
APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report on Shanghai Union Technology Corporation prepared for the purpose of incorporation in this document received from the reporting accountants of our Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI UNION TECHNOLOGY CORPORATION AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

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

Directors’ responsibility for the Historical Financial Information

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

Reporting accountants’ responsibility

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

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

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

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Opinion

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

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

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

Dividends

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

[•]

Certified Public Accountants

Hong Kong

[REDACTED]

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I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

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

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

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	515,320	521,090	563,114
Cost of sales		<u>(362,362)</u>	<u>(400,368)</u>	<u>(398,429)</u>
Gross profit		152,958	120,722	164,685
Other income and gains	5	25,062	28,473	25,434
Selling and distribution expenses		(69,027)	(77,152)	(77,423)
Administrative expenses		(38,537)	(45,663)	(39,378)
Research and development expenses		(47,650)	(53,790)	(51,377)
Impairment losses on financial and contract assets, net	6	(1,424)	(11,995)	(3,658)
Other expenses		<u>(769)</u>	<u>(952)</u>	<u>(966)</u>
OPERATING PROFIT/(LOSS)		20,613	(40,357)	17,317
Finance costs	7	(1,219)	(3,311)	(5,669)
Interest on redemption liabilities	29	<u>(42,237)</u>	<u>(42,508)</u>	<u>(41,796)</u>
LOSS BEFORE TAX	6	(22,843)	(86,176)	(30,148)
Income tax (expense)/credit	10	<u>(6,165)</u>	<u>1,403</u>	<u>(1,243)</u>
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>(29,008)</u></u>	<u><u>(84,773)</u></u>	<u><u>(31,391)</u></u>
Attributable to:				
Owners of the parent		(29,183)	(84,875)	(31,527)
Non-controlling interests		<u>175</u>	<u>102</u>	<u>136</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (<i>RMB</i>)	12	<u><u>(0.24)</u></u>	<u><u>(0.71)</u></u>	<u><u>(0.27)</u></u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	207,099	208,263	213,779
Right-of-use assets	14(a)	25,852	29,531	17,597
Other intangible assets	15	2,671	3,460	3,388
Deferred tax assets	17	7,519	10,971	11,842
Long-term trade receivables	21	76,414	79,602	75,495
Prepayments, other receivables and other assets	22	31,970	21,596	15,311
Total non-current assets		351,525	353,423	337,412
CURRENT ASSETS				
Inventories	18	103,292	86,703	97,182
Trade and bills receivables	19	142,696	156,296	172,076
Tax recoverable		876	966	948
Contract assets	20	1,104	1,653	1,427
Long-term trade receivables, current portion	21	67,848	84,203	84,147
Prepayments, other receivables and other assets	22	54,379	72,699	57,165
Financial assets at fair value through profit or loss	23	—	—	20,000
Restricted cash	24	17,771	3,791	2,826
Cash and cash equivalents	24	124,886	155,821	148,721
Total current assets		512,852	562,132	584,492
CURRENT LIABILITIES				
Trade and bills payables	25	218,804	134,911	142,786
Other payables and accruals	26	31,469	32,752	28,999
Interest-bearing bank borrowings	28	—	112,995	37,185
Lease liabilities	14(b)	10,362	11,110	8,937
Contract liabilities	27	9,906	14,219	9,774
Tax payable		2,422	2,128	1,785
Redemption liabilities	29	515,879	588,387	580,462
Total current liabilities		788,842	896,502	809,928
NET CURRENT LIABILITIES		(275,990)	(334,370)	(225,436)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		75,535	19,053	111,976

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		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Notes				
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	28	—	24,000	156,400
Lease liabilities	14(b)	15,855	18,523	8,789
Deferred tax liabilities	17	2,127	3,549	4,996
Total non-current liabilities		17,982	46,072	170,185
Net assets/(liabilities)		57,553	(27,019)	(58,209)
EQUITY				
Equity attributable to owners of the parent				
Share capital	30	118,516	120,294	117,442
Reserves	31	(61,901)	(148,918)	(177,487)
		56,615	(28,624)	(60,045)
Non-controlling interests		938	1,605	1,836
Total equity/(deficiency in assets)		57,553	(27,019)	(58,209)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory reserve*	Other reserve*	Retained earnings*		
	RMB'000 (Note 30)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000	RMB'000
As at 1 January 2023	121,204	667,360	—	13,956	(428,417)	(289,680)	84,423	84,423
Loss for the year and total comprehensive loss for the year	—	—	—	—	—	(29,183)	(29,183)	175
Share-based payments	—	—	1,375	—	—	—	1,375	—
Capital injection from non-controlling shareholders	—	—	—	—	—	—	—	763
Transfer of share-based payment reserve upon the vesting of shares	—	1,375	(1,375)	—	—	—	—	—
Shares repurchased	(2,688)	2,688	—	—	—	—	—	—
As at 31 December 2023	118,516	671,423	—	13,956	(428,417)	(318,863)	56,615	938

