*20*	316,752	711,232	1,797,275
Contract liabilities	*21*	2	13,809	2,027
Lease liabilities	*23*	6,681	6,551	10,106
Provisions	*24*	2,507	3,621	3,628
Redemption liabilities	*26*	585,296	858,503	1,479,593
		1,025,346	1,807,438	3,384,604
Net current liabilities		(642,377)	(1,053,187)	(1,479,350)
Total assets less current liabilities		(330,803)	(665,889)	(911,233)
Non-current liabilities				
Loans and borrowings	*22*	182,644	167,038	216,378
Other payables	*20*	–	5,856	2,183
Lease liabilities	*23*	26,577	20,839	18,041
Provisions	*24*	8,642	11,890	14,790
Other non-current liability	*25*	34,187	54,170	54,170
		252,050	259,793	305,562
NET LIABILITIES		(582,853)	(925,682)	(1,216,795)
CAPITAL AND RESERVES				
Paid-in capital	*28(c)*	122,286	129,079	146,681
Reserves		(705,139)	(1,054,761)	(1,363,476)
TOTAL DEFICIT		(582,853)	(925,682)	(1,216,795)

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	As at 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	1,172	950	724
Intangible assets	13	–	730	982
Prepayments and other assets	17	–	–	4,245
Interest in subsidiaries	14	85,942	112,540	202,432
		87,114	114,220	208,383
Current assets				
Inventories	15	13,175	24,465	5,558
Trade and other receivables	16	251,433	493,368	1,340,225
Prepayments and other assets	17	–	170	692
Restricted cash	19(a)	8,000	6,000	–
Cash and cash equivalents	19(a)	14,448	13,872	154,737
		287,056	537,875	1,501,212
Current liabilities				
Loans and borrowings	22	10,026	16,104	30,000
Trade and other payables	20	218,792	466,292	1,375,812
Contract liabilities	21	–	13,744	1,857
Redemption liabilities	26	585,296	858,503	1,479,593
		814,114	1,354,643	2,887,262
Net current liabilities		(527,058)	(816,768)	(1,386,050)
Total assets less current liabilities		(439,944)	(702,548)	(1,177,667)
Non-current liabilities				
Loans and borrowings	22	8,869	–	–
Other payables	20	–	–	2,183
		8,869	–	2,183
NET LIABILITIES		(448,813)	(702,548)	(1,179,850)
CAPITAL AND RESERVES				
Paid-in capital	28(c)	122,286	129,079	146,681
Reserves		(571,099)	(831,627)	(1,326,531)
TOTAL DEFICIT		(448,813)	(702,548)	(1,179,850)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

		Attributable to equity shareholders of the Company			
	Note	**Paid-in capital**	**Capital reserve**	**Accumulated losses**	**Total deficit**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		122,150	(71,777)	(362,828)	(312,455)
Changes in equity for 2023					
Loss for the year		–	–	(270,398)	(270,398)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(270,398)	(270,398)
Capital contribution from an investor with redemption rights	*26*	136	1,864	–	2,000
Recognition of redemption liabilities upon grant of redemption rights	*26*	–	(2,000)	–	(2,000)
Balance at 31 December 2023 and 1 January 2024		122,286	(71,913)	(633,226)	(582,853)
Changes in equity for 2024					
Loss for the year		–	–	(345,118)	(345,118)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(345,118)	(345,118)
Capital contribution from an investor with redemption rights	*26*	6,793	93,207	–	100,000
Recognition of redemption liabilities upon grant of redemption rights	*26*	–	(100,000)	–	(100,000)
Equity-settled share-based transactions	*27*	–	2,289	–	2,289
Balance at 31 December 2024 and 1 January 2025		129,079	(76,417)	(978,344)	(925,682)
Loss for the year		–	–	(288,143)	(288,143)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(288,143)	(288,143)
Capital contribution from an investor with redemption rights	*26*	17,602	282,398	–	300,000
Recognition of redemption liabilities upon grant of redemption rights	*26*	–	(300,000)	–	(300,000)
Transaction costs related to capital contribution		–	(2,970)	–	(2,970)
Balance at 31 December 2025		146,681	(96,989)	(1,266,487)	(1,216,795)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash (used in)/generated from operations	19(b)	(196,921)	(56,321)	198,912
Income tax paid		–	–	(3,913)
Net cash (used in)/generated from operating activities		(196,921)	(56,321)	194,999
Investing activities				
Payment for purchase of property, plant and equipment		(126,902)	(73,715)	(115,621)
Payment for purchase of intangible assets		(3,176)	(2,126)	(553)
Payment for acquisition of a subsidiary, net of cash acquired	29	–	–	(38,238)
Payment for purchase of wealth management products		–	–	(310,000)
Proceeds from disposal of wealth management products		–	–	250,449
Changes in restricted deposits		–	–	(3,728)
Proceeds from disposal of property, plant and equipment		–	–	7
Net cash used in investing activities		(130,078)	(75,841)	(217,684)
Financing activities				
Proceeds from bank loans	19(c)	241,669	144,712	575,710
Repayment of bank loans	19(c)	(38,450)	(99,220)	(603,013)
Interest of bank loans paid	19(c)	(6,520)	(13,022)	(12,168)
Capital element of lease rentals paid	19(c)	(7,751)	(5,868)	(7,502)
Interest element of lease rentals paid	19(c)	(1,797)	(1,489)	(1,317)
Proceeds from borrowings under sale and leaseback transactions	19(c)	31,360	63,100	30,000
Payment for capital element of obligations arising from sale and leaseback transactions	19(c)	(10,562)	(25,836)	(72,901)
Payment for interest element of obligations arising from sale and leaseback transactions	19(c)	(2,242)	(3,445)	(5,007)
Capital contribution from investors with redemption rights	26	2,000	100,000	300,000
Payment for transaction costs related to capital contribution		–	–	(3,000)
Proceeds from other borrowings with a non-financial institution	19(c)	–	21,954	10,961
Repayment of other borrowings and interests with a non-financial institution	19(c)	–	(7,231)	(14,897)
Changes in restricted deposits		–	–	(25,681)
Net cash generated from financing activities		207,707	173,655	171,185
Net (decrease)/increase in cash and cash equivalents		(119,292)	41,493	148,500
Effect of foreign exchange rate changes		–	–	–
Cash and cash equivalents at 1 January	19(a)	142,129	22,837	64,330
Cash and cash equivalents at 31 December	19(a)	22,837	64,330	212,830

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

GLB Intelligent Power Technologies Co., Ltd.格雷博智能動力科技股份有限公司 (the "Company"), formerly known as 格雷博智能動力科技有限公司, was incorporated in the People's Republic of China (the "PRC") on 13 May 2010 as a limited liability company under the Company Law of the PRC. Upon the approval by the Company's shareholder meeting, the Company was converted from a limited liability company into a joint stock company with limited liability on 30 April 2026.

During the Track Record Period, the Company and its subsidiaries (collectively referred to as "the Group") are primarily engaged in design, research and development and sale of NEV domain-controlled electric drive solutions.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP") and audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) and Reanda Certified Public Accountants LLP Shanghai Branch (利安達會計師事務所(特殊普通合夥)上海分所), respectively. The statutory financial statements of the Company for the year ended 31 December 2025 is under preparation and has not been completed yet at the date of the report. The financial statements of the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they are incorporated and/or established, details of which are disclosed in Note 14.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group of RMB1,479,350,000 and net liabilities of the Group of RMB1,216,795,000 as at 31 December 2025, primarily due to the redemption liabilities of RMB1,479,593,000 (Note 26). The directors of the Company believe that no payment is expected for the settlement of the redemption liabilities as pursuant to the shareholder agreement signed in May 2026, the redemption rights by the Company would be irrecoverably terminated upon the first submission of the initial [**REDACTED**] of the Company's H shares on the Stock Exchange, and accordingly the redemption liabilities would be reclassified from liability to equity. Taken the above into consideration, and together with cashflow forecast for the twelve months from the date of this report prepared by management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for at least the next twelve months from 31 December 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB"). Further details of the material accounting policy information 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 33.

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 "Stock Exchange").

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 Renminbi ("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 and financial assets measured at fair value through profit and loss are as explained in the accounting policies set out below.

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, 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 judgements 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 recognised 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.

Judgements 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

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 Historical Financial Information from the date on which control commences until the date on which control ceases.

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

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised 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, investments in subsidiaries are stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Other investments in debt and equity securities

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

Investments in debt and equity 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 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 30(d). 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:

– amortised 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(s)(iii)), 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 amortised cost. The difference between the fair value and the amortised cost is recognized in 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 amortised 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 as other income.

(e) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying building and equipment (see Note 2(g)), are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(h)(ii)).

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).

The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use. Subsequent expenditure relating to an item of property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognized as an expense in profit or loss in the period in which it is incurred.

Any gain or loss arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost 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 recognised in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Buildings	30 years
Machinery and electronic equipment	5-10 years
Office equipment	5 years
Vehicles	5 years
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see Note 2(h)(ii)). Capitalisation of construction in progress costs ceases and the 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 until it is substantially completed and ready for its intended use.

(f) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(h)(ii)).

Amortisation 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 recognised in profit or loss. The estimated useful lives of intangible assets are as follows:

Software	5 years
Non-patented technology	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Lease

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.

At the lease commencement date, the Group recognises 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. 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 capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised 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 amortised cost and interest expense is recognised 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 recognised when a lease is capitalised 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 Note 2(h)(ii)).

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 statements 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.

