The following is the text of a report set out on pages I-1 to I-62, 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 大秦數字能源技術股份有限公司 DYNESS DIGITAL ENERGY TECHNOLOGY CO., LTD AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of 大秦數字能源技術股份有限公司 Dyness Digital Energy Technology Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-62, 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, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 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-62 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 Historical Financial Information

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

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' 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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 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 29(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG
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 ("**Underlying Financial Statements**").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	4	722,868	733,607	2,525,485
Cost of sales		(703,503)	(879,670)	(1,940,821)
Gross profit/(loss)		19,365	(146,063)	584,664
Other net income	5	36,574	34,624	88,961
Selling and distribution expenses		(90,192)	(129,285)	(195,639)
Administrative expenses		(64,222)	(48,660)	(85,749)
Research and development costs		(58,527)	(81,630)	(103,876)
Impairment reversal/(loss) on trade and other receivables		3,864	(4,279)	(46,366)
(Loss)/profit from operations		(153,138)	(375,293)	241,995
Change in carrying amount of financial instruments with preferential rights	26	(61,923)	(90,889)	(90,640)
Other finance costs	6(a)	(6,121)	(5,991)	(1,769)
Finance costs		(68,044)	(96,880)	(92,409)
Share of losses of associates		—	—	(466)
(Loss)/profit before tax	6	(221,182)	(472,173)	149,120
Income tax benefit/(expense)	7(a)	38,928	94,456	(23,846)
(Loss)/profit for the year		(182,254)	(377,717)	125,274
Attributable to:				
Equity shareholders of the Company		(182,254)	(377,717)	125,274
Non-controlling interests		—	—	—
(Loss)/profit for the year		(182,254)	(377,717)	125,274
(Loss)/earnings per share				
Basic *(RMB)*	10	(1.81)	(3.37)	1.12
Diluted *(RMB)*		(1.81)	(3.37)	1.12

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
(Loss)/profit for the year		(182,254)	(377,717)	125,274
Other comprehensive income for the year (after tax)		31,149	(16,325)	(13,203)
Item that is or may be reclassified subsequently to profit or loss:				
Exchange differences on translation of:				
— financial statements of overseas subsidiaries		31,149	(16,325)	(13,203)
Total comprehensive income for the year		(151,105)	(394,042)	112,071
Attributable to:				
Equity shareholders of the Company		(151,105)	(394,042)	112,071
Non-controlling interests		—	—	—
Total comprehensive income for the year		(151,105)	(394,042)	112,071

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	11(a)	27,878	28,898	76,929
Right-of-use assets	11(b)	8,682	9,662	39,713
Intangible assets	12	198	435	734
Interest in associates	14	—	20,000	22,613
Trade and other receivables	16(a)	—	444	216
Financial assets measured at fair value through profit or loss ("**FVPL**")	17	5,000	9,000	19,000
Deferred tax assets	7(c)	51,747	146,182	137,497
Other non-current asset	18	—	—	2,012
Time deposits		—	—	150,000
		93,505	214,621	448,714
Current assets				
Inventories	15	812,454	511,096	781,092
Trade and other receivables	16(a)	99,372	245,540	551,041
Prepayments	16(b)	86,939	93,002	211,207
Financial assets measured at fair value through profit or loss ("**FVPL**")	17	395,000	267,580	—
Restricted time deposits	19	220,566	338,772	1,152,490
Time deposits		378,438	102,580	347,810
Cash and cash equivalents	20	114,133	274,746	282,970
		2,106,902	1,833,316	3,326,610
Current liabilities				
Trade and other payables	21	702,623	637,289	1,935,032
Contract liabilities	22	51,570	40,178	85,507
Interest-bearing borrowings	23	162,517	342,056	392,104
Lease liabilities	25	5,836	5,786	12,019
Current taxation		235	—	14,682
Financial instruments with preferential rights	26	—	—	1,381,859
		922,781	1,025,309	3,821,203
Net current assets/(liabilities)		1,184,121	808,007	(494,593)
Total assets less current liabilities		1,277,626	1,022,628	(45,879)

		At 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities				
Lease liabilities	25	4,233	3,215	30,915
Provisions	24	20,434	26,320	55,881
Other payables	21	—	254	189
Deferred income		—	2,971	5,173
Financial instruments with preferential rights	26	1,200,330	1,291,219	—
		1,224,997	1,323,979	92,158
NET ASSETS/(LIABILITIES)		52,629	(301,351)	(138,037)
CAPITAL AND RESERVES				
Share capital	29(d)	112,024	112,024	112,024
Reserves	29(e)	(59,395)	(413,375)	(262,478)
Total equity/(deficit) attributable to equity shareholders of the Company		52,629	(301,351)	(150,454)
Non-controlling interests		—	—	12,417
TOTAL EQUITY/(DEFICIT)		52,629	(301,351)	(138,037)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		At 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	11(a)	10,901	11,697	18,350
Right-of-use assets	11(b)	5,809	3,255	18,897
Intangible assets		198	435	716
Investments in subsidiaries	13	234,972	241,084	263,852
Interest in associates	14	—	20,000	22,613
Financial assets measured at fair value through profit or loss ("**FVPL**")	17	5,000	9,000	19,000
Deferred tax assets		6,731	19,631	15,015
Time deposits		—	—	90,000
		263,611	305,102	448,443
Current assets				
Inventories	15	135,423	129,593	217,464
Trade and other receivables	16(a)	841,437	732,364	1,038,451
Prepayments (current)		124,047	116,545	144,356
Financial assets measured at fair value through profit or loss ("**FVPL**")	17	245,000	187,580	—
Restricted time deposits	19	101,191	85,542	744,827
Time deposits		—	14,760	94,050
Cash and cash equivalents	20	42,191	103,725	158,923
		1,489,289	1,370,109	2,398,071
Current liabilities				
Trade and other payables	21	533,767	433,225	1,425,775
Contract liabilities	22	9,316	2,434	11,359
Interest-bearing borrowings	23	8,017	35,012	20,100
Lease liabilities	25	2,417	2,037	7,547
Financial instruments with preferential rights	26	—	—	1,381,859
		553,517	472,708	2,846,640
Net current assets/(liabilities)		935,772	897,401	(448,569)
Total assets less current liabilities		1,199,383	1,202,503	(126)

		At 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities				
Lease liabilities	25	2,993	956	11,606
Provisions		1,621	2,967	667
Deferred income		—	2,971	5,173
Financial instruments with preferential rights	26	1,200,330	1,291,219	—
		1,204,944	1,298,113	17,446
NET LIABILITIES		(5,561)	(95,610)	(17,572)
CAPITAL AND RESERVES				
Share capital	29(d)	112,024	112,024	112,024
Reserves	29(e)	(117,585)	(207,634)	(129,596)
TOTAL DEFICIT		(5,561)	(95,610)	(17,572)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Paid-in capital	Share capital	Capital reserve	Exchange reserve	Retained profits/ (Accumulated losses)	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Note 29(c))	*(Note 29(d))*	*(Note 29(e))*	*(Note 29(e))*		
Balance at 1 January 2023		21,627	—	101,105	(4)	120,301	243,029
Loss for the year		—	—	—	—	(182,254)	(182,254)
Other comprehensive income		—	—	—	31,149	—	31,149
Total comprehensive income for the year		—	—	—	31,149	(182,254)	(151,105)
Capital contributions by shareholders	29	4,238	—	6,247	—	—	10,485
Capital contributions by investors with preferential rights		4,974	12,024	988,002	—	—	1,005,000
Recognition of financial instruments with preferential rights	26	—	—	(1,086,212)	—	—	(1,086,212)
Equity-settled share-based transactions	27	—	—	31,432	—	—	31,432
Conversion into a joint stock limited liability company	29(c)	(30,839)	100,000	(100,422)	—	31,261	—
Balance at 31 December 2023		—	112,024	(59,848)	31,145	(30,692)	52,629

	Note	Share capital	Capital reserve	Exchange reserve	Retained profits/ (Accumulated losses)	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Note 29(d))	*(Note 29(e))*	*(Note 29(e))*		
Balance at 1 January 2024		112,024	(59,848)	31,145	(30,692)	52,629
Loss for the year		—	—	—	(377,717)	(377,717)
Other comprehensive income		—	—	(16,325)	—	(16,325)
Total comprehensive income for the year		—	—	(16,325)	(377,717)	(394,042)
Equity-settled share-based transactions	27	—	40,062	—	—	40,062
Balance at 31 December 2024		112,024	(19,786)	14,820	(408,409)	(301,351)

	Note	Attributable to equity shareholders of the Company						
		Share capital	Capital reserve	Exchange reserve	Retained profits/ (Accumulated losses)	Total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Note 29(d))	*(Note 29(e))*	*(Note 29(e))*				
Balance at 1 January 2025		112,024	(19,786)	14,820	(408,409)	(301,351)	—	(301,351)
Profit for the year		—	—	—	125,274	125,274	—	125,274
Other comprehensive income		—	—	(13,203)	—	(13,203)	—	(13,203)
Total comprehensive income for the year		—	—	(13,203)	125,274	112,071	—	112,071
Acquisition of a subsidiary with non-controlling interests		—	—	—	—	—	12,417	12,417
Equity-settled share-based transactions	27	—	38,826	—	—	38,826	—	38,826
Balance at 31 December 2025		112,024	19,040	1,617	(283,135)	(150,454)	12,417	(138,037)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Operating activities:				
Cash (used in)/generated from operations		(183,774)	(375,984)	82,062
Income tax paid		(29,736)	(979)	(757)
Net cash (used in)/generated from operating activities	20(b)	(213,510)	(376,963)	81,305
Investing activities:				
Payment for the purchase of property, plant and equipment and intangible assets		(23,778)	(12,562)	(25,804)
Payment for acquisition of unlisted investment		(5,000)	(4,000)	(10,000)
Payment for acquisition of interest in associates		—	(20,000)	(3,080)
Payment for the purchase of time deposits		(378,438)	—	(395,230)
Payment for the purchase of wealth management products		(395,000)	—	—
Proceeds from disposal of property, plant and equipment		56	29	—
Proceeds from disposal of wealth management products		7,491	133,392	269,907
Proceeds from disposal of time deposits		984	276,276	—
Net cash inflow arising from the acquisition of a subsidiary	28	—	—	109
Proceeds from disposal of interest in an associate	14	179	—	—
Proceeds from disposal of interest in subsidiaries	20(e)	1,784	—	—
Net cash (used in)/generated from investing activities		(791,722)	373,135	(164,098)