Year ended 31 December 2024

	Attributable to owners of the parent						Non-controlling interests	Total equity/ (deficiency in assets)
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory reserve*	Other reserve*	Retained earnings*		
	RMB'000 (Note 30)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000	RMB'000
As at 1 January 2024	118,516	671,423	—	13,956	(428,417)	(318,863)	56,615	938
Loss for the year and total comprehensive loss for the year	—	—	—	—	—	(84,875)	(84,875)	102
Share-based payments	—	—	201	—	—	—	201	—
Transfer shares of a subsidiary to non-controlling shareholders	—	(565)	—	—	—	—	(565)	565
Recognition of redemption liabilities (note 29)	—	—	—	—	(30,000)	—	(30,000)	—
Capital injection by shareholders	1,778	28,222	—	—	—	—	30,000	—
As at 31 December 2024	120,294	699,080	201	13,956	(458,417)	(403,738)	(28,624)	1,605

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Year ended 31 December 2025

	Attributable to owners of the parent						Non-controlling interests	Total deficiency in assets
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory reserve*	Other reserve*	Retained earnings*		
	RMB'000 (Note 30)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000
As at 1 January 2025	120,294	699,080	201	13,956	(458,417)	(403,738)	(28,624)	1,605
Loss for the year and total comprehensive loss for the year	—	—	—	—	—	(31,527)	(31,527)	136
Share-based payments	—	—	201	—	—	—	201	—
Transfer shares of a subsidiary to non-controlling shareholders	—	(95)	—	—	—	—	(95)	95
Shares repurchased	(2,852)	(36,251)	—	—	39,103	—	—	—
As at 31 December 2025	117,442	662,734	402	13,956	(419,314)	(435,265)	(60,045)	1,836

* These reserve accounts represent the total consolidated deficits of RMB61,901,000, RMB148,918,000 and RMB177,487,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(22,843)	(86,176)	(30,148)
Adjustments for:				
Finance costs	7	1,219	3,311	5,669
Interest on redemption liabilities	29	42,237	42,508	41,796
Interest income	5	(12,433)	(11,470)	(9,956)
Other interest income from financial instruments at fair value through profit or loss	5	(1,221)	(170)	(926)
Loss/(gain) on termination of a lease contract as lessee	5,6	29	(857)	(307)
Share-based payment expenses	6	1,375	201	201
Depreciation of property, plant and equipment	6,13	37,691	48,143	38,481
Depreciation of right-of-use assets	6,14(a)	11,564	12,247	11,384
Amortisation of other intangible assets	6,15	385	516	605
Impairment of financial and contract assets, net	6	1,424	11,995	3,658
Write-down of inventories to net realisable value	6	1,239	1,618	397
		60,666	21,866	60,854
(Increase)/decrease in inventories		(11,514)	14,971	(19,776)
Decrease in restricted cash		225	13,980	965
Increase in trade and bills receivables		(13,381)	(36,827)	(29,673)
(Increase)/decrease in long-term trade receivables		(67,669)	(21,615)	3,527
Decrease/(increase) in contract assets		2,360	(604)	249
Decrease/(increase) in prepayments, other receivables and other assets		9,522	(10,294)	22,034
Increase/(decrease) in trade and bills payables		43,828	(66,927)	19,629
Increase/(decrease) in other payables and accruals		4,433	1,036	(3,988)
(Decrease)/increase in contract liabilities		(2,550)	4,313	(4,445)
Increase in provision		47	247	235
Cash generated from/(used in) operations		25,967	(79,854)	49,611
Interest received		12,433	11,470	9,956
Income tax paid		(6,870)	(1,011)	(992)
Net cash flows generated from/(used in) operating activities		31,530	(69,395)	58,575

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		Year ended 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		711	1,744	196
Proceeds from maturity of financial assets at fair value through profit or loss		136,221	85,170	270,926
Purchases of items of property, plant and equipment		(87,450)	(52,205)	(36,782)
Purchase of other intangible assets		(739)	(1,305)	(533)
Purchase of financial assets at fair value through profit or loss		(135,000)	(85,000)	(290,000)
Net cash flows used in investing activities		(86,257)	(51,596)	(56,193)
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank loans	32(b)	14,000	205,900	170,505
Capital contribution by shareholders	32(b)	—	30,000	—
Capital contribution from non-controlling shareholders		763	—	—
Payment for repurchase of shares	32(b)	—	—	(39,103)
Lease payments	32(b)	(12,520)	(12,773)	(12,048)
Repayment of interest-bearing bank borrowings	32(b)	(19,586)	(69,000)	(113,955)
Interest paid	32(b)	(226)	(2,096)	(15,249)
Net cash flows (used in)/generated from financing activities		(17,569)	152,031	(9,850)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(72,296)	31,040	(7,468)
Cash and cash equivalents at beginning of year		194,854	124,886	155,821
Effect of foreign exchange rate changes, net		2,328	(105)	368
Cash and cash equivalents at end of year		124,886	155,821	148,721
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		142,657	159,612	151,547
Less: restricted cash		(17,771)	(3,791)	(2,826)
Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statements of financial position	24	124,886	155,821	148,721