For sale and leaseback transactions, we consider whether the initial transfer of the underlying asset to the buyer-lessor is a sale. We apply IFRS 15 to determine whether a sale has taken place.

When the transfer to buyer-lessor is a sale, we derecognize the underlying asset and applies the lessee accounting model to the leaseback — we measure the right-of-use asset at the retained portion of the previous carrying amount (i.e. at cost), and recognize only the amount of any gain or loss related to the rights transferred to the lessor.

When the transfer to buyer-lessor is not a sale, we continue to recognize the underlying asset, and recognize a financial liability for any amount received from the buyer-lessor.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses ("ECL"s) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

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 and non-equity investments measured at FVOCI (including trade and other receivables).

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

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

– 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.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

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 are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument 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: (i) 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); or (ii) the financial asset is 60 days past due.

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 recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(s)(iii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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 delinquency in interest or principal payments;

– 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 reorganisation; 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 recognised 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 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.

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).

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 recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They reduce the carrying amounts of the assets in the CGU on a pro rata basis.

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 amortisation, if no impairment loss had been recognised.

(i) Inventories and other contract costs

(i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

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

Cost is calculated using the weighted average cost formula and comprises all costs of purchase 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 recognised as an expense in the period in which the related revenue is recognised.

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

(ii) Other contract costs

Other contract costs are the costs to fulfil a contract with a customer, which are not capitalised as property, plant and equipment (see Note 2(e)) or intangible assets (see Note 2(f)), are expensed as incurred.

Costs to fulfil a contract are capitalised 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. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Otherwise, costs of fulfilling a contract, which are not capitalised as property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(s)).

(j) Contract liabilities

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

(k) Trade and other receivables

A receivable is recognised 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 amortised cost (see Note 2(h)(i)).

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, the investment is classified as fair value through other comprehensive income (FVOCI) — recycling. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

(l) 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(h)(i)).

(m) Trade and other payables

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

(n) Redemption liabilities

A contract that contains an obligation to purchase the Company's own equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liabilities is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liabilities arising from the remeasurement of the redemption liabilities is recognised in "Changes in carrying value of redemption liabilities" in profit or loss. The then carrying amount of the redemption liabilities is reclassified to equity upon a termination of the counterparty's redemption right.

The redemption liabilities are classified as current liabilities as the Company does not have the right at the reporting date to defer settlement of the liabilities for at least 12 months from the reporting date.

(o) Interest-bearing borrowings

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

(p) Employee benefits

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

Salaries, annual bonuses, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labor rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(ii) Equity-settled share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met.

(iii) 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 recognises costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax.

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.

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

Deferred tax is recognised 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 recognised 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 and associates 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 Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

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

Deferred tax assets are recognised 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 recognise 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 realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(r) Provisions

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.

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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue recognition and other income

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

Revenue is recognised 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.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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

(i) NEV Domain-controlled electric drive solutions

Revenue from NEV Domain-controlled electric drive solutions offered by the Group mainly include the sales of solution products and certain service rendering to the customers. Both the revenue from sales of solution products and the rendering of service is recognised at point-in-time when the Group transfers the control over to customers (i.e. goods or service accepted by customers).

(ii) NEV Domain-controlled electric drive solution components

Revenue from NEV Domain-controlled electric drive solution components mainly represented the sales of components products, the revenue of which is recognised at point-in-time when the Group transfers the control over components products to customers (i.e. goods accepted by customers).

(iii) Interest income

Interest income is recognised 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 amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants with agreed terms to be satisfied shall be recognized as other non-current liabilities upon receipt.

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

Grants that compensate the Group for cost of assets are recognized as deferred income in the balance sheet and recorded in other net expenses in a reasonable and systematic manner within the service life of the relevant assets.

(t) 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 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 recognised in profit or loss.

(u) 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 capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(w) 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.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, 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.

For the purpose of resource allocation and performance assessment, the Group's most senior executive management, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, during the Track Record Period, the Group has only one reportable segment which is engaged in design, research and development and sale of NEV domain-controlled electric drive solutions.

3 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

Notes 27, 24 and 26 contain information about the assumptions and their risk factors relating to estimate of fair value of equity-settled share-based transactions, estimated outcome in respective of provisions and fair value measurement of redemption liabilities. Other significant sources of estimation uncertainty are as follows:

(a) Net realizable value of inventories

As described in Note 2(i), net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses. 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.

Management reassesses these estimations at each reporting date to ensure inventory is shown at the lower of cost and net realizable value.

(b) Impairment of trade and other receivables

The Group's management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

(c) Recognition of deferred tax assets

Deferred tax assets in respect of unused tax losses, tax credit carried forward and deductible temporary differences are recognized and measured based on the expected manner of realization or settlement of the carrying amounts of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in the future years.

4 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are design, research and development and sale of NEV domain-controlled electric drive solutions.

(a) Revenue

(i) Disaggregation of revenues

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products or services lines:			
– NEV Domain-controlled electric drive solutions	312,006	730,024	3,496,341
– NEV Domain-controlled electric drive solution components	978	3,686	109,093
– Others	1,114	4,201	22,799
	314,098	737,911	3,628,233
Disaggregated by timing of revenue recognition:			
– Point in time	314,098	737,911	3,628,233

(ii) Information about major customer

During the years ended 31 December 2023, 2024 and 2025, Geely Related Group and Leapmotor were the customers individually contributing more than 10% to the Group's total revenue. The revenue derived from Geely Related Group, including sales to a group of entities, which are known to be under common control with that customer, amounted to RMB190,860,000, RMB556,431,000 and RMB3,162,069,000, while the revenue derived from Leapmotor, including sales to a group of entities, which are known to be under common control with that customer, amounted to RMB121,260,000, RMB177,327,000 and RMB312,819,000, respectively.

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

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for products or service that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(b) Segment reporting

The Group's chief operating decision makers ("CODM"), which has been identified as the executive directors of the Company, review the Group's internal reporting when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has one operating segment, which is automative components. Accordingly, no reportable segment information is presented.

As substantially all of the Group's revenue, operations and assets are in the Chinese mainland, no geographic information is presented.

5 OTHER NET EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank interest income	267	167	295
Net realized and unrealized gains from financial assets measured at FVPL	–	–	594
Net realized loss on discounting of bank acceptance bills receivable	(387)	(1,201)	(1,480)
Government grants *(i)*	166	110	542
Net foreign exchange losses	–	(14)	–
Net (loss)/gain on disposal of long-lived assets	(902)	(1,394)	7
Others	(62)	(528)	(385)
	(918)	(2,860)	(427)

(i) Government grants mainly represented cash awards granted by the government authorities in the PRC.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans	7,546	14,274	9,965
Less: capitalised interest expense	(3,286)	(3,538)	–
Interest on long-term payable from sale and leaseback transactions	2,242	3,445	5,007
Interest on other payable arising from borrowings with a non-financial institution	–	764	1,069
Interest on lease liabilities	1,797	1,489	1,317
	8,299	16,434	17,358

(b) Staff costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	92,723	139,962	238,163
Equity-settled share-based payments *(Note 27)*	–	2,289	–
Contributions to defined contributions plan *(i)*	8,243	10,058	12,308
Termination benefits	1,866	451	175
	102,832	152,760	250,646

(i) Employees of the Group's PRC entities are required to participate in a defined contributions plan administered and operated by the local municipal governments. The Group's PRC entities contribute funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

(c) Other items

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation:			
– property, plant and equipment *(Note 11)*	14,446	23,727	31,375
– right-of-use assets *(Note 12)*	7,063	6,788	8,436
Amortisation of intangible assets *(Note 13)*	889	935	1,106
Cost of inventories sold *(Note 15) (i)*	335,355	730,418	3,366,715
Research and development costs *(ii)*	77,189	93,352	111,324
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

(i) During the years ended 31 December 2023, 2024 and 2025, cost of inventories sold include staff costs, depreciation and amortisation expenses of RMB18,884,000, RMB45,957,000 and RMB137,326,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

(ii) During the years ended 31 December 2023, 2024 and 2025, research and development costs include staff costs and depreciation of RMB56,674,000, RMB59,187,000 and RMB74,287,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	–	–	–
– PRC income tax	–	–	–
Deferred tax			
Origination and reversal of temporary differences	–	–	–
Total	–	–	–

Pursuant to the Enterprise Income Tax (the "EIT") Law of the PRC (the "EIT Law"), the Company and it's subsidiaries established and operated in the PRC are liable to EIT at a rate of 25% unless otherwise specified.

In accordance with the relevant provisions of the EIT Law and its implementing regulations, GZK Shanghai was recognized as High-Tech Enterprises and entitled to a preferential corporate income tax rate of 15% during the Track Record Period. GZD Jiangsu was recognized as High-Tech Enterprises and entitled to a preferential corporate income tax rate of 15% only since 2025.

Certain subsidiaries of the Group meet the conditions as small-scaled minimal profit enterprise and were qualified for the entitlement of preferential tax treatment of 75% exemption of taxable income and application of income tax rate of 20% during the Track Record Period.