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Financing activities:				
Capital contributions by shareholders		10,485	—	—
Capital contributions by investors with preferential rights		1,005,000	—	—
Capital element of lease rentals paid	20(c)	(10,532)	(8,393)	(6,604)
Interest element of lease rentals paid	20(c)	(692)	(502)	(333)
Proceeds from interest-bearing borrowings	20(c)	549,970	746,985	359,910
Repayment of interest-bearing borrowings	20(c)	(478,820)	(567,446)	(319,862)
Interest of interest-bearing borrowings paid	20(c)	(5,429)	(5,489)	(1,436)
Net cash generated from financing activities		1,069,982	165,155	31,675
Net increase/(decrease) in cash and cash equivalents		64,750	161,327	(51,118)
Effect of foreign exchange rate changes		(223)	(714)	59,342
Cash and cash equivalents at 1 January		49,606	114,133	274,746
Cash and cash equivalents at 31 December		114,133	274,746	282,970

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Dyness Digital Energy Technology Co., Ltd. (the "**Company**") (大秦數字能源技術股份有限公司), formerly known as Jiangsu Daqin New Energy Technology Co., Ltd. (江蘇大秦新能源科技有限公司) was incorporated in People's Republic of China (the "**PRC**") on 17 August 2017 as a limited liability company. In May 2023, the Company was converted from a limited liability company into a joint stock limited liability company.

During the Track Record Period, the Company and its subsidiaries (together, "**the Group**") are principally engaged in sales, research and development and manufacture of various types of energy storage products, mainly including Residential energy storage systems ("**Residential ESS**") and Commercial &Industrial energy storage systems ("**C&I ESS**").

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 ZhongXingCai GuangHua Certified Public Accountants LLP* (中興財光華會計師事務所(特殊普通合夥)). The statutory financial statements of the Company for the year ended 31 December 2025 has not been issued as at the date of this report.

As at 31 December 2025, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private and limited liability companies:

Company name	Place and date of incorporation/ establishment/ operation	Particulars of registered and paid-up capital	Proportion of ownership interest: Directly held by the Company	Proportion of ownership interest: Indirectly held by the Company	Principal activities
Xi'an Dyness Digital Energy Technology Co., Ltd.* 西安大秦數字能源技術有限公司	The PRC 7 June 2017	RMB5,000,000/ RMB5,000,000	100%	—	Sales of ESS products
Dyness New Energy Technology (Taizhou) Co., Ltd.* 大秦新能源科技(泰州)有限公司	The PRC 6 March 2020	RMB100,000,000/ RMB100,000,000	100%	—	R&D and sales of ESS products
Suzhou Dyness New Energy International Development Co., Ltd.* 蘇州大秦新能國際發展有限公司	The PRC 13 January 2023	RMB10,000,000/ RMB5,610,000	100%	—	Investment holding
Shenzhen Dyness Energy Storage Technology Co., Ltd.* 深圳大秦儲能科技有限公司	The PRC 26 June 2023	RMB80,000,000/ RMB80,000,000	100%	—	Domestic sales of C&I ESS products
DYNESS EUROPE B.V.	Netherlands 11 January 2021	EUR100/EUR100	—	100%	Sales of ESS products
DYNESS SINGAPORE PTE. LTD.	Singapore 8 March 2023	SGD10,000/ SGD10,000	—	100%	Sales of ESS products and investment holding
CD ENERGY (PTY) LTD.	South Africa 11 May 2023	ZAR1,000/ ZAR1,000	—	100%	Sales of ESS products

Note:

(i) No audited financial statements were prepared for these subsidiaries for the years ended 31 December 2023, 2024 and 2025.

* The English translation of all above companies is for reference only. The official names of the companies established in the PRC are in Chinese.

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

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

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

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net liabilities of RMB138,037,000 and net current liabilities of RMB494,593,000 as at 31 December 2025, which is primarily due to the recognition of financial instruments with preferential rights of RMB1,381,859,000 as current liabilities (see Note 26). All of the special rights granted to the investors would be terminated upon the Company's [REDACTED] and the financial instruments with preferential rights will be converted to equity resulting in a change from net current liabilities to net current assets. The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due and to sustain its operations for the foreseeable future after reviewing the Group's cash flow projection, taking into account the expected working capital requirements covering 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 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 is 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 and liabilities stated at their fair value as explained in the accounting policies set out below:

— Bills receivable measured at FVOCI as set out in Note 2(e).

— Wealth management products measured at FVPL as set out in Note 2(e).

— Unlisted investment measured at FVPL as set out in Note 2(e).

(b) Use of estimates and judgements

The preparation of financial statements 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 financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

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

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

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

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. 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, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii)), unless it is classified as held for sale (or included in a disposal Group classified as held for sale).

(d) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or a joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note2(i)(ii)). Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note2(e)(ii)).

(e) Other investments in securities

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

Investments in securities are recognised/derecognised 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 for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 30(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

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

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

— Fair value through profit or loss ("**FVPL**") if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised 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 recognised 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 recognised in profit or loss as other income.

(f) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(h)), are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(i)(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 self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see Note 2(v)).

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 value, if any, using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The estimated useful lives for the current and comparative periods are as follows:

— Machinery and equipment	5–10 years
— Vehicles	4 years
— Other equipment and furniture	3–5 years
— Leasehold improvements	Shorter of useful lives or lease term

Depreciation methods, useful lives and residual values are reviewed annually 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(i)(ii)). Capitalisation of construction in progress costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(g) 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 are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(i)(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 life for software were decided with reference to the shortest period among the expected service life, the expected beneficial life and the effective life stipulated by the applicable law. The estimated useful lives for the current and comparative periods are as follows:

— Software	3–10 years

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

(h) Leased assets

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

As a lessee

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

At the lease commencement date, the Group 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 such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not 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(i)(ii)). Depreciation is calculated using the straight-line method over the unexpired term of lease.

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

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

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**"), 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 statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property in "right-of-use assets" and presents lease liabilities separately in the statements of financial position.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("**ECL**"s) on financial assets measured at amortised cost (including cash and cash equivalents, time deposits with maturity over three months, restricted time deposits and trade receivables and other receivables).

Other financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

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

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

— fixed-rate financial assets and other receivables: 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.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) 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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

Credit-impaired financial assets

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

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

— significant financial difficulties of the debtor;

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

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

— it is probable that the debtor will enter bankruptcy or other financial 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 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 are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

(j) Inventories and other contract costs

(i) Inventories

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, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

(ii) Other contract costs

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

(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(i)(i)).

(l) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(t)). 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)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(n) 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.

(o) Financial instruments with preferential rights

A contract that contains an obligation to purchase the Company's 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 financial instruments with preferential rights 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 financial instruments with preferential rights arising from the remeasurement of the redemption amount is recognised in profit or loss. The carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty's redemption right.

(p) 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(v).

(q) Employee benefits

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

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

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

(ii) Share-based payments

The Group grant restricted share units ("**RSUs**") as 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 such share-based payments, whereby employees render services in exchange for equity instruments ("**equity- settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the restricted share units at the grant date. The fair value of share options or restricted share units granted is recognised as expenses with a corresponding increase in capital reserve within equity. The fair value is measured at grant date using the option or restricted share unit pricing model, taking into account the terms and conditions upon which the options or restricted share units were granted. Service and non-market performance conditions are not taken into account when determining the grant date fair value of options or restricted share units, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of options or restricted share units that will ultimately vest.

Where the grantees have to meet vesting conditions before becoming unconditionally entitled to the options or restricted share units, the total estimated fair value of the options or restricted share units is expensed over the vesting period, taking into account the probability that the options or restricted share units will vest. During the vesting period, the number of share options or restricted share units that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve.

On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of equity-settled share-based payments award that vest (with a corresponding adjustment to the capital reserve.

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and it is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

(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.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income ("**OCI**").

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

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

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

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the 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. Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

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

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

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

(t) Revenue and other income

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

Revenue is recognised when control over a product 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.

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

(i) Sale of energy storage products

Sales of the energy storage products are recognised when the customer takes possession of and accepts the products.

The Group offers retrospective volume rebates to certain major customers of energy storage products when their purchases reach an agreed threshold. Such volume rebates give rise to variable consideration. The Group uses an expected value approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of energy storage products, the group recognises revenue after taking into account adjustment to transaction price arising from rebates as mentioned above.

(ii) 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.

(iii) Government grants

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

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

Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised as income in the profit or loss on a straight-line basis over the useful life of the related asset.

(u) Translation of foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

(v) 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.