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	78,464	91,278	100,134
Right-of-use assets	14(a)	12,074	9,744	5,082
Other intangible assets	15	2,671	4,139	3,996
Investments in subsidiaries	16	240,407	241,675	270,365
Long-term trade receivables	21	76,414	79,602	75,495
Prepayments, other receivables and other assets	22	1,443	1,329	1,352
Total non-current assets		411,473	427,767	456,424
CURRENT ASSETS				
Inventories	18	65,716	53,903	70,948
Trade and bills receivables	19	204,224	137,386	124,579
Contract assets	20	1,104	1,653	1,427
Long-term trade receivables, current portion	21	67,848	84,203	84,147
Prepayments, other receivables and other assets	22	150,438	228,966	190,557
Financial assets at fair value through profit or loss	23	—	—	20,000
Restricted cash	24	17,771	3,791	2,826
Cash and cash equivalents	24	84,740	114,022	109,134
Total current assets		591,841	623,924	603,618
CURRENT LIABILITIES				
Trade and bills payables	25	199,233	122,773	138,279
Other payables and accruals	26	32,995	21,900	30,680
Interest-bearing bank borrowings	28	—	92,984	7,168
Lease liabilities	14(b)	4,283	4,361	3,993
Contract liabilities	27	4,553	20,313	6,412
Redemption liabilities	29	515,879	588,387	580,462
Total current liabilities		756,943	850,718	766,994
NET CURRENT LIABILITIES		(165,102)	(226,794)	(163,376)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		246,371	200,973	293,048
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	28	—	24,000	156,400
Lease liabilities	14(b)	7,399	5,010	1,175
Total non-current liabilities		7,399	29,010	157,575
Net assets		238,972	171,963	135,473
EQUITY				
Share capital	30	118,516	120,294	117,442
Reserves	31	120,456	51,669	18,031
Total equity		238,972	171,963	135,473

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was established as a limited liability company in Shanghai, the People’s Republic of China (the “PRC”) on 3 July 2000, and was converted to a joint stock company with limited liability on 18 December 2015. The registered office of the Company is located at Room 102, Block 40, No. 258 Xinzhuang Road, Songjiang High Science & Technology Park, Caohejing Development Zone, Shanghai, the PRC.

During the Relevant Periods, the Company and its subsidiaries (together as the “Group”) was principally engaged in the sales of 3D printers and materials, as well as providing printing services.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
东莞汇盈通打印科技有限公司* (“Dongguan HuiLink Intelligent Printing Technology Co., Ltd.”) (note (a))	PRC/Chinese mainland/ 26 September 2021	RMB53,000,000	100.00%	—	Printing services
峻宸智造科技(上海)有限公司* (“Junchen Intelligent Manufacturing Technology (Shanghai) Co., Ltd.”) (note (a))	PRC/Chinese mainland/ 4 August 2021	RMB33,000,000	100.00%	—	Printing services
佛山汇联智通打印科技有限公司* (“Foshan HuiLink Intelligent Printing Technology Co., Ltd.”) (note (b))	PRC/Chinese mainland/ 29 September 2021	RMB13,650,000	—	100.00%	Printing services
中山汇联智通打印科技有限公司* (“Zhongshan HuiLink Intelligent Printing Technology Co., Ltd.”) (note (b))	PRC/Chinese mainland/ 12 October 2021	RMB4,900,000	—	100.00%	Printing services
佛山福考琳科技有限公司* (“Foshan Fukaolin Technology Co., Ltd.”) (note (b))	PRC/Chinese mainland/ 25 July 2019	RMB500,000	—	100.00%	Printing services
景宁汇盈通打印科技有限公司* (“Jingning HuiLink Intelligent Printing Technology Co., Ltd.”) (note (b))	PRC/Chinese Mainland/ 20 July 2022	RMB100,000	—	100.00%	Printing services
上海优联智造科技有限公司* (“Shanghai EuLink Intelligent Manufacturing Co., Ltd.”) (note (a))	PRC/Chinese mainland/ 24 June 2020	RMB10,000,000	—	95.00%	Printing services
UTnext 3D Texas LLC (note (b))	United States of America/ 31 January 2023	USD500,000	100.00%	—	Printing equipment sales
浙江优联智造有限公司* (“Zhejiang EuLink Intelligent Manufacturing Co., Ltd.”) (note (b))	PRC/Chinese mainland/ 19 August 2022	RMB84,000,000	100.00%	—	Printing services
福建联麒科技有限公司* (“Fujian LinkQi Technology Co., Ltd.”) (note (b))	PRC/Chinese mainland/ 26 March 2024	RMB50,000,000	100.00%	—	Printing services