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss before taxation	(270,398)	(345,118)	(288,143)
National tax on loss before taxation calculated at the rates applicable to losses in the jurisdiction concerned	(67,600)	(86,280)	(72,036)
Tax effect of preferential tax rates	9,280	12,474	(6,787)
Tax effect of non-deductible expenses	6,810	11,001	20,299

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Effect of using deductible losses for which no deferred tax asset was recognised in previous years	–	–	(7,595)
Tax effect of temporary differences and tax losses not recognised as deferred tax assets in the current year	51,510	62,805	66,119
Actual tax expense	–	–	–

(c) Deferred taxation:

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	4,460	3,521	4,330
Deferred tax liabilities	(4,460)	(3,521)	(4,330)
	–	–	–

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the Track Record Period:

	Right-of-use assets	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	(5,440)	5,440	–
Charged to profit or loss	980	(980)	–
At 31 December 2023 and 1 January 2024	(4,460)	4,460	–
Charged to profit or loss	939	(939)	–
At 31 December 2024 and 1 January 2025	(3,521)	3,521	–
Charged to profit or loss	(809)	809	–
At 31 December 2025	(4,330)	4,330	–

(d) Deferred tax assets not recognized:

In accordance with the accounting policy set out in Note 2(q), 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 RMB582,929,000, RMB671,489,000 and RMB766,989,000 and temporary differences of RMB436,129,000, RMB557,449,000 and RMB655,656,000, 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 utilised. The tax losses arising from operations in Mainland China can be carried forward to offset against taxable profits of subsequent years for up to five years or ten years (for a High-Tech Enterprises company) from the year in which they arose.

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed are as follows:

	Year ended 31 December 2023						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director:							
Mr. Guan Bo	–	455	410	143	1,008	–	1,008
Executive directors:							
Mr. Pan Shunbo	–	485	250	143	878	–	878
Mr. Yin Hao	–	486	300	143	929	–	929
Non-executive directors:							
Mr. Xu Longya	–	–	–	–	–	–	–

	Year ended 31 December 2023						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Ms. Fu Xin	–	–	–	–	–	–	–
Mr. Yang Yezhao	–	–	–	–	–	–	–
Mr. Yuan Feng	–	–	–	–	–	–	–
	–					–	
Supervisors:							
Mr. Xiang Xiaoxiao	–	–	–	–	–	–	–
Mr. Yu Xizheng	–	–	–	–	–	–	–
Ms. Li Longmei	–	220	39	66	325	–	325
Mr. Deng Sheng	–	344	63	117	524	–	524
Mr. Ma Yuntao	–	–	–	–	–	–	–
Mr. Su Jianbo	–	–	–	–	–	–	–
	–					–	
	–	1,990	1,062	612	3,664	–	3,664

	Year ended 31 December 2024						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director:							
Mr. Guan Bo	–	455	745	145	1,345	–	1,345
	–						
Executive directors:							
Mr. Pan Shunbo	–	486	300	145	931	1,144	2,075
Mr. Yin Hao	–	486	350	145	981	1,145	2,126
Mr. Deng Sheng (appointed in November 2024)	–	396	86	128	610	–	610
	–						
Non-executive directors:							
Mr. Xu Longya	–	–	–	–	–	–	–
Ms. Fu Xin	–	–	–	–	–	–	–
Mr. Yang Yezhao (resigned in February 2024)	–	–	–	–	–	–	–
Mr. Yuan Feng	–	–	–	–	–	–	–
Mr. Jiang Chuanmin (appointed in February 2024)	–	–	–	–	–	–	–
Mr. Guo Bin (appointed in November 2024)	–	–	–	–	–	–	–
	–						
Supervisors:							
Mr. Xiang Xiaoxiao	–	–	–	–	–	–	–
Mr. Yu Xizheng	–	–	–	–	–	–	–
Ms. Li Longmei	–	224	34	82	340	–	340
Mr. Ma Yuntao	–	–	–	–	–	–	–
Mr. Su Jianbo (resigned in February 2024)	–	–	–	–	–	–	–
Mr. Deng Sheng (resigned in November 2024)	–	–	–	–	–	–	–
Ms. Mao Haimin (appointed in February 2024)	–	–	–	–	–	–	–
Mr. Zhang Zhengwei (appointed in November 2024)	–	461	77	145	683	–	683
	–						
	–	2,508	1,592	790	4,890	2,289	7,179

	Year ended 31 December 2025						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub total	Share based payments#	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director:							
Mr. Guan Bo	–	455	1,410	146	2,011	–	2,011
Executive directors:							
Mr. Pan Shunbo	–	485	500	146	1,131	–	1,131
Mr. Yin Hao	–	485	500	146	1,131	–	1,131
Mr. Deng Sheng	–	409	90	140	639	–	639
Mr. Ren Pingzhi (appointed in July 2025)	–	654	200	146	1,000	–	1,000
Non-executive directors:							
Mr. Xu Longya	–	–	–	–	–	–	–
Ms. Fu Xin	–	–	–	–	–	–	–
Mr. Yuan Feng (resigned in July 2025)	–	–	–	–	–	–	–
Mr. Jiang Chuanmin	–	–	–	–	–	–	–
Mr. Guo Bin	–	–	–	–	–	–	–
Mr. Niu Jie (appointed in July 2025)	–	–	–	–	–	–	–
Ms. He Hua (appointed in December 2025)	–	–	–	–	–	–	–
Mr. Xiang Xiaoxiao *(i)*	–	–	–	–	–	–	–
Supervisors:							
Mr. Xiang Xiaoxiao *(i)*	–	–	–	–	–	–	–
Mr. Yu Xizheng	–	–	–	–	–	–	–
Ms. Li Longmei	–	237	41	85	363	–	363
Mr. Ma Yuntao	–	–	–	–	–	–	–
Ms. Mao Haimin	–	–	–	–	–	–	–
Mr. Zhang Zhengwei	–	487	88	146	721	–	721
	–	3,212	2,829	955	6,996	–	6,996

Notes:

(i) Mr. Xiang Xiaoxiao was resigned as the supervisor of the Company and appointed as the non-executive director of the Company in May 2026.

\# These represent the excess of the fair value of the Transferred Shares on the grant date over the consideration paid (Note 27) transferred to two directors of the Company. The value of these Transferred Shares is measured according to the Group's accounting policy for share-based payment transactions as set out in Note 2(p)(ii). The details of the Share Awards are disclosed in Note 27.

During the Track Record Period, no director or chief executive 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

During the Track Record Period, of the five individuals with the highest emoluments, three, three and three is director, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,216	1,750	1,800
Discretionary bonuses	278	410	437
Retirement scheme contributions	246	290	292
	1,740	2,450	2,529

The emoluments of the two, two and two with the highest emoluments during the Track Record Period, are within the following bands:

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

During the Track Record Period, no amounts were paid or payable to the above 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 during the Track Record Period is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares deemed to be in issue during the years presented.

As disclosed in Note 34, the Company was converted into a joint stock company with limited liabilities and 146,681,000 ordinary shares with par value of RMB1 each were issued in April 2026. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into a joint stock company had occurred since 1 January 2023, at the exchange ratio established in the conversion in April 2026.

Loss attributable to ordinary equity shareholders of the Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss attributable to all equity shareholders of the Company	(270,398)	(345,118)	(288,143)
Allocation of loss attributable to ordinary shares with redemption rights *(Note 26)*	174,118	225,073	197,343
Loss attributable to ordinary equity shareholders of the Company	(96,280)	(120,045)	(90,800)

Weighted average number of ordinary shares deemed to be in issue

	Year ended 31 December		
	2023	2024	2025
	'000	*'000*	*'000*
Ordinary shares deemed to be in issue at the beginning of the year	122,150	122,286	129,079
Effect of shares deemed to be issued *(Note 28(c))*	109	2,866	9,066
Effect of ordinary shares with redemption rights *(Note 26)*	(78,726)	(81,619)	(94,612)
Weighted average number of ordinary shares deemed to be in issue at the end of the year	43,533	43,533	43,533

	Year ended 31 December		
	2023	2024	2025
Loss attributable to ordinary equity shareholders of the Company (RMB'000)	(96,280)	(120,045)	(90,800)
Weighted average number of ordinary shares deemed to be in issue ('000)	43,533	43,533	43,533
Basic loss per share (expressed in RMB per share)	(2.21)	(2.76)	(2.09)

(b) Diluted loss per share

Ordinary shares with redemption rights (Note 26) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for each year during the Track Record Period are the same as basic loss per share of the respective years.

11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery and electronic equipment	Office equipment	Vehicles	Leasehold improvements	Construction in process	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2023	–	83,518	705	528	9,516	78,003	172,270
Additions	–	17,602	296	635	7,380	103,946	129,859
Transferred from construction in progress	–	23,323	–	–	–	(23,323)	–
Disposals	–	(2,299)	–	–	–	–	(2,299)
At 31 December 2023 and 1 January 2024	–	122,144	1,001	1,163	16,896	158,626	299,830
Additions	–	20,852	574	131	997	58,399	80,953
Transferred from construction in progress	139,448	57,199	–	–	–	(196,647)	–
Disposals	–	(7,166)	(88)	(69)	–	–	(7,323)
At 31 December 2024 and 1 January 2025	139,448	193,029	1,487	1,225	17,893	20,378	373,460
Additions	12,787	86,766	619	1,959	4,180	45,966	152,277
Transferred from construction in progress	–	20,284	–	–	–	(20,284)	–
Disposals	–	–	–	(95)	(551)	–	(646)
At 31 December 2025	152,235	300,079	2,106	3,089	21,522	46,060	525,091
Accumulated depreciation:							
At 1 January 2023	–	(32,465)	(641)	(248)	(5,577)	–	(38,931)
Charge for the year	–	(10,872)	(36)	(160)	(3,378)	–	(14,446)
Written back on disposals	–	1,097	–	–	–	–	1,097
At 31 December 2023 and 1 January 2024	–	(42,240)	(677)	(408)	(8,955)	–	(52,280)
Charge for the year	(2,090)	(16,889)	(89)	(181)	(4,478)	–	(23,727)
Written back on disposals	–	5,809	84	35	–	–	5,928
At 31 December 2024 and 1 January 2025	(2,090)	(53,320)	(682)	(554)	(13,433)	–	(70,079)
Charge for the year	(4,780)	(24,022)	(205)	(267)	(2,101)	–	(31,375)
Written back on disposals	–	–	–	91	263	–	354
At 31 December 2025	(6,870)	(77,342)	(887)	(730)	(15,271)	–	(101,100)
Net book value:							
At 31 December 2023	–	79,904	324	755	7,941	158,626	247,550
At 31 December 2024	137,358	139,709	805	671	4,460	20,378	303,381
At 31 December 2025	145,365	222,737	1,219	2,359	6,251	46,060	423,991

Certain property, plant and equipment with book value of RMB71,751,000, RMB66,951,000 and RMB59,516,000 as at 31 December 2023, 2024 and 2025 respectively, were mortgaged as securities for bank loans (Note 22).