(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 financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 27 and 30(e) contains information about the assumptions and risk factors relating to fair value of equity-settled share-based transactions and other financial assets. Other key sources of estimation uncertainty are as follows:

(i) Loss allowance for trade and other receivables

The Group estimates the loss allowances for trade and other receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are 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 end of reporting period. Where the estimation is different from the previous estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade and other receivables during their expected lives.

(ii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of distributing and selling products of similar nature. Net realisable value could change significantly as a result of competitor's actions in response to severe industry cycles or other changes in market conditions. Management reassesses the estimations at each reporting date.

(iii) Variable consideration for volume rebates

The Group estimates variable consideration to be included in the transaction price for the sales of products with rebates. The Group's volume rebates are analysed on a per customer basis for contracts that are subject to specified volume thresholds. Determining whether a customer will likely be entitled to a rebate depends on the customer's accumulated purchases to date. The Group updates its assessment of expected volume rebates on a quarterly basis. Estimates of expected volume rebates are sensitive to changes in circumstances and the Group's experience regarding rebate entitlements may not be representative of a customer's actual rebate entitlements in the future.

(iv) Warranty provisions

As explained in note 24, the Group makes provisions under the warranties it gives on sale of its energy storage products taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products 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			
— Sales of Residential ESS	717,593	625,936	1,911,437
— Sales of C&I ESS	1,599	89,403	603,373
— Sales of Others	3,676	18,268	10,675
	722,868	733,607	2,525,485

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is set as below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
— Point-in-time	722,868	733,607	2,525,485
	722,868	733,607	2,525,485

(ii) 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 that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of energy storage products that had an original expected duration of one year or less.

(b) Segment reporting

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of energy storage products.

(i) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at where the goods delivered to.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Europe	143,478	363,675	1,541,115
Middle East	30,250	84,732	320,405
Africa	98,355	116,181	263,202
Asia Pacific (excluding the Chinese Mainland)	24,156	66,299	233,396
Chinese Mainland	411,435	87,892	122,743
The Americas	15,194	14,828	44,624
	722,868	733,607	2,525,485

(ii) Information about major customers

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
— Customer A	335,540	89,162	N/A*
— Customer B	89,794	N/A*	N/A*

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

The Group's non-current assets are substantially located in Chinese Mainland. Accordingly, no geographical analysis for non-current assets has been provided for the Track Record Period.

5 OTHER NET INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank interest income	12,839	16,765	11,582
Government grants *(note (i))*	11,287	12,618	16,533
Net realised or unrealised gains on financial assets measured at FVPL	10,450	5,972	3,260
Net loss on disposal of property, plant and right-of-use-assets	(142)	—	—
Net loss on disposal of an associate and subsidiaries	(130)	—	—
Net foreign exchange gain/loss	(223)	(714)	59,342
Others	2,493	(17)	(1,756)
	36,574	34,624	88,961

(i) Government grants primarily comprise preferential benefits from the government's value added tax additional deduction policy and various government's subsidies for R&D and innovation, industrial development and export incentives to support the development of renewable energy enterprises.

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after charging:

(a) Other finance costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on interest-bearing borrowings	5,429	5,489	1,436
Interest on lease liabilities	692	502	333
Total other finance costs	6,121	5,991	1,769

(b) Staff costs

		Year ended 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, wages and other benefits		73,152	104,027	153,311
Contributions to defined contribution plans *(i)*		5,823	7,365	10,857
Equity-settled share-based payment expenses	27	31,432	40,062	38,826
		110,407	151,454	202,994

(i) Defined contribution plans

Employees of the Group is required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Company and its subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All other overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

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

(c) Other items

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Cost of inventories sold *(i)*	15(b)	682,313	846,932	1,833,752
Depreciation:				
— owned property, plant and equipment	11(a)	3,866	7,977	13,236
— right-of-use assets	11(b)	5,005	6,346	7,057
Amortisation cost of intangible assets	12	59	115	191
Research and development costs *(ii)*		58,527	81,630	103,876
[REDACTED] expense		[REDACTED]	[REDACTED]	[REDACTED]

(i) During the years ended 31 December 2023, 2024 and 2025, cost of inventories sold include staff costs, depreciation expenses and amortisation expenses of RMB15,915,000, RMB30,341,000 and RMB50,422,000 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, depreciation expenses and amortisation expenses of RMB24,391,000, RMB43,605,000 and RMB63,198,000 respectively, which amounts are also included in the respective total amounts disclosed separately above.

7 INCOME TAX IN THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the statement of profit or loss and other comprehensive income represents:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current tax:			
Provision for PRC income tax for the year	7,749	—	12,246
Provision for overseas income tax for the year	—	—	2,436
	7,749	—	14,682
Deferred tax:			
Origination and reversal of temporary differences	(46,677)	(94,456)	9,164
	(38,928)	(94,456)	23,846

The Company and the Group's subsidiaries in the Chinese Mainland are generally subject to Corporate Income Tax at 25% on taxable income determined according to the PRC income tax laws, except for:

Subsidiaries' Name	**Tax rates**
Dyness Digital Energy Technology Co., Ltd. 大秦數字能源技術股份有限公司 *(note(i))*	15%
Dyness New Energy Technology (Taizhou) Co., Ltd. 大秦新能源科技(泰州)有限公司 *(note(i))*	15%

Notes:

(i) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, nation supported enterprises recognised as high-technology enterprise are entitled to a preferential income tax rate of 15%. Dyness Digital Energy Technology Co., Ltd. obtained a high-technology enterprise certification in 2022 and renewed this certification in 2025. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2027. Dyness New Energy Technology (Taizhou) Co., Ltd. obtained a high and new technology enterprise certification in 2022 and renewed this certification in 2025. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2027.

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

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/profit before taxation	(221,182)	(472,173)	149,120
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to the jurisdictions concerned *(i)*	(56,001)	(120,335)	38,029
Effect of preferential tax rate *(a)(i)*	14,491	18,783	(15,405)
Effect of additional deduction on research and development *(ii)*	(7,331)	(9,861)	(14,467)
Tax effect of other non-deductible expenses	339	283	742
Tax effect of non-deductible interest on financial instruments with preferential rights	9,288	13,633	13,596
Effect of deferred tax assets in respect of temporary differences and tax losses not recognised	286	3,041	1,351
Actual tax (benefit)/expense	(38,928)	(94,456)	23,846

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

(ii) Under the EIT Law and its relevant regulations, 100% additional tax deduction is allowed for qualified research and development costs in the Track Record Period.

(iii) Taxation of subsidiaries are charged at the prevailing rates of respectively in the relevant countries and are calculated on a stand-alone basis.

(c) Movement in deferred tax assets/(liabilities) during the year

	Credit loss allowance	Inventory Provisions	Accumulated tax loss	Equity-settled share-base transactions	Accruals	Right-of-use assets	Unrealized losses from intercompany internal transactions	Depreciation allowances in excess of the related depreciation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,864	518	—	1,631	2,020	(788)	—	(1,175)	5,070
(Charged)/credited to profit or loss	(2,505)	12,218	10,510	5,248	1,351	988	18,632	235	46,677
At 31 December 2023 and 1 January 2024	359	12,736	10,510	6,879	3,371	200	18,632	(940)	51,747
Deregistration of a branch	(21)	—	—	—	—	—	—	—	(21)
Credited/(charged) to profit or loss	(41)	11,330	86,856	6,331	1,656	(299)	(11,545)	168	94,456
At 31 December 2024 and 1 January 2025	297	24,066	97,366	13,210	5,027	(99)	7,087	(772)	146,182
Acquisition of a subsidiary	—	—	—	—	—	479	—	—	479
Credited/(charged) to profit or loss	12,974	(22,379)	(32,523)	6,218	7,885	70	18,424	167	(9,164)
At 31 December 2025	13,271	1,687	64,843	19,428	12,912	450	25,511	(605)	137,497

(d) Unrecognised deferred tax assets

In accordance with the accounting policy set out in Note 2(r), as at 31 December 2023, 2024 and 2025, the Company and its subsidiaries have not recognised deferred tax assets in respect of cumulative tax losses of RMB1,282,000, RMB15,418,000 and RMB9,565,000 respectively, as it is not probable that future taxable profits will be available in the relevant tax jurisdiction against which the losses can be utilized within the carry-forward period.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments as recorded in the consolidated financial statements are set out below:

Year ended 31 December 2023	Directors' fees	Salaries, wages and other benefits	Discretionary bonuses	Defined contribution retirement plans	Sub-Total	Equity-settled share-based payments *(d)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Lei Chunbo (雷純波)	—	521	—	14	535	41	576
Liu Huaqin (柳華勤)	—	568	25	9	602	55	657
Liu Jinshan (柳金山) *(a)*	—	578	46	38	662	144	806
Liu Yang (柳揚)	—	693	—	40	733	404	1,137
Yue Lei (嶽雷)	—	—	—	—	—	—	—
Zhang Qing (張清)	—	—	—	—	—	—	—
Gu Rui (顧銳) *(c)*	—	—	—	—	—	—	—
Independent directors							
Huang Zhongsheng (黃中生)	49	—	—	—	49	—	49
Pang Shoulin (龐守林)	49	—	—	—	49	—	49
Xia XiaoXiong (夏小雄)	49	—	—	—	49	—	49
Supervisors							
Ai Conghua (艾聰華)	—	405	40	50	495	148	643
Tong Jiancheng (童建成)	—	377	224	31	632	—	632
Zhu Xiaohui (朱曉輝)	—	331	—	8	339	134	473
Xu Qian (許謙) *(b)*	—	521	—	9	530	—	530
	147	3,994	335	199	4,675	926	5,601