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Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
深圳优联智造有限公司* ("Shenzhen EuLink Intelligent Manufacturing Co., Ltd.") (note (a))	PRC/Chinese mainland/ 20 January 2020	RMB10,000,000	—	100.00%	Printing services
上海联再科技有限公司* ("Shanghai Lianzai Technology Co., Ltd.") (note (b))	PRC/Chinese mainland/ 19 June 2020	RMB10,000,000	100.00%	—	Printing equipment sales
峻宸智造科技(苏州)有限公司* ("Junchen Intelligent Manufacturing Technology (Suzhou) Co., Ltd.") (note (b))	PRC/Chinese mainland/ 21 October 2021	RMB3,000,000	—	100.00%	Printing services
东莞市尚鑫手板模型科技有限公司* ("Dongguan Shangxin Prototype Model Technology Co., Ltd.") (note (b))	PRC/Chinese mainland 15 January 2014	RMB1,000,000	—	100.00%	Printing services
奕宸贸易(景宁)有限公司* ("Yichen Trading (Jingning) Co., Ltd.") (note (b))	PRC/Chinese mainland/ 18 July 2022	RMB100,000	—	100.00%	Printing services
上海信斯帝克新材料有限公司* ("Shanghai Synthetic New Materials Co., Ltd.") (note (a))	PRC/Chinese mainland/ 26 March 2019	RMB10,500,000	95.24%	—	Printing materials sales
优联三维打印科技发展(上海)有限 公司* ("Unionfab AM Technology (Shanghai) Co., Ltd.") (note (a))	PRC/Chinese mainland/ 11 December 2014	RMB5,250,000	95.24%	—	Printing services
信联聚科(上海)新材料有限公司* ("Syntek (Shanghai) Advanced Materials Co., Ltd.") (note (b))	PRC/Chinese mainland/ 13 May 2024	RMB2,000,000	—	100.00%	Printing materials sales
嘉兴优联智造科技有限公司* ("Jiaxing EuLink Intelligent Manufacturing Co., Ltd.") (note (b))	PRC/Chinese mainland/ 31 May 2024	RMB45,000,000	—	100.00%	Printing services
江苏联顺智造科技有限公司* ("Jiangsu LinkSun Intelligent Manufacturing Co., Ltd.") (note (b))	PRC/Chinese mainland/ 15 December 2025	RMB10,000,000	—	100.00%	Printing services
Union Tech GmbH (note (b))	Federal Republic of Germany/ 7 June 2017	EUR400,000	100.00%	—	Printing equipment sales
UTnext 3D, Inc. (note (b))	United States of America/ 25 February 2022	USD500,000	100.00%	—	Printing services

* The English names of the entities represent the best effort made by the directors of the Company in translating the Chinese names as they do not have English names and the English names are for reference only. The entities are registered as a domestic limited liability company under PRC law.

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Note:

- (a) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared under China Accounting Standards for Business Enterprises were audited by Shanghai Hengding Accounting Firm (GP), certified public accountants registered in the PRC. These entities have not yet prepared statutory financial statements for the year ended 31 December 2025.
- (b) No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of establishment or incorporation.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information.

Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 31 December 2025, the Group recorded net current liabilities and net liabilities amounting to RMB225,436,000 and RMB58,209,000, respectively, primarily due to the significant amount of the redemption liabilities of RMB580,462,000 arising from the financing from the investors with redemption rights before the Company’s [REDACTED]. The directors of the Company are of the opinion that no payment is expected for the settlement of the redemption liabilities within twelve months from 31 December 2025 as the redemption rights have been suspended commencing on the day immediately prior to the date of the Company’s first submission of the listing application to the Main Board of the Stock Exchange pursuant to a supplemental agreement entered into by the Company with the Redemption Liability Investors (as defined in note 29 below) dated [dated] 2026, and will only be resumed when the conditions as disclosed in note 29 to the Historical Financial Information happen. In addition, the related redemption rights would be terminated and the redemption liabilities would be converted into equity upon the qualified [REDACTED] of the Company’s H shares on the Main Board of the Stock Exchange.

The directors of the Company have also reviewed the Group’s cash flow projections, which cover a period of at least twelve months from 31 December 2025. The directors are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next 12 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.

Basis of consolidation

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

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.2 Issued but Not Yet Effective IFRS Accounting Standards

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

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

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

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

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18 which may result in changes in certain accounting policies, do not have significant impact on the Group’s financial performance and financial position in the period of initial application. IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information.

2.3 Material Accounting Policies

Fair value measurement

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

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

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

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

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

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

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

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

Related parties

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

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);

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- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.50%
Machinery and molds	10% to 33⅓%
Vehicles	25% to 33⅓%
Electronic and office equipment	20% to 33⅓%
Furniture and fixtures	20% to 33⅓%
Leasehold improvements	Over the shorter of the lease terms and 10%

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

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

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

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years.

Research and development costs

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

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

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Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Plant and properties	13 to 72 months
Machinery and Equipment	72 months

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

(b) Lease liabilities

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in other income and gains in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

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Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

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

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Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

For long-term trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

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

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

Subsequent measurement

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

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

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

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

For redemption liabilities, the Group will assess the present value of the redemption amount as at the end of each of the Relevant Periods and any changes resulting from the present value of redemption right liabilities subsequent to the initial recognition are recognised in profit or loss.

Derecognition of financial liabilities

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

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

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Offsetting of financial instruments

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

Inventories

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

Cash and cash equivalents

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

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

Provisions

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

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

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

Income tax

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Sales of equipment and materials

Revenue from the sale of goods is recognised at the point in time when control of the product is transferred to the customer, generally on delivery or completion of installation and acceptance of the products by customers as agreed in the sales contracts.

(b) Provision of printing services

Revenue from printing services is recognized at the point in time, when the printing services are provided and printing products are accepted by customers.

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Other income

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

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

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

Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the income approach.

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

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

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

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

Other employee benefits

Pension scheme

The employees of the Company and the Group’s subsidiaries which operate in the Chinese mainland and overseas are required to participate in a central pension scheme operated by the local municipal government. These entities are required to contribute a certain proportion of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

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Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group’s liability in respect of these funds is limited to the contributions payable in each period.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Deferred tax assets

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

Estimation uncertainty

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

Provision for expected credit losses on trade receivables, long-term trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on aging for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance, where applicable).