The Group pledged certain property, plant and equipment to third party financial institutions to obtain financing ranging from 1 to 3 years under sale and leaseback arrangement. The Group determined the transfers to buyer-lessor were not considered as sales under IFRS 15, thus the Group continues to recognise the underlying assets, and recognises financial liabilities for the considerations received in accordance with the accounting policy set out in Note 2(g). No gain or loss was recognised from the sale and leaseback transactions for the years ended 31 December 2023, 2024 and 2025. As of 31 December 2023, 2024 and 2025, the carrying amounts of the property, plant and equipment pledged for the aforementioned sale and leaseback transactions were RMB57,876,000, RMB56,121,000 and RMB79,557,000, respectively.

The Company

	Machinery and electronic equipment	Office equipment	Vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023, 31 December 2023 and 1 January 2024	5,317	440	172	5,929
Disposals	(33)	(79)	–	(112)
At 31 December 2024 and 1 January 2025	5,284	361	172	5,817
Additions	7	–	–	7
Disposals	–	–	(43)	(43)
At 31 December 2025	5,291	361	129	5,781
Accumulated depreciation:				
At 1 January 2023	(3,796)	(422)	(125)	(4,343)
Charge for the year	(384)	–	(30)	(414)
At 31 December 2023 and 1 January 2024	(4,180)	(422)	(155)	(4,757)
Charge for the year	(208)	–	(10)	(218)
Written back on disposals	32	76	–	108
At 31 December 2024 and 1 January 2025	(4,356)	(346)	(165)	(4,867)
Charge for the year	(231)	–	–	(231)
Written back on disposals	–	–	41	41
At 31 December 2025	(4,587)	(346)	(124)	(5,057)
Net book value:				
At 31 December 2023	1,137	18	17	1,172
At 31 December 2024	928	15	7	950
At 31 December 2025	704	15	5	724

12 RIGHT-OF-USE ASSETS

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

The Group

	Land use right (a)	Properties leased for own use (b)	Total
	RMB'000	***RMB'000***	***RMB'000***
Cost:			
At 1 January 2023	26,451	48,915	75,366
Disposals	–	(11,359)	(11,359)
At 31 December 2023, 31 December 2024 and 1 January 2025	26,451	37,556	64,007
Additions	197	8,259	8,456
Acquisition of a subsidiary *(Note 29)*	41,238	–	41,238
At 31 December 2025	67,886	45,815	113,701
Accumulated depreciation:			
At 1 January 2023	(529)	(12,649)	(13,178)
Charge for the year	(529)	(6,534)	(7,063)
Written back on disposals	–	11,359	11,359
At 31 December 2023 and 1 January 2024	(1,058)	(7,824)	(8,882)
Charge for the year	(529)	(6,259)	(6,788)
At 31 December 2024 and 1 January 2025	(1,587)	(14,083)	(15,670)
Charge for the year	(962)	(7,474)	(8,436)
At 31 December 2025	(2,549)	(21,557)	(24,106)
Net book value:			
At 31 December 2023	25,393	29,732	55,125
At 31 December 2024	24,864	23,473	48,337
At 31 December 2025	65,337	24,258	89,595

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets			
– Land use right	529	529	962
– Properties leased for own use	6,534	6,259	7,474
	7,063	6,788	8,436
Interest on lease liabilities *(Note 6(a))*	1,797	1,489	1,317
Expense relating to short-term leases	1,002	809	4,832

Details of total cash outflow for leases, the maturity analysis of lease liabilities are set out in Note 19(d) and Note 23, respectively.

(a) Land use right

Land in respect of land use right is located in the PRC with a lease period of 49 years when granted.

(b) Properties leased for own use

The Group has obtained the right to use properties through tenancy agreements. The leases typically run for an initial period of 3 to 6 years. None of the leases include variable lease payments.

The Group has pledged leasehold lands with carrying amounts of RMB25,393,000, RMB24,864,000 and RMB65,337,000 as at December 31, 2023, 2024 and 2025, respectively, to secure certain loans and borrowings (Note 22).

13 INTANGIBLE ASSETS

The Group

	Software	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2023	1,796	25,000	26,796
Additions	3,176	–	3,176
Expiry of useful life	(1,071)	–	(1,071)
At 31 December 2023 and 1 January 2024	3,901	25,000	28,901
Additions	2,126	–	2,126
At 31 December 2024 and 1 January 2025	6,027	25,000	31,027
Additions	553	–	553
At 31 December 2025	6,580	25,000	31,580
Accumulated amortisation:			
At 1 January 2023	(1,098)	(25,000)	(26,098)
Charge for the year	(889)	–	(889)
Expiry of useful life	1,071	–	1,071
At 31 December 2023 and 1 January 2024	(916)	(25,000)	(25,916)
Charge for the year	(935)	–	(935)
At 31 December 2024 and 1 January 2025	(1,851)	(25,000)	(26,851)
Charge for the year	(1,106)	–	(1,106)
At 31 December 2025	(2,957)	(25,000)	(27,957)
Net book value:			
At 31 December 2023	2,985	–	2,985
At 31 December 2024	4,176	–	4,176
At 31 December 2025	3,623	–	3,623

The Company

	Software	Non-patented technology	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2023, 31 December 2023 and 1 January 2024	480	25,000	25,480
Additions	796	–	796
At 31 December 2024 and 1 January 2025	1,276	25,000	26,276
Additions	450	–	450
At 31 December 2025	1,726	25,000	26,726
Accumulated amortisation:			
At 1 January 2023	(392)	(25,000)	(25,392)
Charge for the year	(88)	–	(88)
At 31 December 2023 and 1 January 2024	(480)	(25,000)	(25,480)
Charge for the year	(66)	–	(66)
At 31 December 2024 and 1 January 2025	(546)	(25,000)	(25,546)
Charge for the year	(198)	–	(198)
At 31 December 2025	(744)	(25,000)	(25,744)
Net book value:			
At 31 December 2023	–	–	–
At 31 December 2024	730	–	730
At 31 December 2025	982	–	982

During the Track Record Period, the amounts of amortisation expenses charged to profit or loss are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Administrative expenses	889	935	1,106

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Administrative expenses	88	66	198

14 INTERESTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment costs	130,782	157,380	247,272
Less: impairment provisions	(44,840)	(44,840)	(44,840)
	85,942	112,540	202,432

The Company made impairment provision of RMB44,840,000, RMB44,840,000 and RMB44,840,000 to reduce the carrying amounts of its interests in one subsidiary to the recoverable amounts as at end of each Track Record Period.

The Company has direct interests in the following subsidiaries, all of which are private companies. The class of shares held is ordinary unless otherwise stated.

Company name	Place and date of establishment and operation	Particulars of registered and paid-in capital	Effective interest held by the Group				Principal activities
			As at 31 December			At the date of this report	
			2023	2024	2025		
GZK Intelligent Power Technologies (Shanghai) Co., Ltd. (格至控智能動力科技 (上海) 有限公司) *(Note (i), (ii), (v) and (vii))*	The PRC 27 November 2013	RMB40,000,000/ RMB40,000,000	100%	100%	100%	100%	Research and development
GZD Intelligent Technologies (Jiangsu) Co., Ltd. (格至達智能科技(江蘇)有限公司) *(Note (i), (ii), (vi) and (vii))*	The PRC 23 September 2021	RMB100,000,000/ RMB83,940,500	100%	100%	100%	100%	Production and manufacturing
GZQ Intelligent Technologies (Shanghai) Co., Ltd. (格至驅智能科技(上海)有限公司) *(Note (i), (iv), (v) and (vii))*	The PRC 28 March 2023	RMB7,000,000/ RMB7,000,000	100%	100%	100%	100%	Research and development
GZY Intelligent Power (Jiangsu) Co., Ltd. (格至遠動力科技(上海)有限公司) *(Note (i), (iii) and (vii))*	The PRC 27 June 2023	RMB20,000,000/ RMB180,000	100%	100%	100%	100%	Production and manufacturing
GLB Intelligent Power Technologies (Ningbo) Co., Ltd. (格雷博智能動力科技(寧波)有限公司) *(Note (i), (iii) and (vii))*	The PRC 11 July 2024	RMB150,000,000/ RMB150,000,000	N/A	N/A	100%	100%	Production and manufacturing

(i) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

(ii) These entities are limited liability companies, and the financial statements for the year ended 31 December 2023 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP"), and were audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所 (特殊普通合夥)).

(iii) No statutory audited financial statements have been prepared for these entities for the year ended 31 December 2023 and 2024.

(iv) No statutory audited financial statements have been prepared for this entity for the year ended 31 December 2023.