Year ended 31 December 2024	Directors' fees	Salaries, wages and other benefits	Discretionary bonuses	Defined contribution retirement plans	Sub-Total	Equity-settled share-based payments *(d)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Lei Chunbo (雷純波)	—	572	144	15	731	41	772
Liu Huaqin (柳華勤)	—	595	104	9	708	55	763
Liu Jinshan (柳金山)	—	685	163	47	895	144	1,039
Liu Yang (柳揚)	—	586	—	42	628	404	1,032
Yue Lei (嶽雷)	—	—	—	—	—	—	—
Zhang Qing (張清)	—	—	—	—	—	—	—
Independent directors							
Huang Zhongsheng (黃中生)	80	—	—	—	80	—	80
Pang Shoulin (龐守林)	80	—	—	—	80	—	80
Xia XiaoXiong (夏小雄)	80	—	—	—	80	—	80
Supervisors							
Ai Conghua (艾聰華)	—	430	119	44	593	148	741
Tong Jiancheng (童建成)	—	539	233	47	819	—	819
Zhu Xiaohui (朱曉輝)	—	440	74	9	523	134	657
	240	3,847	837	213	5,137	926	6,063

Year ended 31 December 2025	Directors' fees	Salaries, wages and other benefits	Discretionary bonuses	Defined contribution retirement plans	Sub-Total	Equity-settled share-based payments *(d)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Lei Chunbo (雷純波)	—	646	—	15	661	41	702
Liu Huaqin (柳華勤)	—	642	582	13	1,237	55	1,292
Liu Jinshan (柳金山)	—	721	600	48	1,369	144	1,513
Liu Yang (柳揚)	—	604	514	42	1,160	404	1,564
Yue Lei (嶽雷)	—	—	—	—	—	—	—
Zhang Qing (張清)	—	—	—	—	—	—	—
Independent directors							
Huang Zhongsheng (黃中生)	80	—	—	—	80	—	80
Pang Shoulin (龐守林)	80	—	—	—	80	—	80
Xia XiaoXiong (夏小雄)	80	—	—	—	80	—	80
Supervisors							
Ai Conghua (艾聰華)	—	536	300	46	882	148	1,030
Tong Jiancheng (童建成)	—	576	1,173	48	1,797	—	1,797
Zhu Xiaohui (朱曉輝)	—	530	278	9	817	134	951
	240	4,255	3,447	221	8,163	926	9,089

Notes:

(a) Liu Jinshan (柳金山) was appointed as executive director of the Company in May 2023.

(b) Xu Qian (許謙) resigned as a supervisor of the Company in June 2023.

(c) Gu Rui (顧銳) resigned from the Company in June 2023.

(d) These represent the estimated value of share options granted to the directors and the chief executive under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 27 and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of share based payment, including the principal terms and number of options granted, are disclosed in Note 27.

(e) Lei Chunbo (雷純波), Yue Lei (嶽雷), Zhang Qing (張清) resigned as directors in May 2026. Pang Shoulin (龐守林) resigned as an independent director in May 2026. Ai Conghua (艾聰華) resigned as a supervisor of the Company in January 2026.

(f) In May 2026, Tong Jiancheng (童建成), Zhu Xiaohui (朱曉輝) and Sun Zhiqiong (孫智瓊) were appointed as the directors of the Company, and Leung Chin Ching (梁展鋥) was appointed as an independent director of the Company.

(g) The Company abolished the supervisor committee in January 2026.

During the Track Record Period, neither director nor supervisor has waived or agreed to waive any emoluments and there were no amounts paid or payable by the Company to the directors and supervisors or any of the five highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Company or as compensation for loss of office.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the five individuals with the highest emoluments of the Group for the years ended 31 December 2023, 2024 and 2025, two, three and four individuals are directors or supervisors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining three, two and one individuals during the Track Record Period are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	2,321	1,465	647
Discretionary bonuses	362	60	583
Defined contribution retirement plans	152	92	10
Equity-settled share-based payments	294	294	—
	3,129	1,911	1,240

The emoluments of the individuals who are not directors or supervisors and with the highest emoluments are within the following bands:

	Year ended 31 December		
	2023	**2024**	**2025**
	Number of individuals	*Number of individuals*	*Number of individuals*
Hong Kong dollar ("**HK$**")			
HK$1,000,001–HK$1,500,000	3	2	1

10 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue for the respective year.

As described in Note 29(d), the Company was converted into a joint stock company with limited liability and 100,000,000 shares at RMB1.00 each were issued in May 2023. For the purpose of computing basic and diluted (loss)/earnings 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 joint stock company had occurred since 1 January 2023, at the exchange ratio established in the conversion in May 2023.

(i) (Loss)/profit attributable to ordinary equity shareholders of the Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/profit for the year attributable to all equity shareholders of the Company	(182,254)	(377,717)	125,274
Allocation of (loss)/profit for the year attributable to ordinary shares with preferential right	59,173	142,080	(47,123)
(Loss)/profit for the year attributable to ordinary equity shareholders of the Company	(123,081)	(235,637)	78,151

(ii) Weighted average number of ordinary shares

	Year ended 31 December		
	2023	2024	2025
	'000	*'000*	*'000*
Ordinary shares in issue or deemed to be in issue at 1 January	70,129	112,024	112,024
Effect of ordinary shares with preferential rights *(Note 26)*	(32,766)	(42,138)	(42,138)
Effect of shares issued or deemed to be issued	30,790	—	—
Weighted average number of ordinary shares at 31 December	68,153	69,886	69,886

(b) Diluted (loss)/earnings per share

Ordinary shares with preferential rights (Note 26) were not included in the calculation of diluted (loss)/earnings per share because their effect would have been anti-dilutive. Accordingly, diluted (loss)/earnings per share were the same as basic (loss)/earnings per share of the respective year.

11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Reconciliation of carrying amount

The Group

	Machinery and equipment	Vehicles	Other equipment and furniture	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2023	9,169	1,281	2,259	—	—	12,709
Additions	2,062	2,370	8,395	6,472	1,488	20,787
Transfer from construction in progress	32	—	—	—	(32)	—
Disposals	—	(30)	(193)	—	—	(223)
Exchange adjustments	—	—	(8)	—	—	(8)
At 31 December 2023 and 1 January 2024	11,263	3,621	10,453	6,472	1,456	33,265
Additions	3,672	198	1,819	2,067	1,287	9,043
Transfer from construction in progress	1,593	—	61	—	(1,654)	—
Disposals	—	—	(34)	—	—	(34)
Exchange adjustments	—	(20)	—	—	—	(20)
At 31 December 2024 and 1 January 2025	16,528	3,799	12,299	8,539	1,089	42,254
Additions	1,595	2,117	5,981	5,604	7,689	22,985
Acquisition of a subsidiary	25,314	1,460	244	10,989	241	38,249
Transfer from construction in progress	751	—	1,377	—	(2,128)	—
Disposals	—	—	—	—	—	—
Exchange adjustments	—	56	—	—	—	56
At 31 December 2025	44,188	7,432	19,901	25,132	6,891	103,544
Accumulated depreciation:						
At 1 January 2023	(1,042)	(133)	(519)	—	—	(1,694)
Charge for the year	(1,165)	(527)	(1,219)	(955)	—	(3,866)
Written back on disposals	—	28	145	—	—	173
Exchange adjustments	—	—	—	—	—	—
At 31 December 2023 and 1 January 2024	(2,207)	(632)	(1,593)	(955)	—	(5,387)
Charge for the year	(1,447)	(718)	(2,435)	(3,377)	—	(7,977)
Written back on disposals	—	—	4	—	—	4
Exchange adjustments	—	2	2	—	—	4
At 31 December 2024 and 1 January 2025	(3,654)	(1,348)	(4,022)	(4,332)	—	(13,356)
Charge for the year	(3,160)	(975)	(3,270)	(5,831)	—	(13,236)
Written back on disposals	—	—	—	—		
Exchange adjustments	—	(14)	(9)	—	—	(23)
At 31 December 2025	(6,814)	(2,337)	(7,301)	(10,163)	—	(26,615)
Net book value:						
At 31 December 2023	9,056	2,989	8,860	5,517	1,456	27,878
At 31 December 2024	12,874	2,451	8,277	4,207	1,089	28,898
At 31 December 2025	37,374	5,095	12,600	14,969	6,891	76,929

The Company

	Machinery and equipment	Vehicles	Other equipment and furniture	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2023	—	—	499	—	—	499
Additions	—	—	6,705	5,547	—	12,252
Transfer from construction in progress	—	—	—	—	—	—
Disposals	—	—	(188)	—	—	(188)
At 31 December 2023 and 1 January 2024	—	—	7,016	5,547	—	12,563
Additions	1,722	—	2,210	875	229	5,036
Transfer from construction in progress	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
At 31 December 2024 and 1 January 2025	1,722	—	9,226	6,422	229	17,599
Additions	327	56	1,464	2,608	6,824	11,279
Transfer from construction in progress	180	—	847	—	(1,027)	—
Disposals	—	—	—	—	—	—
At 31 December 2025	2,229	56	11,537	9,030	6,026	28,878
Accumulated depreciation:						
At 1 January 2023	—	—	(290)	—	—	(290)
Charge for the year	—	—	(678)	(834)	—	(1,512)
Written back on disposals	—	—	140	—	—	140
At 31 December 2023 and 1 January 2024	—	—	(828)	(834)	—	(1,662)
Charge for the year	(25)	—	(1,640)	(2,575)	—	(4,240)
Written back on disposals	—	—	—	—	—	—
At 31 December 2024 and 1 January 2025	(25)	—	(2,468)	(3,409)	—	(5,902)
Charge for the year	(162)	(4)	(2,045)	(2,415)	—	(4,626)
Written back on disposals	—	—	—	—	—	—
At 31 December 2025	(187)	(4)	(4,513)	(5,824)	—	(10,528)
Net book value:						
At 31 December 2023	—	—	6,188	4,713	—	10,901
At 31 December 2024	1,697	—	6,758	3,013	229	11,697
At 31 December 2025	2,042	52	7,024	3,206	6,026	18,350