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

The Group applies a loss rate approach in estimating the ECLs for long-term trade receivables with reference to the historical loss record. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables, long-term trade receivables and contract assets is disclosed in note 19, note 21 and note 20 to the Historical Financial Information, respectively.

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4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their services and products and only has one reportable operating segment.

The information reported to the board of directors, who are the chief operating decision makers, for the purpose of resource allocation and performance assessment does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese mainland	467,266	472,770	482,317
Other countries/regions	48,054	48,320	80,797
Total	515,320	521,090	563,114

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

(b) Non-current assets

Most of the Group’s non-current assets as at the end of each of the Relevant Periods were located in the Chinese mainland. Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue from the major customers (aggregated if under common control) which amounted to 10% or more of the Group’s revenue is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	*	*	72,171
* Less than 10% of the Group’s revenue			

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	515,320	521,090	563,114

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Equipment sales	230,461	205,332	266,396
Material sales	107,883	127,545	106,756
Printing services	176,976	188,213	189,962
Total	515,320	521,090	563,114

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Geographical markets

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese mainland	467,266	472,770	482,317
Other countries/regions	48,054	48,320	80,797
Total	515,320	521,090	563,114

Timing of revenue recognition	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Goods and services transferred at a point in time	515,320	521,090	563,114

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each reporting period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	8,925	9,906	14,219

(b) Performance obligations

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

Equipment sales

The performance obligation is satisfied upon the completion of equipment installation and customer acceptance. The Group generally grants payment by instalments for a period within 36 months following such completion, except for certain customers, where payment in advance is normally required.

Material sales

The performance obligation is satisfied upon delivery and acceptance of materials, and the payment is generally within 6 months upon receipt of invoice.

Printing services

Revenue from printing services is recognized at the point in time, when the services are provided and accepted by customers. The Group usually grants a credit period of 30 days to 60 days to enterprise customers.

No information for the Group’s remaining performance obligations is disclosed as the Group’s contracts with customers have an original expected duration of one year or less.

An analysis of other income, gains and losses is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Bank interest income	561	665	605
Rental income	1,963	3,586	3,969
Interest income arising from revenue contracts	4,708	5,691	5,764
Finance income on the net investment in a lease	7,164	5,114	3,587
Government grants	9,130	11,198	8,792
Other interest income from financial assets at fair value through profit or loss	1,221	170	926
Others	315	1,192	1,336
	25,062	27,616	24,979
Gains			
Foreign exchange differences, net	—	—	148
Gain on termination of lease contracts as lessee	—	857	307
	—	857	455
	25,062	28,473	25,434

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6. LOSS BEFORE TAX

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

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold*		229,341	244,890	256,327
Cost of services provided*		133,021	155,478	142,102
Depreciation of property, plant and equipment	13	37,691	48,143	38,481
Depreciation of right-of-use assets	14(a)	11,564	12,247	11,384
Amortisation of other intangible assets	15	385	516	605
Lease payments not included in the measurement of lease liabilities	14(c)	2,567	2,743	1,426
Loss/(gain) on termination of a lease contract as lessee**		29	(857)	(307)
Impairment of trade and bills receivables, net	19	1,653	9,558	3,260
(Reversal of impairment)/impairment of contract assets, net	20	(59)	55	(23)
(Reversal of impairment)/impairment of long-term trade receivables, net	21	(233)	2,072	636
Impairment/(reversal of impairment) of other receivables, net		63	310	(215)
Write-down of inventories to net realisable value***		1,239	1,618	397
Research and development expenses*		47,650	53,790	51,377
Interest on redemption liabilities	29	42,237	42,508	41,796
Employee benefit expenses (including directors’ remuneration (note 8)):				
Wages and salaries		87,264	96,634	91,958
Share-based payments****		1,375	201	201
Pension scheme contributions		15,451	16,748	16,293
Total		104,090	113,583	108,452

* The cost of inventories sold, the cost of services provided and research and development expenses include expenses relating to employee benefit expenses, depreciation and amortisation, which are also included in the respective total amounts disclosed above for each type of expense.

** These items for the Relevant Periods were included in “Other expenses” or “Other income and gains” in the consolidated statement of profit or loss and other comprehensive income.

*** This item for the Relevant Periods was included in “Cost of sales” in the consolidated statement of profit or loss and other comprehensive income.