(v) These entities are limited liability companies, and the financial statements for the year ended 31 December 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP"), and were audited by Reanda Certified Public Accountants LLP Shanghai Branch (利安達會計師事務所 (特殊普通合夥) 上海分所).

(vi) This entity is a limited liability company, and the financial statements for the year ended 31 December 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP"), and were audited by Jiangsu Zhongdexin Certified Public Accountants Co., Ltd. (江蘇中德信會計師事務所有限公司).

(vii) The statutory financial statements for the financial year ended 31 December 2025 is under preparation and has not been completed yet at the date of the report.

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

15 INVENTORIES

(a) Inventories in the statements of financial position comprise:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	33,995	38,900	65,026
Work in progress	14,967	29,406	56,703
Finished goods	30,036	54,764	100,855
Contract fulfilment cost	–	18,533	3,028
	78,998	141,603	225,612
Less: provision for impairment of inventories	(22,277)	(4,361)	(1,544)
	56,721	137,242	224,068

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	1,729	–	12
Finished goods	14,616	3,869	2,777
Contract fulfilment cost	–	20,596	2,783
	16,345	24,465	5,572
Less: provision for impairment of inventories	(3,170)	–	(14)
	13,175	24,465	5,558

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

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	295,805	711,562	3,369,274
Carrying amount of inventories used in research and development and marketing activities	13,624	17,054	20,878
Write-down/(reversal of write-down) of inventories	39,550	18,856	(2,559)
	348,979	747,472	3,387,593

All inventories are expected to be recovered within one year.

Net realisable value of inventories 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.

Management reassesses these estimations at the end of each reporting period to ensure inventory is shown at the lower of cost and net realizable value.

16 TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current *(i)*			
Trade receivables, net of loss allowance	221,830	372,204	842,356
Bills receivables			
– measured at FVOCI *(ii)*	25,128	58,002	192,958
– carried at amortised cost *(iii)*	20,517	79,846	302,570
Value-added tax recoverable	18,518	11,116	10,340
Deposits and others	6,489	21,744	16,392
	292,482	542,912	1,364,616
Non-current			
Deposits	–	–	1,864
	292,482	542,912	1,366,480

(i) As at the end of each reporting period, all of the Group's and the Company's current trade and other receivables are expected to be recovered or recognised as expense within a year.

(ii) Bills receivable mainly represent short-term bank acceptance receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally within 6 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable. Due to the requirement of cash management, the Group from time to time endorses bills receivable to suppliers in order to settle trade payables or discounts bills receivable to recoup cash from commercial banks. The business model of bills receivable is for the purpose of collecting cash flow of contracts and sales. Therefore, the Group classified bills receivable of RMB25,128,000, RMB58,002,000 and RMB192,958,000 as bills receivable carried at fair value and whose changes are included in other comprehensive income at the end of each reporting period. The fair value changes of these bills receivable measured at FVOCI were insignificant during the year.

(iii) As at 31 December 2023 and 2024 and 2025, other bills receivable of RMB20,517,000, RMB79,846,000 and RMB302,570,000, compose of bank acceptance bills, are measured at amortised cost.

(iv) As at 31 December 2023 and 2024 and 2025, certain trade and bills receivables of RMB9,000,000, RMB12,881,000 and RMB30,000,000 were pledged as securities for bank loans of the Group (Note 22).

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current *(i)*			
Trade receivables, net of loss allowance	221,787	372,064	842,185
Bills receivables, net of loss allowance	29,646	121,285	492,317
– measured at FVOCI	25,128	55,540	189,747
– carried at amortised cost	4,518	65,745	302,570
Deposits and others	–	19	5,723
	251,433	493,368	1,340,225

(a) Ageing analysis of trade receivables

As of the end of each reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	221,830	372,204	842,194
Over 1 year but less than 2 years	–	–	162
	221,830	372,204	842,356

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 30(a).

17 PREPAYMENTS AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Purchase of materials	1,337	2,359	6,398
Purchase of services and others	803	1,408	5,112
Prepaid corporate income tax	–	–	3,913
[**REDACTED**] to be capitalised	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	2,140	3,767	16,050
Non-current			
Prepayments for equipment and others	5,914	31,404	49,044
	8,054	35,171	65,094

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Purchase of services and others	–	170	692
Non-current			
Prepayments for equipment and others	–	–	4,245
	–	170	4,937

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products *(i)*	–	–	60,145

(i) The amount represents investments in wealth management products issued by reputable financial institution in Chinese Mainland. There are no fixed or determinable returns of these wealth management products.

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	31,626	70,330	240,375
Less: Restricted cash *(i)*	(8,789)	(6,000)	(27,545)
Cash and cash equivalents in the consolidated statements of financial position and the consolidated statements of cash flows	22,837	64,330	212,830

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	22,448	19,872	154,737
Less: Restricted cash *(ii)*	(8,000)	(6,000)	–
Cash and cash equivalents in the statement of financial position and the statements of cash flows	14,448	13,872	154,737

(i) Restricted cash of RMBnil, RMBnil and RMB25,681,000 of the Group were mainly pledged for loans as at 31 December 2023, 2024 and 2025, respectively. Restricted cash of RMB8,789,000, RMB6,000,000 and RMBnil of the Group were mainly restricted for litigation as at 31 December 2023, 2024 and 2025, respectively. Restricted cash of RMBnil, RMBnil and RMB1,864,000 were restricted for construction in GLB Ningbo.

(ii) Restricted cash of RMB8,000,000, RMB6,000,000 and RMBnil of the Company were mainly restricted for litigation as at 31 December 2023, 2024 and 2025.

(b) Reconciliation of loss before taxation to cash used in operations

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before taxation		(270,398)	(345,118)	(288,143)
Adjustments for:				
Depreciation	*6(c)*	21,509	30,515	39,811
Amortization	*6(c)*	889	935	1,106
Write-down/(reversal of write-down) of inventories	*15*	39,550	18,856	(2,559)
Changes in carrying value of redemption liabilities	*26*	107,992	173,207	321,090
Finance costs	*6(a)*	8,299	16,434	17,358
Net realized and unrealized gains from financial assets measured at FVPL	*5*	–	–	594
Net Loss/(gain) on disposal of long-lived assets	*5*	902	1,394	(7)
Impairment loss (reversal)/recognised on trade and other receivables		(1,274)	428	(350)
Equity-settled share-based transactions	*27(a)*	–	2,289	–
Changes in working capital:				
Decrease/(increase) in inventories		20,641	(80,521)	(86,826)
Increase in trade and other receivables		(199,098)	(250,430)	(821,704)
Decrease/(increase) in prepayments		10,845	(1,628)	(12,283)
Increase in trade and other payables		57,640	340,739	1,034,743
(Decrease)/increase in contract liabilities		(5,098)	13,807	(11,782)
Increase in other non-current liability		19,187	19,983	–
(Increase)/decrease in restricted deposits		(8,507)	2,789	7,864
Cash (used in)/generated from operations		(196,921)	(56,321)	198,912

(c) Reconciliation of liabilities arising from financing activities:

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000 *(Note 20)*	*RMB'000* *(Note 22)*	*RMB'000* *(Note 23)*	*RMB'000* *(Note 26)*	*RMB'000*
At 1 January 2023	–	71,709	42,567	475,304	589,580
Changes from financing cash flows:					
Capital element of lease rentals paid	–	–	(7,751)	–	(7,751)
Interest element of lease rentals paid	–	–	(1,797)	–	(1,797)
Proceeds from bank loans	–	241,669	–	–	241,669
Proceeds from borrowings under sale and leaseback transactions	–	31,360	–	–	31,360
Repayment of bank loans	–	(38,450)	–	–	(38,450)

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 20)	*(Note 22)*	*(Note 23)*	*(Note 26)*	
Payments for capital element of obligations arising from sale and leaseback transactions	–	(10,562)	–	–	(10,562)
Interest of bank loans paid	–	(6,520)	–	–	(6,520)
Payment for interest element of obligations arising from sale and leaseback transactions	–	(2,242)	–	–	(2,242)
Capital contribution from investors with redemption rights	–	–	–	2,000	2,000
Total changes from financing cash flows	–	215,255	(9,548)	2,000	207,707
Other changes:					
Decrease in lease liabilities from terminating leases during the year	–	–	(1,558)	–	(1,558)
Interest expenses on lease liability *(Note 6(a))*	–	–	1,797	–	1,797
Interest on bank loans *(Note 6(a))*	–	7,546	–	–	7,546
Interest expenses long-term payable from sale-and-lease-back transactions *(Note 6(a))*	–	2,242	–	–	2,242
Changes in carrying value of redemption liabilities	–	–	–	107,992	107,992
Total other changes	–	9,788	239	107,992	118,019
At 31 December 2023	–	296,752	33,258	585,296	915,306

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 20)	*(Note 22)*	*(Note 23)*	*(Note 26)*	
At 1 January 2024	–	296,752	33,258	585,296	915,306
Changes from financing cash flows:					
Capital element of lease rentals paid	–	–	(5,868)	–	(5,868)
Interest element of lease rentals paid	–	–	(1,489)	–	(1,489)
Proceeds from bank loans	–	144,712	–	–	144,712
Proceeds from borrowings under sale and leaseback transactions	–	63,100	–	–	63,100
Repayment of bank loans	–	(99,220)	–	–	(99,220)
Payments for capital element of obligations arising from sale and leaseback transactions	–	(25,836)	–	–	(25,836)
Interest of bank loans paid	–	(13,022)	–	–	(13,022)
Payment for interest element of obligations arising from sale and leaseback transactions	–	(3,445)	–	–	(3,445)
Proceeds from other borrowings with a non-financial institution	21,954	–	–	–	21,954
Repayment of other borrowings and interests with a non-financial institution	(7,231)	–	–	–	(7,231)
Capital contribution from investors with redemption rights	–	–	–	100,000	100,000
Total changes from financing cash flows	14,723	66,289	(7,357)	100,000	173,655
Other changes:					
Interest expenses on lease liability *(Note 6(a))*	–	–	1,489	–	1,489
Interest on bank loans *(Note 6(a))*	–	14,274	–	–	14,274
Interest expenses on long-term payable from sale-and-lease-back transactions (*Note 6(a)*)	–	3,445	–	–	3,445