(b) Right-of-use assets

The Group

	Leased properties	Total
	RMB'000	*RMB'000*
Cost:		
At 1 January 2023	13,132	13,132
Additions	5,470	5,470
Disposals	(919)	(919)
At 31 December 2023 and 1 January 2024	17,683	17,683
Additions	7,326	7,326
At 31 December 2024 and 1 January 2025	25,009	25,009
Additions	21,589	21,589
Acquisition of a subsidiary	15,519	15,519
Disposals	(4,545)	(4,545)
At 31 December 2025	57,572	57,572
Accumulated depreciation:		
At 1 January 2023	(4,302)	(4,302)
Charge for the year	(5,005)	(5,005)
Written back on disposals	306	306
At 31 December 2023 and 1 January 2024	(9,001)	(9,001)
Charge for the year	(6,346)	(6,346)
At 31 December 2024 and 1 January 2025	(15,347)	(15,347)
Charge for the year	(7,057)	(7,057)
Written back on disposals	4,545	4,545
At 31 December 2025	(17,859)	(17,859)
Net book value:		
At 31 December 2023	8,682	8,682
At 31 December 2024	9,662	9,662
At 31 December 2025	39,713	39,713

The Company

	Leased properties	Total
	RMB'000	*RMB'000*
Cost:		
At 1 January 2023	4,137	4,137
Additions	3,515	3,515
At 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025	7,652	7,652
Additions	18,600	18,600
Disposals	(4,002)	(4,002)
At 31 December 2025	22,250	22,250
Accumulated depreciation:		
At 1 January 2023	(246)	(246)
Charge for the year	(1,597)	(1,597)
At 31 December 2023 and 1 January 2024	(1,843)	(1,843)
Charge for the year	(2,554)	(2,554)
At 31 December 2024 and 1 January 2025	(4,397)	(4,397)
Charge for the year	(2,958)	(2,958)
Written back on disposals	4,002	4,002
At 31 December 2025	(3,353)	(3,353)
Net book value:		
At 31 December 2023	5,809	5,809
At 31 December 2024	3,255	3,255
At 31 December 2025	18,897	18,897

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

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
Properties leased for own use	5,005	6,346	7,057
	5,005	6,346	7,057
Interest on lease liabilities *(Note 6(a))*	692	502	333
Expense relating to short-term leases	4,891	6,965	12,087

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases that are not yet commenced are set out in Notes 20(c), 25 and 30(b), respectively.

(i) 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 2 to 5 years.

Some leases include an option to terminate the lease before the end of the contract term. The Group considers it reasonably certain not to exercise the option to early terminate at lease commencement date.

12 INTANGIBLE ASSETS

	Software	Total
	RMB'000	*RMB'000*
Cost:		
At 1 January 2023	—	—
Additions	256	256
At 31 December 2023 and 1 January 2024	256	256
Additions	353	353
At 31 December 2024 and 1 January 2025	609	609
Additions	472	472
Acquisition of a subsidiary	18	18
At 31 December 2025	1,099	1,099
Accumulated amortisation:		
At 1 January 2023	—	—
Charge for the year	(59)	(59)
At 31 December 2023 and 1 January 2024	(59)	(59)
Charge for the year	(115)	(115)
At 31 December 2024 and 1 January 2025	(174)	(174)
Charge for the year	(191)	(191)
At 31 December 2025	(365)	(365)
Net book value:		
At 31 December 2023	198	198
At 31 December 2024	435	435
At 31 December 2025	734	734

13 INVESTMENTS IN SUBSIDIARIES

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment in subsidiaries, at cost	234,972	241,084	263,852

Details of the subsidiaries are set out in Note 1.

14 INTEREST IN ASSOCIATES

The following list contains only the particulars of material associate, which is unlisted corporate entity whose quoted market price is not available:

				As at 31 December 2024 and 2025 Proportion of ownership interest			
Name of associates	Form of business structure	Place of incorporation and business	Issued and paid-up/registered capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Tianjin Chaoyu Equity Investment Partnership Enterprise	Incorporated	China	RMB45,000,000/ RMB45,000,000	44.44%	44.44%	—	Management of investment portfolios

In November 2024, the Company invested 44.44% of the equity interest in Tianjin Chaoyu Equity Investment Partnership Enterprise (Limited Partnership) ("**Tianjin Chaoyu**") through capital injection of RMB20,000,000. Tianjin Chaoyu is an unlisted limited partnership principally engaged in management of investment portfolios.

This associate is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associate, adjusted for fair value at the time of acquisition and any differences in accounting policies of the Group, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below.

	Tianjin Chaoyu		
	For the year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross amounts of the associate			
Current assets	—	45,001	43,950
Total equity	—	45,001	43,950
Profit from continuing operations	—	1	(1,051)
Total comprehensive income	—	1	(1,051)
Reconciled to the Group's interests in the associate			
Gross amounts of net assets	—	45,001	43,950
Group's share of net assets of the associate	—	20,000	19,533
Carrying amount in the consolidated financial statements	—	20,000	19,533

Aggregate information of associates that are not individually material:

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	—	—	3,080
Aggregate amounts of the Group's share of the associate			
Loss from continuing operations	—	—	—
Total comprehensive income	—	—	—

The Group disposed interest in an associate, Xiamen Weier Energy Technology Co., Ltd. in June 2023, which results in a loss of RMB130,000 from the disposal of this investment.

15 INVENTORIES

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

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	111,897	104,146	173,801
Work in progress	3,046	4,422	36,004
Finished goods	736,322	482,383	520,803
Goods in transit	11,760	27,558	56,848
Less: inventory provision	(50,571)	(107,413)	(6,364)
	812,454	511,096	781,092

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	70,714	65,327	95,714
Work in progress	916	591	1,634
Finished goods	57,811	67,837	98,232
Goods in transit	5,982	10	22,714
Less: inventory provision	—	(4,172)	(830)
	135,423	129,593	217,464

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

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	631,742	762,322	1,843,789
Impairment loss/(reversal) of inventories	50,571	84,610	(10,037)
	682,313	846,932	1,833,752

16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables:

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade receivables, net of loss allowance	90,037	221,149	463,098
Bills receivable measured at amortised cost	—	1,747	12,757
Bills receivable measured at FVOCI	55	123	2,313
Receivables from export tax refund	2,476	17,239	60,757
Other receivables and deposits, net of loss allowance	6,804	5,282	12,116
	99,372	245,540	551,041
Non-current			
Trade receivables, net of loss allowance	—	444	216

As at 31 December 2023, 31 December 2024, 31 December 2025, trade receivables of Nil, RMB444,000 and RMB216,000 of the Group were expected to be recovered after more than one year. All of other trade and other receivables are due from third parties and are expected to be recovered within one year.

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade receivables, net of loss allowance			
— subsidiaries	47,570	360,082	751,054
— third parties	10,987	48,889	93,956
Bills receivable measured at amortised cost	—	30,945	21,527
Bills receivable measured at FVOCI	—	123	4,307
Other receivables and deposits, net of loss allowance			
— subsidiaries	780,316	290,457	159,706
— third parties	2,564	1,868	7,901
	841,437	732,364	1,038,451

Aging analysis

As of the end of the reporting period, the aging 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:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	90,037	185,798	433,418
Over 1 year but less than 2 years	—	35,351	29,680
	90,037	221,149	463,098

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

(b) Prepayments:

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for:			
— Raw materials	66,632	76,567	173,216
— Expense	20,307	16,435	37,991
	86,939	93,002	211,207

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for:			
— Raw materials	118,291	112,408	134,375
— Expense	5,756	4,137	9,981
	124,047	116,545	144,356

17 FINANCIAL ASSETS MEASURED AT FVPL

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Financial assets measured at FVPL			
— Wealth management products	395,000	267,580	—
Non-Current			
Financial assets measured at FVPL			
— Unlisted investment	5,000	9,000	19,000

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Financial assets measured at FVPL			
— Wealth management products	245,000	187,580	—
Non-Current			
Financial assets measured at FVPL			
— Unlisted investment	5,000	9,000	19,000

The balances of financial assets measured at FVPL represent wealth management products and equity interests in certain unlisted entities in China. The wealth management products mainly comprise structured deposits issued by various banks in the Chinese Mainland with a floating return which will be paid together with the principal on the maturity date.

18 OTHER NON-CURRENT ASSET

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Goodwill	—	—	2,012

The goodwill was generated from the acquisition of the Highstar Digital Energy Technology (Guangdong) Co., Ltd.. The details of the acquisition was disclosed in Note 28.

19 RESTRICTED TIME DEPOSITS

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Guarantee deposits for issuance of bank acceptance bills	220,566	338,772	1,152,490
	220,566	338,772	1,152,490

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Guarantee deposits for issuance of bank acceptance bills	101,191	85,542	744,827
	101,191	85,542	744,827

As at 31 December 2023, 2024 and 2025, the Group's restricted time deposits is mainly the deposits for the banks to issue acceptance bills.