**** Shanghai Xinyu Enterprise Management Consulting Center (Limited Partnership) (“Xinyu Partnership”) and Shanghai Lianyou Enterprise Management Consulting Center (Limited Partnership) (“Lianyou Partnership”) were established and designated as share incentive platforms to hold the shares awarded to the eligible participants as the ultimate beneficial owners. In 2023, the Company granted one-time share incentives in the form of shares of Shanghai Synthetic New Materials Co., Ltd. and Unionfab AM Technology (Shanghai) Co., Ltd., subsidiaries of the Group, to these two share incentive platforms which were vested immediately. As a result of the grant, Xinyu Partnership and Lianyou Partnership hold 4.76% of the shares of Shanghai Synthetic New Materials Co., Ltd. and Unionfab AM Technology (Shanghai) Co., Ltd., respectively. At the time of equity transfer, the fair value of the corresponding equity of Shanghai Synthetic New Materials Co., Ltd. is RMB1,350,000, and Xinyu Partnership contributes RMB500,000, resulting in a share-based payment expense of RMB850,000; and the fair value of the corresponding equity of Unionfab AM Technology (Shanghai) Co., Ltd. is RMB787,500, and Lianyou Partnership contributed RMB262,500, resulting in a share-based payment expense of RMB525,000. In 2024, the Company granted one individual employee with 5% shares of Shanghai EuLink Intelligent Manufacturing Co., Ltd., a subsidiary of the Group, with a lock up period of 5 years. The fair value of the share award on the grant date amounted to RMB1,004,000 which was measured based on income approach, and the Group recorded a share-based payment expense of RMB207,000 in 2024 and 2025, respectively.

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7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities (<i>note 14</i>)	993	1,120	998
Interest on bank borrowings	226	2,191	4,671
Total	1,219	3,311	5,669

8. DIRECTORS’ REMUNERATION

Directors’ remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	232	344	330
Other emoluments:			
Salaries, allowances and benefits in kind	1,150	1,300	1,233
Performance related bonuses	900	830	683
Pension scheme contributions	136	142	142
Subtotal	2,186	2,272	2,058
Total	2,418	2,616	2,388

(a) Independent non-executive directors

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Zhang Dawei	58	86	72
Ms. Wang Xiaoyan	58	86	86
Ms. Qu Xiuping	58	86	86
Mr. Jiang Tao	58	86	86
Mr. Yan Biao	—	—	—
Total	232	344	330

Mr. Zhang Dawei was appointed as an independent non-executive director of the Company during the period from April 2023 to December 2025. Ms. Qu Xiuping and Mr. Jiang Tao were appointed as independent non-executive directors of the Company with effect from April 2023 to December 2025. Mr. Zhang Dawei, Ms. Qu Xiuping and Mr. Jiang Tao have confirmed that they have no disagreement with the Board and there are no matters in respect of his resignation that need to be brought to the attention of the Stock Exchange or the Shareholders. Ms. Wang Xiaoyan was appointed as an independent non-executive director of the Company with effect from April 2023. Mr. Yan Biao was appointed as an independent non-executive director of the Company with effect from December 2025. Ms. Yao Aidi and Ms. Liu Qian were appointed as independent non-executive directors of the Company with effect from April 2026.

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(b) Executive directors and non-executive directors

The names of the executive directors and non-executive directors and their remuneration during the Relevant Periods are as follows:

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023				
Executive directors:				
Mr. Ma Jinsong (i)	638	520	68	1,226
Mr. Wang Chao (ii)	512	380	68	960
Mr. Xu Hai (iii)	—	—	—	—
	1,150	900	136	2,186
Non-executive directors:				
Mr. Lin Xiaofan (iv)	—	—	—	—
Mr. Zhang Nan (v)	—	—	—	—
Mr. Cui Wenhan (vi)	—	—	—	—
Mr. Wang Xuan (vii)	—	—	—	—
Total	1,150	900	136	2,186
Year ended 31 December 2024				
Executive directors:				
Mr. Ma Jinsong (i)	698	353	71	1,122
Mr. Wang Chao (ii)	602	477	71	1,150
Mr. Xu Hai (iii)	—	—	—	—
	1,300	830	142	2,272
Non-executive directors:				
Mr. Lin Xiaofan (iv)	—	—	—	—
Mr. Zhang Nan (v)	—	—	—	—
Mr. Cui Wenhan (vi)	—	—	—	—
Mr. Wang Xuan (vii)	—	—	—	—
Total	1,300	830	142	2,272
Year ended 31 December 2025				
Executive directors:				
Mr. Ma Jinsong (i)	672	276	71	1,019
Mr. Wang Chao (ii)	561	407	71	1,039
Mr. Xu Hai (iii)	—	—	—	—
	1,233	683	142	2,058
Non-executive directors:				
Mr. Lin Xiaofan (iv)	—	—	—	—
Mr. Zhang Nan (v)	—	—	—	—
Mr. Cui Wenhan (vi)	—	—	—	—
Mr. Wang Xuan (vii)	—	—	—	—
Mr. Peng Wei (viii)	—	—	—	—
Total	1,233	683	142	2,058

Notes:

- (i) Mr. Ma Jinsong was appointed as an executive director since November 2015 and general manager since March 2019.
- (ii) Mr. Wang Chao was appointed as the deputy general manager since August 2017 and executive director since March 2019.