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 20)	*(Note 22)*	*(Note 23)*	*(Note 26)*	
Interest on other payable arising from borrowings with a non-financial institution (*Note 6(a)*)	764	–	–	–	764
Changes in carrying value of redemption liabilities	–	–	–	173,207	173,207
Total other changes	764	17,719	1,489	173,207	193,179
At 31 December 2024	15,487	380,760	27,390	858,503	1,282,140

	Trade and other payables	Loans and borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 20)	*(Note 22)*	*(Note 23)*	*(Note 26)*	
At 1 January 2025	15,487	380,760	27,390	858,503	1,282,140
Changes from financing cash flows:					
Capital element of lease rentals paid	–	–	(7,502)	–	(7,502)
Interest element of lease rentals paid	–	–	(1,317)	–	(1,317)
Proceeds from bank loans	–	575,710	–	–	575,710
Proceeds from borrowings under sale and leaseback transactions	–	30,000	–	–	30,000
Repayment of bank loans	–	(603,013)	–	–	(603,013)
Payments for capital element of obligations arising from sale and leaseback transactions	–	(72,901)	–	–	(72,901)
Interest of bank loans paid	–	(12,168)	–	–	(12,168)
Payment for interest element of obligations arising from sale and leaseback transactions	–	(5,007)	–	–	(5,007)
Proceeds from other borrowings with a non-financial institution	10,961	–	–	–	10,961
Repayment of other borrowings and interests with a non-financial institution	(14,897)	–	–	–	(14,897)
Capital contribution from investors with redemption rights	–	–	–	300,000	300,000
Total changes from financing cash flows	(3,936)	(87,379)	(8,819)	300,000	199,866
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	8,259		8,259
Interest expenses on lease liability *(Note 6(a))*	–	–	1,317	–	1,317
Interest on bank loans *(Note 6(a))*	–	9,965	–	–	9,965
Interest expenses long-term payable from sale-and-lease-back transactions *(Note 6(a))*	–	5,007	–	–	5,007
Interest on other payable arising from borrowings with a non-financial institution *(Note 6(a))*	1,069	–	–	–	1,069
Changes in carrying value of redemption liabilities	–	–	–	321,090	321,090
Total other changes	1,069	14,972	9,576	321,090	346,707
At 31 December 2025	12,620	308,353	28,147	1,479,593	1,828,713

(d) Total cash out flow for leases:

	Years ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	1,002	809	4,832
Within financing cash flows	9,548	7,357	8,819
	10,550	8,166	13,651

20 TRADE AND OTHER PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade payables *(i)*	277,874	630,675	1,639,407
Accrued payroll and benefits	17,881	29,280	42,113
Tax payable	2,031	7,494	43,702
Payables for equipment and intangible assets	15,843	29,975	49,515
Current portion of payable arising from borrowings with a non-financial institution *(ii)*	–	9,631	10,437
Other payables and accrual expenses	3,123	4,177	12,101
	316,752	711,232	1,797,275
Non-current			
Payable arising from borrowings with a non-financial institution *(ii)*	–	5,856	2,183
	316,752	717,088	1,799,458

As at the end of each reporting period, all of the current trade and other payables are expected to be settled or recognised as income within one year.

(i) Trade payables include bills receivable endorsed to suppliers which do not meet the financial instrument derecognition criteria amounted to RMB15,090,000, RMB66,965,000 and RMB299,181,000 as at 31 December 2023, 2024 and 2025 respectively.

(ii) In April 2024, August 2024 and May 2025, the Group entered into certain financing arrangements with a non-financial institution. The related outstanding balances are recognised in other payables. The Group is required to pay quarterly installments in 12 months, 24 months and 24 months with effective interest rate of 6.96%, 7.50% and 7.38% per annum respectively.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade payables due to the subsidiaries	213,916	430,609	1,169,151
Trade payables due to third parties *(i)*	1,500	13,307	70,688
Accrued payroll and benefits	472	539	416
Tax payable	1,055	6,316	39,582
Current portion of payable arising from borrowings with a non-financial institution *(ii)*	–	–	6,067
Other payables due to the subsidiaries	1,500	15,088	84,780
Other payables due to third parties	349	433	5,128
	218,792	466,292	1,375,812
Non-current			
Payable arising from borrowings with a non-financial institution *(ii)*	–	–	2,183
	218,792	466,292	1,377,995

As at the end of each reporting period, all of the current trade and other payables are expected to be settled or recognised as income within one year.

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

Ageing analysis

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	249,430	562,433	1,413,525
After 1 year but within 2 years	28,016	63,470	220,041
After 2 years but within 3 years	127	4,364	4,107
After 3 years	301	408	1,734
	277,874	630,675	1,639,407

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	215,310	443,757	1,239,211
After 1 year but within 2 years	–	63	469
After 2 years but within 3 years	–	–	63
After 3 years	106	96	96
	215,416	443,916	1,239,839

21 CONTRACT LIABILITIES

The Group

Contract liabilities of the Group and the Company mainly arise from the advance payments for sales of products made by customers while the underlying products and services are yet to be provided. All of the contract liabilities decreased were as a result of recognising revenue within one year.

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers	2	13,809	2,027

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers	–	13,744	1,857

Movements in contract liabilities are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1,	5,100	2	13,809
Increase in contract liabilities as a result of advances from customers	2	13,809	2,027
Decrease in contract liabilities as a result of recognizing revenue during the year	(5,100)	(2)	(13,809)
Balance at December 31	2	13,809	2,027

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1,	–	–	13,744
Increase in contract liabilities as a result of advances from customers	–	13,744	1,857
Decrease in contract liabilities as a result of recognizing revenue during the year	–	–	(13,744)
Balance at December 31	–	13,744	1,857

22 LOANS AND BORROWINGS

The Group

The analysis of the carrying amount of loans and borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Secured bank loans *(i)*	86,050	99,314	30,000
Current portion of long-term secured bank loans *(ii)*	3,246	52,596	24,230
Current portion of obligations arising from sale and leaseback transaction *(iii)*	24,812	61,812	37,745
	114,108	213,722	91,975
Non-current			
Non-current portion of long-term secured bank loans *(ii)*	160,138	144,268	212,442
Non-current portion of obligations arising from sale and leaseback transaction *(iii)*	22,506	22,770	3,936
	182,644	167,038	216,378
	296,752	380,760	308,353

As at 31 December 2023, 2024 and 2025, the annual interest rate of short-term loans and borrowings was ranged from 1.45% to 5.45%, 0.98% to 4.80%, and 2.11%, respectively.

(i) As at 31 December 2023, secured bank loans mainly included: (i) borrowings with a principal of RMB9,000,000 guaranteed by Mr. Guan Bo; (ii) borrowings with a principal of RMB35,000,000 guaranteed by the Company and GZK Shanghai; (iii) borrowings with a principal of RMB9,000,000 secured by the Group's certain bills receivable; (iv) borrowings with a principal of RMB22,950,000 guaranteed by the Company and Mr. Guan Bo; and (v) borrowings with a principal of RMB10,000,000 guaranteed by the Company and Mr. Guan Bo.

As at 31 December 2024, secured bank loans mainly included: (i) borrowings with a principal of RMB56,329,000 guaranteed by the Company and Mr. Guan Bo; (ii) borrowings with a principal of RMB20,000,000 pledged by the intellectual properties of GZK Shanghai and guaranteed by the Company and Mr. Guan Bo; (iii) borrowings with a principal of RMB10,000,000 guaranteed by the Company and GZK Shanghai; (iv) borrowings with a principal of RMB12,881,000 secured by the Group's certain bills receivable.

As at 31 December 2025, secured bank loans mainly included borrowings with a principal of RMB30,000,000 secured by the Group's certain accounts receivable.

As at 31 December 2023, 2024 and 2025, the annual interest rates of long-term loans and borrowings range from 4.70% to 7.65%, 3.10% to 8.35%, and 2.80% to 4.30%, respectively.

(ii) As at 31 December 2023, secured bank loans mainly include (i) borrowings with a principal of RMB18,250,000 guaranteed by the Company and Mr. Guan Bo; (ii) borrowings with a principal of RMB9,000,000 guaranteed by Mr. Guan Bo; and (iii) borrowings with a principal of RMB135,019,000 secured by property, plant and equipment and land use right of GZD Jiangsu and guaranteed by the Company and GZK Shanghai.

As at 31 December 2024, secured bank loans mainly include (i) borrowings with a principal of RMB8,000,000 guaranteed by Mr. Guan Bo; (ii) borrowings with a principal of RMB146,250,000 secured by property, plant and equipment and land use right of GZD Jiangsu and guaranteed by the Company and GZK Shanghai; and (iii) borrowings with a principal of RMB40,250,000 guaranteed by the Company and Mr. Guan Bo.