20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand	114,133	274,746	282,970

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand	42,191	103,725	158,923

(b) Reconciliation of profit before taxation to cash generated from operations:

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
(Loss)/Profit before taxation		(221,182)	(472,173)	149,120
Adjustments for:				
— Impairment loss/(reversal) on trade and other receivables		(3,864)	4,279	46,366
— Depreciation of property, plant and equipment	6(c)	3,866	7,977	13,236
— Depreciation of right-of-use assets	6(c)	5,005	6,346	7,057
— Amortisation of intangible assets	6(c)	59	115	191
— Net loss on disposal of property, plant and equipment and right-of-use assets	5	142	—	—
— Other finance costs	6(a)	6,121	5,991	1,769
— Equity-settled share-based payment expenses	6(b)	31,432	40,062	38,826
— Net realised and unrealised gains on financial assets measured at FVPL	5	(10,450)	(5,972)	(3,260)
— Net loss on disposal of an associate	5	130	—	—
— Share of losses of associates		—	—	466
— Change in carrying amount of financial instruments with preferential rights	6	61,923	90,889	90,640
— Write-down/(Reversal) of inventories	15	50,571	84,610	(10,037)
Changes in working capital:				
(Increase)/Decrease in inventories		(366,532)	244,517	(168,947)
Decrease/(Increase) in restricted time deposits		44,183	(118,206)	(813,718)
Increase in time deposits		(984)	(418)	—
Decrease/(Increase) in trade and other receivables		242,400	(181,703)	(576,480)
Increase in provisions		6,888	5,886	29,561
Increase in deferred income		—	2,971	2,202
(Decrease)/Increase in trade and other payables		(33,482)	(91,155)	1,275,070
Cash (used in)/generated from operations		(183,774)	(375,984)	82,062

(c) Reconciliation of liabilities arising from financing activities

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

	Interest-bearing borrowings	**Lease liabilities**	**Financial instruments with preferential rights**	**Total**
	RMB'000 *(Note 23)*	*RMB'000* *(Note 25)*	*RMB'000* *(Note 26)*	*RMB'000*
At 1 January 2023	91,367	17,033	52,195	160,595
Changes from financing cash flows:	—			
Capital element of lease rentals paid	—	(10,532)	—	(10,532)
Interest element of lease rentals paid	—	(692)	—	(692)
Proceeds from interest-bearing borrowings	549,970	—	—	549,970
Repayment of interest-bearing borrowings	(478,820)	—	—	(478,820)
Capital contributions by investors with preferential rights	—	—	1,005,000	1,005,000
Interest of interest-bearing borrowings paid	(5,429)	—	—	(5,429)
Total changes from financing cash flows	65,721	(11,224)	1,005,000	1,059,497
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	3,568	—	3,568
Interest expenses	5,429	692	—	6,121
Termination of lease liabilities	—	—	—	—
Recognition of financial instruments with preferential rights	—	—	81,212	81,212
Changes in the carrying amount of financial instruments with preferential rights *(Note 26)*	—	—	61,923	61,923
Total other changes	5,429	4,260	143,135	152,824
At 31 December 2023	162,517	10,069	1,200,330	1,372,916

	Interest-bearing borrowings	Lease liabilities	Financial instruments with preferential rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 23)	*(Note 25)*	*(Note 26)*	
At 1 January 2024	162,517	10,069	1,200,330	1,372,916
Changes from financing cash flows:				
Capital element of lease rentals paid	—	(8,393)	—	(8,393)
Interest element of lease rentals paid	—	(502)	—	(502)
Proceeds from interest-bearing borrowings	746,985	—	—	746,985
Repayment of interest-bearing borrowings	(567,446)	—	—	(567,446)
Interest of interest-bearing borrowings paid	(5,489)	—	—	(5,489)
Total changes from financing cash flows	174,050	(8,895)	—	165,155
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	7,325	—	7,325
Interest expenses	5,489	502	—	5,991
Changes in the carrying amount of financial instruments with preferential rights *(Note 26)*	—	—	90,889	90,889
Total other changes	5,489	7,827	90,889	104,205
At 31 December 2024	342,056	9,001	1,291,219	1,642,276

	Interest-bearing borrowings	Lease liabilities	Financial instruments with preferential rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 23)	*(Note 25)*	*(Note 26)*	
At 1 January 2025	342,056	9,001	1,291,219	1,642,276
Changes from financing cash flows:				
Capital element of lease rentals paid	—	(6,604)	—	(6,604)
Interest element of lease rentals paid	—	(333)	—	(333)
Proceeds from interest-bearing borrowings	359,910	—	—	359,910
Repayment of interest-bearing borrowings	(319,862)	—	—	(319,862)
Interest of interest-bearing borrowings paid	(1,436)	—	—	(1,436)
Total changes from financing cash flows	38,612	(6,937)	—	31,675
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	40,537	—	40,537
Interest expenses	1,436	333	—	1,769
Addition through acquisition of a subsidiary *(Note 28)*	10,000	—	—	10,000
Changes in the carrying amount of financial instruments with preferential rights *(Note 26)*	—	—	90,640	90,640
Total other changes	11,436	40,870	90,640	142,946
At 31 December 2025	392,104	42,934	1,381,859	1,816,897

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within financing cash flows	(11,224)	(8,895)	(6,937)
	(11,224)	(8,895)	(6,937)

These amounts relate to lease rentals paid.

(e) Net cash inflow arising from the disposal of subsidiaries

In March 2023, the Company disposed of its 100% equity interests in certain subsidiaries to third parties at cash consideration of RMB1,784,000. The recognised amounts of cash and cash equivalents at the date of disposal of subsidiaries comprise the following:

	2023
	RMB'000
Consideration received	1,784
Proceeds from disposal of interest in subsidiaries	1,784

21 TRADE AND OTHER PAYABLES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade and bills payable	637,435	588,339	1,792,378
Accrued payroll	13,194	12,858	38,307
Tax payable	7,752	4,589	3,639
Other payables and accruals	44,242	31,503	100,708
	702,623	637,289	1,935,032
Non-current			
Long-term payable	—	254	189

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade and bills payable	376,033	340,887	1,280,827
Accrued payroll	4,425	7,386	18,948
Tax payable	496	1,065	2,375
Other payables and accruals			
— subsidiaries	144,026	79,495	92,405
— third parties	8,787	4,392	31,220
	533,767	433,225	1,425,775

All trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	634,469	586,748	1,789,957
Over 1 year but less than 2 years	2,966	1,349	1,431
Over 2 years	—	242	990
	637,435	588,339	1,792,378

22 CONTRACT LIABILITIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers	51,570	40,178	85,507

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers	9,316	2,434	11,359

Movement in contract liabilities

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at 1 January	57,680	51,570	40,178
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(47,989)	(50,326)	(35,787)
Increase in contract liabilities as a result of receiving advances from customers during the year	41,879	38,934	81,116
Balance at 31 December	51,570	40,178	85,507

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at 1 January	10,268	9,316	2,434
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(10,268)	(9,316)	(1,968)
Increase in contract liabilities as a result of receiving advances from customers during the year	9,316	2,434	10,893
Balance at 31 December	9,316	2,434	11,359

23 INTEREST-BEARING BORROWINGS

(a) Interest-bearing borrowings comprise:

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Guaranteed bank loans (i)	4,510	10	10,104
Unsecured bank loans	8,007	5,046	—
Bank advances under discounted bills	150,000	337,000	382,000
	162,517	342,056	392,104

(i) As at 31 December 2023, the guaranteed bank loans include multiple loans primarily from Shanghai Pudong Development Bank Tangyan Road Branch, Xi'an Tangyan Road Sub-branch, with a total principal of RMB4,500,000. This borrowing is guaranteed by Mr. Liu Yang ("**Mr. Liu**"), the director of the Company, Ms. Fan Xuejiao, the spouse of Mr. Liu and a third guarantee company. The loan is settled in 2024. As at 31 December 2025, the guaranteed bank loans include multiple loans primarily from China Resources Bank of Zhuhai, Zhuhai Branch, with a total principal of RMB10,000,000. The loan will expire on 16 June 2026, which is guaranteed by Jiangsu Highstar Battery Manufacturing Co., Ltd, an investor with preferential rights of the Company.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Guaranteed short-term bank loans	10	10	100
Unsecured short-term bank loans	8,007	5,002	—
Bank advances under discounted bills	—	300,000	20,000
	8,017	35,012	20,100

All of the above interest-bearing borrowings are carried at amortised cost. The bank loans balance as at 31 December 2023, 2024 and 2025 are guaranteed or unsecured bank loans borrowed with interest rate ranging from 0.5% to 5.07%.

(b) As of the end of each reporting period, interest-bearing borrowings were repayable as follows:

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	162,517	342,056	392,104
	162,517	342,056	392,104

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	8,017	35,012	20,100
	8,017	35,012	20,100

24 PROVISIONS

The Group

	Total
	RMB'000
Balance at 1 January 2023	13,546
Additional provisions made	7,846
Provisions utilised	(958)
Balance at 31 December 2023 and 1 January 2024	20,434
Additional provisions made	10,675
Provisions utilised	(4,789)
Balance at 31 December 2024 and 1 January 2025	26,320
Additional provisions made	35,283
Provisions utilised	(5,722)
Balance at 31 December 2025	55,881

The Company

	Total
	RMB'000
Balance at 1 January 2023	—
Additional provisions made	1,741
Provisions utilised	(120)
Balance at 31 December 2023 and 1 January 2024	1,621
Additional provisions made	2,731
Provisions utilised	(1,385)
Balance at 31 December 2024 and 1 January 2025	2,967
Additional provisions made	1,872
Provisions utilised	(4,172)
Balance at 31 December 2025	667

The Group provides warranties on products and undertakes to repair or replace items that fail to perform satisfactorily. Provision was made for estimated warranty claims in respect of products sold which were still under warranty at the end of each of the Track Record Period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

25 LEASE LIABILITIES

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

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	5,836	5,786	12,019
After 1 year but within 2 years	2,906	3,215	11,053
After 2 years but within 5 years	1,327	—	12,425
After 5 years	—	—	7,437
	4,233	3,215	30,915
	10,069	9,001	42,934

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,417	2,037	7,547
After 1 year but within 2 years	2,037	956	7,461
After 2 years but within 5 years	956	—	4,145
	2,993	956	11,606
	5,410	2,993	19,153

26 FINANCIAL INSTRUMENTS WITH PREFERENTIAL RIGHTS

From February 2022 to June 2023, the Company entered into several capital increase and share transfer agreements with certain investors ("[REDACTED] Investors"), pursuant to which the [REDACTED] investors acquired the equity interests of the Company by making capital contributions totaling RMB1,133,000,000.