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- (iii) Mr. Xu Hai was appointed as an executive director and chairman of the Board of the Company with effect from March 2019.
- (iv) Mr. Lin Xiaofan was appointed as a non-executive director of the Company with effect from March 2019.
- (v) Mr. Zhang Nan was appointed as a non-executive director of the Company with effect from November 2016.
- (vi) Mr. Cui Wenhan was appointed as a non-executive director of the Company with effect from August 2022.
- (vii) Mr. Wang Xuan was appointed as a non-executive director of the Company with effect from August 2020 and resigned as the director in June 2025.
- (viii) Mr. Peng Wei was appointed as a non-executive director of the Company with effect from June 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group during the years ended 31 December 2023, 2024 and 2025 include 2, 2 and 2 directors, respectively, details of whose remuneration are set out above. Details of the remuneration of the remaining 3, 3 and 3 highest paid employees who are neither a director nor chief executive of the Group for the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind	1,662	1,741	1,722
Performance related bonuses	1,962	1,343	601
Pension scheme contributions	203	207	214
Total	3,827	3,291	2,537

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

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$1,000,000	1	—	3
HK\$1,000,001 to HK\$1,500,000	2	3	—
Total	3	3	3

10. INCOME TAX

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

Chinese mainland

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

Pursuant to the Corporate Income Tax Law of Chinese mainland and the respective regulations (the “CIT Law”), the subsidiaries which operate in Chinese mainland are subject to CIT at a rate of 25% on the taxable income.

The Company was qualified as a High and New Technology Enterprise (“HNTE”) and was entitled to a preferential tax rate of 15% from 2022 to 2027.

Shanghai Synthetic New Materials Co., Ltd. was granted the qualification of a HNTE and was entitled to a preferential corporate income tax rate of 15% from 2022 to 2024 and no longer a HNTE since 2025.

Shanghai EuLink Intelligent Manufacturing Co., Ltd. was granted the qualification of a HNTE and was entitled to a preferential corporate income tax rate of 15% from 2025 to 2027.

Certain subsidiaries of the Group have applied to the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the PRC’s State Administration of Taxation. Pursuant to the policy announced by the PRC’s State Administration of Taxation, during the period from 1 January 2023 to 31 December 2025, the portion of annual taxable income amount of these subsidiaries which exceeds RMB1,000,000 but does not exceed RMB3,000,000 shall be computed at 25% of income as taxable income amount, and levied at a reduced tax rate of 20%.

Overseas areas

The Company’s overseas subsidiaries are subject to income tax at rates ranging from 15% to 21%.

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Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdiction in which the Group operates.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred tax charge/(credit)	3,139	(2,030)	576
Current tax — charge for the year	3,026	627	667
Total	6,165	(1,403)	1,243

A reconciliation of the tax credit applicable to loss before tax at the statutory rate for the jurisdiction in which the Company is domiciled and operated to the tax expense at the Group’s effective tax rate, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(22,843)	(86,176)	(30,148)
Tax at the statutory tax rate	(5,711)	(21,544)	(7,537)
Effect of different tax rates	1,686	6,336	2,404
Expenses not deductible for tax	657	253	221
Research and development expenses (a)	(6,395)	(6,460)	(5,485)
Temporary differences and tax losses not recognised	15,928	20,012	11,640
Tax expense at the Group’s effective tax rate	6,165	(1,403)	1,243

Note:

- (a) Based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the Company and Shanghai EuLink Intelligent Manufacturing Co., Ltd. were eligible for an additional 100% deduction of eligible R&D expenses from 1 January 2023, and Shanghai Synthetic New Materials Co., Ltd. was eligible for an additional 100% deduction of eligible R&D expenses in 2023 and 2024. Aforementioned entities have claimed such additional super deduction during the Relevant Periods.

11. DIVIDENDS

No dividends have been paid or declared by the Company during the Relevant Periods.

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

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

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the impact of the redeemable shares had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic loss per share is based on:

	Year ended 31 December		
	2023	2024	2025
Loss			
Loss attributable to ordinary equity holders of the parent (RMB'000)	(29,183)	(84,875)	(31,527)
Shares			
Weighted average number ('000) of ordinary shares outstanding during the year	120,981	118,813	117,680
Loss per share			
Basic and diluted (RMB)	(0.24)	(0.71)	(0.27)

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic and office equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023								
At 1 January 2023:								
Cost	11,769	139,576	1,892	6,528	1,304	21,267	—	182,336
Accumulated depreciation	(322)	(18,287)	(728)	(3,381)	(566)	(7,016)	—	(30,300)
Net carrying amount	11,447	121,289	1,164	3,147	738	14,251	—	152,036
At 1 January 2023, net of accumulated depreciation	11,447	121,289	1,164	3,147	738	14,251	—	152,036
Additions	—	63,534	1,115	1,851	700	4,031	22,234	93,465
Disposals	—	(679)	—	(26)	(6)	—	—	(711)
Depreciation provided during the year	(277)	(24,059)	(582)	(1,381)	(303)	(11,089)	—	(37,691)
Transfers	—	—	—	—	—	14,803	(14,803)	—
At 31 December 2023, net of accumulated depreciation	11,170	160,085	1,697	3,591	1,129	21,996	7,431	207,099
At 31 December 2023:								
Cost	11,769	189,573	3,007	8,353	1,998	40,101	7,431	262,232
Accumulated depreciation	(599)	(29,488)	(1,310)	(4,762)	(869)	(18,105)	—	(55,133)
Net carrying amount	11,170	160,085	1,697	3,591	1,129	21,996	7,431	207,099
	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic and office equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024:								
Cost	11,769	189,573	3,007	8,353	1,998	40,101	7,431	262,232
Accumulated depreciation	(599)	(29,488)	(1,310)	(4,762)	(869)	(18,105)	—	(55,133)
Net carrying amount	11,170	160,085	1,697	3,591	1,129	21,996	7,431	207,099
At 1 January 2024, net of accumulated depreciation	11,170	160,085	1,697	3,591	1,129	21,996	7,431	207,099
Additions	—	35,965	241	2,903	794	2,041	9,107	51,051
Disposals	—	(848)	—	(822)	(74)	—	—	(1,744)
Depreciation provided during the year	(277)	(29,905)	(769)	(2,157)	(477)	(14,558)	—	(48,143)
Transfers	—	—	—	—	—	7,431	(7,431)	—
At 31 December 2024, net of accumulated depreciation	10,893	165,297	1,169	3,515	1,372	16,910	9,107	208,263
At 31 December 2024:								
Cost	11,769	205,987	3,248	9,128	2,636	49,572	9,107	291,447
Accumulated depreciation	(876)	(40,690)	(2,079)	(5,613)	(1,264)	(32,662)	—	(83,184)
Net carrying amount	10,893	165,297	1,169	3,515	1,372	16,910	9,107	208,263