As at 31 December 2025, secured bank loans mainly include (i) borrowings with a principal of RMB134,368,000 secured by property, plant and equipment and land use right of GZD Jiangsu and guaranteed by the Company and GZK Shanghai; (ii) borrowings with a principal of RMB72,040,000 secured by land use right of GLB Ningbo and guaranteed by the Company; and (iii) borrowings with a principal of RMB30,000,000 guaranteed by the Company.

(iii) Obligations arising from sale and leaseback transactions

Obligations arising from sale and leaseback transactions were repayable as below:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	27,499	64,961	39,204
After 1 year but within 2 years	23,281	23,261	3,993
Total undiscounted obligations arising from sale and leaseback transactions	50,780	88,222	43,197
Less: total future interest expenses	(3,462)	(3,640)	(1,516)
	47,318	84,582	41,681

The Group's bank loans were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment *(Note 11)*	129,627	123,072	139,073
Land use right *(Note 12)*	25,393	24,864	65,337
Trade and bills receivables *(Note 16)*	9,000	12,881	30,000
Pledged deposits *(Note 19(a))*	–	–	25,681
	164,020	160,817	260,091

The analysis of the repayment schedule of the Group's loans and borrowings is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	114,108	213,722	91,975
After 1 year but within 2 years	58,595	46,536	60,919
After 2 years but within 5 years	67,087	83,482	97,259
After 5 years	56,962	37,020	58,200
	296,752	380,760	308,353

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Secured bank loans	9,012	6,000	30,000
Current portion of long-term secured bank loans	1,014	10,104	–
	10,026	16,104	30,000
Non-current			
Non-current portion of long-term secured bank loans	8,869	–	–
	18,895	16,104	30,000

23 LEASE LIABILITIES

The Group

As at the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	6,681	6,551	10,106
After 1 year but within 2 years	5,738	7,249	10,418
After 2 years but within 5 years	20,839	13,590	7,623
	26,577	20,839	18,041
	33,258	27,390	28,147

24 PROVISIONS

	Product Warranties and claims
	RMB'000
At 1 January 2023	1,666
Additional provisions made	11,303
Provisions utilised	(1,820)
At 31 December 2023	11,149
Less: current portion	(2,507)
Non-current portion	8,642
At 1 January 2024	11,149
Additional provisions made	8,096
Provisions utilised	(3,734)
At 31 December 2024	15,511
Less: current portion	(3,621)
Non-current portion	11,890
At 1 January 2025	15,511
Additional provisions made	6,161
Provisions utilised	(3,254)
At 31 December 2025	18,418
Less: current portion	(3,628)
Non-current portion	14,790

Product warranties and claims

Under the terms of the Group's sales agreements, the Group is responsible for product defects. When a product quality claim is received from the original equipment manufacturer (the "OEM"), management assesses if a provision should be set up should the future economic outflow is probable, considering various factors such as whether or not a recall has been initiated, product defects are verifiable or litigation is initiated by the OEM etc.

25 OTHER NON-CURRENT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Other non-current liabilities	34,187	54,170	54,170

As at the end of each reporting period, other non-current liabilities represented governments grants received with conditions and obligations. Government grants mainly represent operating subsidies and amortization of government grants for capital expenditure including development and construction of property, plant and equipment or land use rights. Conditions related to the grants, i.e. realization of sales, completion of certain tax payments have been fulfilled.

26 REDEMPTION LIABILITIES

The Group and the Company

Since the date of incorporation, the Company has conducted several rounds of financing, namely, Series A, Series B, Series B+, Series B++, Series C, Series C+, Series C++ and Series D financing by issuing registered capital to the investors and granting them a right to put back to Mr. Xu Longya and Boheng New Energy Technology (Shanghai) Co., Ltd. ("Certain Shareholders of the Company") and the Company the registered capital acquired for cash upon the occurrence of specified events, including but not limited to: (i) an [**REDACTED**] on a Qualified Exchange ("Qualified [**REDACTED**]") has not been consummated by the Company by 30 June 2027; and (ii) the founders or the Company materially breaches the provisions of investment agreements or other related transaction documents ("Redemption Rights").

The redemption price shall equal to the higher of: (i) the investment amounts paid by the investor plus an annual simple interest of 10% on the investment amounts, and any declared but unpaid dividends, or (ii) the market fair value of the registered capital with Redemption Rights required to be redeemed.

The Company's contractual obligation to redeem its registered capital for cash upon the occurrence of events that are beyond the control of the Company is recognised as "redemption liabilities" in the consolidated statements of financial position (see Note 2(n)).

The fair value of the registered capital with Redemption Rights was determined by the Directors with reference to valuation carried out by an independent qualified professional valuer.

The movement of the registered capital with Redemption Rights is set out below:

	Redemption liabilities
	RMB'000
At 1 January 2023	475,304
Grant of Redemption Right upon issuance of registered capital	2,000
Changes in carrying value of redemption liabilities	107,992
At 31 December 2023	585,296
Grant of Redemption Right upon issuance of registered capital	100,000
Changes in carrying value of redemption liabilities	173,207
At 31 December 2024	858,503
Grant of Redemption Right upon issuance of registered capital	300,000
Changes in carrying value of redemption liabilities	321,090
At 31 December 2025	1,479,593

The fair value of the registered capital with Redemption Rights were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used discounted cash flow method to determine the total share value of the Company and applied the equity allocation model to determine the fair value of the registered capital with Redemption Rights at the end of each reporting period upon redemption.

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	As at 31 December		
	2023	2024	2025
Discount rate	18%	17%	16%
Discounts for lack of marketability ("DLOM")	15%	18%	16%

In May 2026, the Company entered into an agreement with Certain Shareholders of the Company and the Pre-[**REDACTED**] Investors. According to the agreement, the redemption rights of the Pre-[**REDACTED**] Investors granted by the Company shall be terminated with no reinstatement obligation the first submission of the initial [**REDACTED**] of the Company's H shares on the Stock Exchange. Prior to the termination, the redemption liabilities due to these investors were measured at the present value of the redemption amount as the Company did not have an unconditional right to avoid the obligations. Immediately upon the termination, the redemption liabilities due to these investors were reclassified to equity as the requirements for derecognition of the liabilities were met.

The redemption rights of the Pre-[**REDACTED**] Investors granted by Certain Shareholders of the Company shall also cease to be effective up on the date that the Company submit the initial filling of the [**REDACTED**], provided that such cessation shall be automatically reinstated to Certain Shareholders of the Company upon the occurrence of any of the following events: (a) the Company voluntarily withdraws its [**REDACTED**]; (b) the [**REDACTED**] is rejected by the relevant regulatory authorities; (c) the expiration of the [**REDACTED**] and failure to refile the [**REDACTED**] within six months after the expiration of the previous [**REDACTED**] or (d) the Company fails to pass the hearing from the Hong Kong Stock Exchange within 18 months after the first filing of the [**REDACTED**]. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the redemption rights granted by Certain Shareholders of the Company; and (ii) the Company has not provided any guarantee for the redemption rights granted by Certain Shareholders of the Company in the event of a default by any of them.

27 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) Share Awards made by a shareholder

On 10 October 2024, Mr. Guan Bo entered into share transfer agreements with two directors of the Company ("Transferees"), under which Mr. Guan Bo agreed to transfer to each of the Transferees 152 shares of Boheng New Energy Technology (Shanghai) Co., Ltd., equal to 77,748 shares* (the "Transferred Shares") of the Company to the Transferees with no consideration, which was below its fair value measured at the market price on the grant date, equalling RMB14.72 per share. Since the Transferred Shares were sold to the Transferees who are also the employees of the Company at a significant discount, such transaction was considered to form part of the remuneration of the employees for their services to the Company and it was accounted for as a share-based payment transaction under IFRS 2. The excess of the fair value of the Transferred Shares on the grant date over the consideration paid, amounting RMB2,289,000, was recognised as a share-based payment expense for the year ended 31 December 2024.

* The number of shares, fair value of per share before the Company's conversion into a joint stock Company were adjusted for the exchange ratio established in the conversion in April 2026.

28 CAPITAL AND RESERVES

(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 statement of changes in equity.

Details of the changes in the Company's individual components of equity are set out below:

The Company

	Note	Paid-in capital	Capital reserve	Accumulated losses	Total deficit
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		122,150	(71,777)	(252,384)	(202,011)
Changes in equity for 2023:					
Loss for the year		–	–	(246,802)	(246,802)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(246,802)	(246,802)
Capital contribution from an investor with redemption rights	*26*	136	1,864	–	2,000
Recognition of redemption liabilities upon grant of redemption rights	*26*	–	(2,000)	–	(2,000)
Balance at 31 December 2023 and 1 January 2024		122,286	(71,913)	(499,186)	(448,813)
Changes in equity for 2024:					
Loss for the year		–	–	(256,024)	(256,024)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(256,024)	(256,024)
Capital contribution from an investor with redemption rights	*26*	6,793	93,207	–	100,000
Recognition of redemption liabilities upon grant of redemption rights	*26*	–	(100,000)	–	(100,000)
Equity-settled share-based transactions	*27*	–	2,289	–	2,289
Balance at 31 December 2024 and 1 January 2025		129,079	(76,417)	(755,210)	(702,548)

	Note	Paid-in capital	Capital reserve	Accumulated losses	Total deficit
		RMB'000	RMB'000	RMB'000	RMB'000
Changes in equity for 2025:					
Loss for the year		–	–	(474,332)	(474,332)
Other comprehensive income		–	–	–	–
Total comprehensive income		–	–	(474,332)	(474,332)
Capital contribution from an investor with redemption rights	26	17,602	282,398	–	300,000
Recognition of redemption liabilities upon grant of redemption rights	26	–	(300,000)	–	(300,000)
Issuance cost for registered capital		–	(2,970)	–	(2,970)
Balance at 31 December 2025		146,681	(96,989)	(1,229,542)	(1,179,850)

(b) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Period.