In accordance with the shareholders' agreement, the Company granted the [REDACTED] Investors a right to put back their acquired registered capital to the Company upon the occurrence of certain contingent events, with the main conditions being: a qualified public [REDACTED] does not occur before 31 December 2026.

The redemption price is the investment amount paid by the investors, plus an annual simple interest rate of 8% on the investment amount for the period commencing from the relevant payment date of investment amount to the date on which the investors receive payments for redemption, and any undistributed accumulated profits attributable to the investors.

The Company recognised its obligation to those investors with Redemption Right as financial liabilities at amortised cost, given that not all triggering events are within control of the Company (e.g. whether a qualified [REDACTED] would take place by certain date). Such financial liability is accounted for in accordance with Note 2(o).

The movements of the redemption liabilities during the Track Record Period are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	52,195	1,200,330	1,291,219
Recognition of financial instruments with preferential rights	1,086,212	—	—
Changes in the carrying amount	61,923	90,889	90,640
At the end of the year	1,200,330	1,291,219	1,381,859

27 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Pursuant to the agreement in February 2023, Mr. Conghua Ai, who serves as the chief of supply chain; Mr. Chunbo Lei, who serves as the chief of sales and Mr. Guomin Xu, who serves as the deputy chief of sales agreed to subscribe for the registered capital of the Company of RMB160,000, RMB200,000, and RMB80,000 respectively which is transferred from Yishimi New Energy Charging Service (Taizhou) Co., Ltd., at a subscription price of RMB2.0, RMB1.0, and RMB1.0 respectively for each unit of capital. The fair value was RMB100.52 for each unit of capital, which is consistent with the series B and B+ financing price conducted by the Company in 2023. Accordingly, the Group recognised this transaction as equity-settled share-based payments in recognition of Mr. Conghua Ai, Mr. Chunbo Lei and Mr. Guomin Xu's contribution to the Group.

On 3 April 2023 (the "**Adoption Date**"), the Group adopted a share award scheme (the "**Nanzhang Zichou RSU Scheme**") to recognise and reward the contribution of eligible employees to the growth and development of the Group through awarding the Company's ordinary shares. The participant of the RSU Scheme invested in the Company through employee share purchase platforms (the "**Platform**"). The RSUs shall vest over five years, unless otherwise cancelled or amended. The vesting performance conditions, primarily including the Qualified [REDACTED], should be satisfied.

On 3 April 2023 (the "**Adoption Date**"), the Group adopted an additional RSU share award scheme (the "**Yuanjian Daotong RSU Scheme**") to recognise and reward the contribution of eligible employees to the growth and development of the Group through awarding the Company's ordinary shares. The participant of the Yuanjian Daotong RSU Scheme invested in the Company through the Platform. The conditions for vesting are similar to the Nanzhang Zichou RSU Scheme except for the service conditions that the Yuanjian Daotong RSU Scheme shall vest over three years. The vesting performance conditions, primarily including the Qualified [REDACTED], should be satisfied.

Movements in the number of RSUs for the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
Outstanding as at the beginning of the year	—	5,032,300	5,032,300
Granted*	5,032,300	—	—
Vested	—	—	—
Outstanding as at the end of the year	5,032,300	5,032,300	5,032,300

* The number of granted RSUs before the Company's conversion into a joint stock Company was adjusted based on the exchange ratio established during the conversion in May 2023.

The fair value of services received in return for RSUs is measured by reference to the fair value of RSUs granted. The estimate of the fair value of the granted RSUs is measured based on the fair value of the Company. The fair value of the Nanzhang Zichou RSU Scheme and the Yuanjian Daotong RSU Scheme were measured according to the recent funding valuation of the Company respectively.

	Year ended 31 December		
	2023	2024	2025
Fair value of each capital/share			
Fair value at grant date	RMB100.52	RMB100.52	RMB100.52
Subscription price	RMB5.03	RMB5.03	RMB5.03

Details of the related employee benefit expense are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Selling and distribution expenses	9,840	12,336	13,428
Administrative expenses	10,040	12,921	11,884
Research and development costs	11,552	14,805	13,514
Total	31,432	40,062	38,826

28 ACQUISITION OF A SUBSIDIARY

In December 2025, the Group acquired 55% equity interest of 廣東大秦數字能源技術有限公司 Guangdong Dyness Digital Energy Technology Co., Ltd. (formerly named as Highstar Digital Energy Technology (Guangdong) Co., Ltd.), which was incorporated in Zhuhai, Guangdong Province, People's Republic of China (the "**PRC**") and mainly engaged in the manufacturing of energy storage products, from certain third-party shareholder.

Fair value of identifiable assets acquired and liabilities assumed at the acquisition date were as follows:

	RMB'000
Cash and cash equivalents	109
Trade and other receivables	3,743
Inventories	2,945
Property, plant and equipment	38,249
Right-of-use assets	15,519
Intangible assets	18
Deferred tax assets	479
Interest-bearing borrowings	(10,000)
Trade and other payables	(4,518)
Lease liabilities	(18,951)
Net identifiable assets acquired	27,593

Set forth below is the calculation of goodwill which is included in other non-current asset:

	RMB'000
Consideration	
— cash paid in the 2025	—
— cash will be paid in the future	17,188
Total consideration	17,188
Less: Fair value of net identifiable assets acquired	(27,593)
Non-controlling interests	12,417
Goodwill *(Note 18)*	2,012

Net cash inflow arising on the acquisition

	RMB'000
Cash acquired	109
Less: Consideration paid in cash during the year ended December 31, 2025	—
	109

Impact of acquisition on the results of the Group

From the date of acquisition to December 31, 2025, the Highstar Digital Energy Technology (Guangdong) Co., Ltd. contributed revenue of nil and net profit of nil.

The consolidated revenue and net profit of the Group for the year ended December 31, 2025 would have been RMB2,535,105,000 and RMB113,009,000 respectively had the acquisition been completed as at January 1, 2025.

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balance 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 between the beginning and the end of the year are set out below:

	Paid-in capital	Share capital	Capital reserve	Retained profits/ (Accumulated losses)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 29(c))	*(Note 29(d))*	*(Note 29(e))*		
Balance at 1 January 2023	21,627	—	101,105	(12,643)	110,089
Loss for the year	—	—	—	(76,355)	(76,355)
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year	—	—	—	(76,355)	(76,355)
Capital contributions by shareholders	4,238	—	6,247	—	10,485
Capital contributions by investors with preferential rights	4,974	12,024	988,002	—	1,005,000
Recognition of financial instruments with preferential rights	—	—	(1,086,212)	—	(1,086,212)
Equity-settled share-based transactions	—	—	31,432	—	31,432
Capital reduction and conversion into a joint stock limited liability company	(30,839)	100,000	(100,422)	31,261	—
Balance at 31 December 2023 and 1 January 2024	—	112,024	(59,848)	(57,737)	(5,561)
Loss for the year	—	—	—	(130,111)	(130,111)
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year	—	—	—	(130,111)	(130,111)
Equity-settled share-based transactions	—	—	40,062	—	40,062
Balance at 31 December 2024 and 1 January 2025	—	112,024	(19,786)	(187,848)	(95,610)
Profit for the year	—	—	—	39,212	39,212
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year	—	—	—	39,212	39,212
Equity-settled share-based transactions	—	—	38,826	—	38,826
Balance at 31 December 2025	—	112,024	19,040	(148,636)	(17,572)

(b) Dividends

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

(c) Registered capital and paid-in capital

	Total
	RMB'000
Balance at 1 January 2023	21,627
Capital contributions by shareholders	4,238
Capital contributions by investors with preferential rights	4,974
Conversion into a joint stock company *(Note 29(d))*	(30,839)
Balance at 31 December 2023	—

(d) Share capital

	Numbers of ordinary shares	Share capital
		RMB'000
Ordinary shares, issued and fully paid		
At 1 January 2023	—	—
Conversion into a joint stock limited liability company *(i)*	100,000,000	100,000
Capital contributions by investors with preferential rights	12,023,809	12,024
At 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	112,023,809	112,024

(i) In May 2023, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company under the PRC GAAP as of the conversion base date were converted into 100,000,000 ordinary shares at RMB1.00 each. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company's capital reserve.

(e) Nature and purpose of reserves

(i) Capital reserve

The capital reserve mainly comprises the following:

— the fair value of unexercised restricted share units;

— amounts in relation to the recognition of the financial instruments with preferential rights (see note 26);

— the differences between the net considerations received and the nominal amount of paid-in capital/share capital issued by the Company;

(ii) PRC statutory reserves

PRC statutory reserves were established in accordance with the relevant PRC rules and regulations and the Articles of Association of the Company. Appropriations to the reserves were approved by the respective boards of directors.

(iii) Exchange reserve

The exchange reserve comprises the foreign exchange differences arising from the translation of the financial statements of foreign operations.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for 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.

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, time deposits, restricted time deposits, bills receivables are limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to have low 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 30 to 120 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. The trade receivables from the Group's five largest customers at 31 December 2023, 2024 and 2025 represented 85%, 44% and 22% of the total trade receivables respectively, while 19%, 18% and 11% of the total trade receivables were due from the largest single customer respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is assessed for impairment both on an individual basis and on a collective group basis based on different credit risk characteristics. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

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

	2023		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	0.6%	90,593	556
Trade receivables for which the loss allowance is measured using a provision matrix		90,593	556
Trade receivables for which the loss allowance is measured on an individual basis	100.0%	781	781
		91,374	1,337

	2024		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	0.0%	185,864	66
Over 1 year but less than 2 years	0.4%	35,488	137
Trade receivables for which the loss allowance is measured using a provision matrix		221,352	203
Trade receivables for which the loss allowance is measured on an individual basis	100.0%	781	781
		222,133	984

	2025		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	1.4%	439,703	6,285
Over 1 year but less than 2 years	18.6%	36,478	6,798
Over 2 years	100.0%	7,853	7,853
Trade receivables for which the loss allowance is measured using a provision matrix		484,034	20,936
Trade receivables for which the loss allowance is measured on an individual basis	100.0%	30,483	30,483
		514,517	51,419

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Balance at 1 January	258	1,337	984
Amounts written off	—	—	(1,949)
Impairment losses recognised/(reversed)	1,079	(353)	52,384
	1,337	984	51,419

Other receivables and deposits

Credit risk in respect of other receivables and deposits is limited since the balance mainly includes export tax refund and deposits to suppliers.

The Group measures loss allowances for other receivables and deposits 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. The Group assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for other receivables and deposits as at 31 December 2023, 2024 and 2025.

(b) Liquidity risk

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

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

	At 31 December 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Total	Balance sheet carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	162,955	—	—	—	162,955	162,517
Trade and other payables	681,677	—	—	—	681,677	681,677
Financial instruments with preferential rights	—	—	1,472,499	—	1,472,499	1,200,330
Lease liabilities	6,176	3,057	1,348	—	10,581	10,069
	850,808	3,057	1,473,847	—	2,327,712	2,054,593

	At 31 December 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Total	Balance sheet carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	342,233	—	—	—	342,233	342,056
Trade and other payables	619,842	—	—	—	619,842	619,842
Financial instruments with preferential rights	—	1,472,499	—	—	1,472,499	1,291,219
Lease liabilities	6,123	3,383	—	—	9,506	9,001
	968,198	1,475,882	—	—	2,444,080	2,262,118

	At 31 December 2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Total	Balance sheet carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	392,458	—	—	—	392,458	392,104
Trade and other payables	1,893,086	—	—	—	1,893,086	1,893,086
Financial instruments with preferential rights	1,472,499	—	—	—	1,472,499	1,381,859
Lease liabilities	13,974	11,227	14,087	7,486	46,774	42,934
	3,772,017	11,227	14,087	7,486	3,804,817	3,709,983

(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's interest rate risk arises primarily from cash and cash equivalents, time deposits with original maturity over three months, restricted time deposits, interest-bearing borrowings, lease liabilities and financial instruments with preferential rights. Financial instruments issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest-bearing financial instruments at variable rates as at 31 December 2023, 2024 and 2025 are primarily the cash and cash equivalents and interest-bearing borrowings, and the cash flow interest rate risk arising from the change of market interest rate.

The Group's interest rate profile as monitored by management is set out below.

The Group's interest-bearing financial instruments and interest rates at the end of each reporting period are set out as follows:

	At 31 December					
	2023		2024		2025	
	Effective interest rate	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*
Fixed rate instruments						
Restricted time deposits	1.5%–2.58%	220,566	1.3%–2.93%	338,772	0.7%–1.28%	1,152,490
Interest-bearing borrowings	0.5%–5.07%	(149,992)	0.5%–4.05%	(337,051)	0.5%–3.1%	(382,004)
Financial instruments with preferential rights	8.00%	(1,200,330)	8.00%	(1,291,219)	8.00%	(1,381,859)
Lease liabilities	3.45%	(10,069)	3.45%	(9,001)	3.50%	(42,934)
Time deposits with maturity over three months	1.47%–3.1%	378,438	2.05%–2.9%	102,580	1.2%–3.1%	347,810
Time deposits with maturity over one year	NA	—	NA	—	1.55%–1.9%	150,000
		(761,387)		(1,195,919)		(156,497)
Variable rate instruments						
Cash and cash equivalents	NA	114,133	NA	274,746	NA	282,970
Interest-bearing borrowings	LPR–0.35% ~0.45%	(12,525)	LPR–0.25% ~0.65%	(5,005)	LPR–0.2% ~0.25%	(10,100)
		101,608		269,741		272,870

(i) Sensitivity analysis

At 31 December 2023 and 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's losses after tax and accumulated losses by approximately RMB854,000 and RMB2,169,000. At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profits after tax and deceased/increased the Group's accumulated losses by approximately RMB2,237,000.

The sensitivity analysis above indicates the instantaneous change in the Group's loss/profit after tax (and accumulated losses) and other components of equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss/profit after tax (and accumulated losses) and other components of equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(d) Currency risk

In respect of cash at bank and on hand, trade and other receivable and trade and other payables denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group is exposed to currency risk arising from recognised assets or liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Euros, and Australia dollars.

	Exposure to foreign currencies (expressed in RMB'000)								
	2023			2024			2025		
	USD	EUR	AUD	USD	EUR	AUD	USD	EUR	AUD
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	161,548	555,021	7,960	390,764	576,936	3,682	405,975	841,935	15,966
Cash and cash equivalents	6,500	4,288	24	20,275	345	1,428	6,405	37,472	16,722
Trade and other payables	(134,203)	(196)	—	(279,537)	(87,469)	(131)	(166,193)	(12,424)	(135)
	33,845	559,113	7,984	131,502	489,812	4,979	246,187	866,983	32,553

(i) Sensitivity analysis

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

	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after tax and accumulated losses
		RMB'000
At 31 December 2023		
USD	10%	2,885
	–10%	(2,885)
EUR	10%	47,328
	–10%	(47,328)
AUD	10%	679
	–10%	(679)
At 31 December 2024		
USD	10%	10,096
	–10%	(10,096)
EUR	10%	39,825
	–10%	(39,825)
AUD	10%	387
	–10%	(387)
At 31 December 2025		
USD	10%	18,981
	–10%	(18,981)
EUR	10%	65,663
	–10%	(65,663)
AUD	10%	2,683
	–10%	(2,683)

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

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

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 at FVPL:				
— Unlisted investments	5,000	—	—	5,000
— Wealth management products	395,000	—	395,000	—
Financial assets at FVOCI:				
— Bills receivable measured at FVOCI	55	—	55	—

	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 at FVPL:				
— Unlisted investments	9,000	—	—	9,000
— Wealth management products	267,580	—	267,580	—
Financial assets at FVOCI:				
— Bills receivable measured at FVOCI	123	—	123	—

	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 at FVPL:				
— Unlisted investments	19,000	—	—	19,000
Financial assets at FVOCI:				
— Bills receivable measured at FVOCI	2,313	—	2,313	—

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 recognize 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

The fair value of wealth management products is determined by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of bills receivable measured at FVOCI is calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar credit risk and remaining maturities.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted investments	Comparable transactions adjusted approach/market approach	Changing trend of medium market multiples of comparable companies/medium market multiples of comparable companies

The fair value of certain unlisted investments is determined by using comparable transactions adjusted approach or market approach adjusted for changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. It is estimated that with all other variables held constant, an increase/decrease in change of medium market multiples of comparable companies or medium market multiples of comparable companies by 5% would have increased/decreased the Group's profit for the year by RMB250,000, RMB450,000 and RMB950,000 for the years ended 31 December 2023, 2024 and 2025.

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

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

31 COMMITMENTS

Commitments outstanding at 31 December 2023, 2024 and 2025 not provided for in the consolidated financial statements were as follows:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted for:			
Acquisition of property, plant and equipment	1,236	219	49

32 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group'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, wages and other benefits	4,487	4,268	3,746
Discretionary bonuses	433	704	3,452
Defined contribution plans	261	263	180
Equity-settled share-based payment expenses	938	938	644
	6,118	6,172	8,021

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

Name of related party	Nature of Relationship
陝西尚華鑫建築工程有限公司 Shaanxi Shanghuaxin Construction Engineering Co., Ltd.*	Entity controlled by one of the Company's shareholders
柳揚 Mr. Liu Yang	Director

* The official name of this entity is in Chinese. The English translation of the Group names is for identification purpose only.

(c) Transactions with related parties

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods/services			
Shaanxi Shanghuaxin Construction Engineering Co., Ltd.	—	174	—

(d) Balance with related parties

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade in nature			
Trade and other receivables			
Shaanxi Shanghuaxin Construction Engineering Co., Ltd.	—	122	—

(e) Guarantees issued by related parties

As at 31 December 2023, 2024 and 2025, certain interest-bearing borrowings, amounting to RMB4,510,000, RMB10,000 and nil, were guaranteed by Mr. Liu Yang, the director of the Company and his the spouse, respectively.

33 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2025 which would materially affect the Group's operating and financial performance.

34 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 — Contracts referencing nature-dependent electricity	1 January 2026
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments	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 are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group 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 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and position of the Group.

Subsequent financial statements

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