(c) Paid-in capital

	RMB'000
Balance at 1 January 2023	122,150
Capital contribution from the investor with redemption rights	136
Balance at 31 December 2023 and 1 January 2024	122,286
Capital contribution from the investor with redemption rights	6,793
Balance at 31 December 2024 and 1 January 2025	129,079
Capital contribution from the investor with redemption rights	17,602
Balance at 31 December 2025	146,681

Authorized share capital

As at 1 January, 2023, 31 December 2023, 2024 and 2025, the authorized share capital of the Company comprises 122,285,834, 122,285,834, 129,079,491 and 146,681,241 ordinary shares with par value of RMB1 per share.

(d) Capital reserve

The capital reserve mainly comprises the following:

– the excess of the capital contribution from the shareholders of the Company and cost of issuance of shares over the nominal value of registered capital issued by the Company;

– the amounts in relation to the initial recognition of redemption liabilities upon grant of Redemption Rights (see Note 26); and

– the share-based payment reserve, being the difference between the fair value of the shares granted and the consideration paid by the employees of the Group that has been recognised in accordance with the accounting policy in Note 2(p)(ii).

(e) 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 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.

29 ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

In July 2025, the Group acquired 100% of the equity interest in GLB Ningbo from an independent third party for a consideration of RMB42,750,000. This acquisition of GLB Ningbo constitute an asset acquisition rather than a business acquisition, as GLB Ningbo had not commenced any business operation. Substantially all of the fair value of the gross assets acquired in GLB Ningbo is concentrated in its land use right.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Cash and cash equivalents	4,512
Right-of-use assets	41,238
Trade and other payables	(3,000)
	42,750

30 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 and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted deposits and bills receivable is limited because the counterparties are reputable banks for which the Group considers to have low credit risk.

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. Trade receivables are due within 30 days to 60 days from the date of billing. 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 31 December 2023, 2024 and 2025, 99.81%, 99.90% and 91.94% of the total trade receivables was due from the Group's top two customers.

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 among 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 31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	0.00	192,862	–
Within 1 year past due	0.47	29,104	136
More than 1 year less than 2 years past due	8.00	–	–
More than 2 years less than 3 years past due	40.00	–	–
More than 3 years past due	100.00	158	158
		222,124	294

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	0.00	371,123	–
Within 1 year past due	5.18	1,140	59
More than 1 year less than 2 years past due	8.00	–	–
More than 2 years less than 3 years past due	40.00	–	–
More than 3 years past due	100.00	158	158
		372,421	217

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.00	809,813	–
Within 1 year past due	0.02	32,387	6
More than 1 year less than 2 years past due	12.90	186	24
More than 2 years less than 3 years past due	40.00	–	–
More than 3 years past due	100.00	158	158
		842,544	188

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences in economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over expected lives of the receivables.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	303	294	217
Impairment losses reversed during the year	(9)	(77)	(29)
Balance at the end of the year	294	217	188

Other receivables

Credit risk in respect of other receivables is limited since the balance mainly includes deposits and receivables.

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Movement in the loss allowance account in respect of other receivables during the Track Record Period is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	1,572	307	812
Impairment losses (reversed)/recognised during the year	(1,265)	505	(321)
Balance at the end of the year	307	812	491

(b) Liquidity risk

The Group's policy is to regularly monitor liquidity requirements, and 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.

	As at 31 December 2023					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	124,466	66,174	80,421	59,779	330,840	296,752
Trade and other payables	296,840	–	–	–	296,840	296,840
Redemption liabilities	585,296	–	–	–	585,296	585,296
Lease liabilities	7,357	6,928	22,255	–	36,540	33,258
	1,013,959	73,102	102,676	59,779	1,249,516	1,212,146

	As at 31 December 2024					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	224,821	53,134	93,775	37,928	409,658	380,760
Trade and other payables	675,030	5,947	–	–	680,977	680,314
Redemption liabilities	858,503	–	–	–	858,503	858,503
Lease liabilities	6,928	8,093	14,162	–	29,183	27,390
	1,765,282	67,174	107,937	37,928	1,978,321	1,946,967

	As at 31 December 2025					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	101,747	68,369	108,651	61,191	339,958	308,353
Trade and other payables	1,711,899	2,212	–	–	1,714,111	1,713,643
Redemption liabilities	1,479,593	–	–	–	1,479,593	1,479,593
Lease liabilities	10,993	10,992	7,519	–	29,504	28,147
	3,304,232	81,573	116,170	61,191	3,563,166	3,529,736

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk for cash or cash equivalents because the interest rates of cash at bank are not expected to change significantly. The loans and borrowings and lease liabilities are fixed rate instruments and are insensitive to any change in market interest rates. The Group does not have floating rate liabilities or loans as at end of each reporting period and consequently does not have significant exposure to interest rate risk.

	As at 31 December					
	2023		2024		2025	
	Interest rates	Amount	Interest rates	Amount	Interest rates	Amount
		RMB'000		*RMB'000*		*RMB'000*
Fixed rate instruments:						
Loans and borrowings	1.45%~6.00%	(133,368)	0.98%~6.00%	(159,931)	2.11%~6.00%	(93,475)
Lease liabilities	5.00%	(26,577)	5.00%	(20,839)	3.50%~5.00%	(18,041)
Trade and other payables	–	–	6.96%~7.50%	(15,488)	7.38%~7.50%	(12,620)
Subtotal		(159,945)		(196,258)		(124,136)
Variable rate instruments:						
Cash at bank	0.00%~0.20%	31,570	0.00%~0.10%	70,260	0.05%~0.10%	241,538
Loans and borrowings	4.70%~7.65%	(163,384)	3.10%~8.35%	(220,829)	2.80%~4.30%	(214,878)
Subtotal		(131,814)		(150,569)		26,660
Total		**(291,759)**		**(346,827)**		**(97,476)**
Net fixed rate instruments as a percentage of total instruments		**55%**		**57%**		**127%**

(d) Fair value measurement

The fair value of the Group's financial instruments is 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 the 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.

The Group has a team performing valuations for the financial instruments categories into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer.

	Fair value at 31 December 2023	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets measured at FVOCI:				
– Bills receivable	25,128	–	25,128	–

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets measured at FVOCI:				
– Bills receivable	58,002	–	58,002	–

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets measured at FVOCI:				
– Bills receivable	192,958	–	192,958	–
FVPL:				
– Wealth Management Products	60,145	–	60,145	–

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

For wealth management products issued by banks that are measured as FVPL, the fair value is determined by net value of the products on the consolidated statement of financial position date that was published by commercial banks.

For bank acceptance 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 end of the reporting period.

31 COMMITMENTS

Capital commitments of the Group outstanding at 31 December 2023, 2024 and 2025 not provided for in the financial statements were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment, intangible assets and other long-term assets	12,821	45,398	221,066

32 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:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,426	1,427	1,425
Discretionary bonuses	960	1,395	2,410
Retirement scheme contributions	429	435	438
Share based payments	–	2,289	–
	2,815	5,546	4,273

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Names and relationship of the related parties that had material transactions with the Group during the Track Record Period

During the Track Record Period, the directors are of the view that the following companies are related parties:

Name of party	Relationship
Geely Related Group	Controlled by a person who has significant influence over the Company
Mr. Guan Bo	Chairman and executive director of the Company

(c) Guarantees issued by a related party

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Guarantees for granting loans and borrowings	116,518	209,161	41,681

As at 31 December 2023, 2024 and 2025, certain loans and borrowings amounted to RMB116,518,000, RMB209,161,000 and RMB41,681,000 of the Group were guaranteed by Mr. Guan Bo, Chairman and executive director of the Company.

(d) Transactions with related parties

During the Track Record Period, the Group had following transactions with related parties:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of products and services	190,860	556,431	3,162,069
Purchase of products and services	6	1,468	83,811

(e) Balance with related parties

As at the end of reporting period, the Group had following balances with related parties:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade related:			
Trade receivables	137,714	295,047	672,457
Contract liabilities	–	13,335	872
Trade and other payables	8	151	84,313

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

Up to the date of this report, the IASB has issued a number of amendments, new standards and interpretations, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to IAS 21, Translation to a hyperinflationary presentation currency	1 January 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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 [**REDACTED**]. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements 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 annual 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. 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.

34 SIGNIFICANT NON-ADJUSTING EVENTS AFTER THE TRACK RECORD PERIOD

In April 2026, the Company was converted into a joint stock company with limited liabilities and 146,681,000 ordinary shares with par value of RMB1 each were issued and allotted to the respective owners of the Company using conversion ratio of 1:1.

In May 2026, 5,320,045 restricted share units underlying the same number of the Company's shares were granted to employees though Shanghai Bozhikong No. 1 Enterprise Management Partnership (Limited Partnership) (上海博智控一號企業管理合夥企業(有限合夥)), at the consideration of RMB14,303,000, with service period until three or four years from the grant date. If an employee ceases to be employed by the Group within service period, Mr. Guan Bo has the right to repurchase those RSUs at the pre-determined price.

In May 2026, the Company entered into Series E financing agreements with several investors, with total number of 10,740,991 shares to be subscribed at a total consideration of RMB330,000,000.

SUBSEQUENT FINANCIAL STATEMENTS

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