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	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic and office equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025								
At 1 January 2025:								
Cost	11,769	205,987	3,248	9,128	2,636	49,572	9,107	291,447
Accumulated depreciation	(876)	(40,690)	(2,079)	(5,613)	(1,264)	(32,662)	—	(83,184)
Net carrying amount	10,893	165,297	1,169	3,515	1,372	16,910	9,107	208,263
At 1 January 2025, net of accumulated depreciation	10,893	165,297	1,169	3,515	1,372	16,910	9,107	208,263
Additions	—	29,685	724	926	477	11,064	1,317	44,193
Disposals	—	(114)	(12)	(52)	(18)	—	—	(196)
Depreciation provided during the year	(276)	(24,671)	(850)	(1,492)	(688)	(10,504)	—	(38,481)
Transfers	—	—	—	—	—	9,589	(9,589)	—
At 31 December 2025, net of accumulated depreciation	10,617	170,197	1,031	2,897	1,143	27,059	835	213,779
At 31 December 2025:								
Cost	11,769	215,149	3,750	8,839	2,732	61,084	835	304,158
Accumulated depreciation	(1,152)	(44,952)	(2,719)	(5,942)	(1,589)	(34,025)	—	(90,379)
Net carrying amount	10,617	170,197	1,031	2,897	1,143	27,059	835	213,779

The Company

	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic and office equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2023							
At 1 January 2023:							
Cost	11,769	29,991	1,570	3,138	739	10,524	57,731
Accumulated depreciation	(322)	(4,856)	(414)	(1,858)	(326)	(3,055)	(10,831)
Net carrying amount	11,447	25,135	1,156	1,280	413	7,469	46,900
At 1 January 2023, net of accumulated depreciation	11,447	25,135	1,156	1,280	413	7,469	46,900
Additions	—	36,281	31	837	174	4,946	42,269
Disposals	—	(395)	—	—	—	—	(395)
Depreciation provided during the year	(277)	(5,309)	(380)	(549)	(132)	(3,663)	(10,310)
At 31 December 2023, net of accumulated depreciation	11,170	55,712	807	1,568	455	8,752	78,464
At 31 December 2023:							
Cost	11,769	63,960	1,601	3,976	913	15,470	97,689
Accumulated depreciation	(599)	(8,248)	(794)	(2,408)	(458)	(6,718)	(19,225)
Net carrying amount	11,170	55,712	807	1,568	455	8,752	78,464

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	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic and office equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	11,769	63,960	1,601	3,976	913	15,470	97,689
Accumulated depreciation	(599)	(8,248)	(794)	(2,408)	(458)	(6,718)	(19,225)
Net carrying amount	11,170	55,712	807	1,568	455	8,752	78,464
At 1 January 2024, net of accumulated depreciation	11,170	55,712	807	1,568	455	8,752	78,464
Additions	—	24,435	21	490	75	1,785	26,806
Disposals	—	(476)	—	(460)	(1)	—	(937)
Depreciation provided during the year	(277)	(8,238)	(386)	(610)	(154)	(3,390)	(13,055)
At 31 December 2024, net of accumulated depreciation	10,893	71,433	442	988	375	7,147	91,278
At 31 December 2024:							
Cost	11,769	86,447	1,622	3,557	961	17,255	121,611
Accumulated depreciation	(876)	(15,014)	(1,180)	(2,569)	(586)	(10,108)	(30,333)
Net carrying amount	10,893	71,433	442	988	375	7,147	91,278
	Buildings RMB'000	Machinery and molds RMB'000	Vehicles RMB'000	Electronic and office equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	11,769	86,447	1,622	3,557	961	17,255	121,611
Accumulated depreciation	(876)	(15,014)	(1,180)	(2,569)	(586)	(10,108)	(30,333)
Net carrying amount	10,893	71,433	442	988	375	7,147	91,278
At 1 January 2025, net of accumulated depreciation	10,893	71,433	442	988	375	7,147	91,278
Additions	—	20,017	540	594	45	2,928	24,124
Disposals	—	(114)	—	(2)	(1)	—	(117)
Depreciation provided during the year	(276)	(10,261)	(278)	(616)	(164)	(3,556)	(15,151)
At 31 December 2025, net of accumulated depreciation	10,617	81,075	704	964	255	6,519	100,134
At 31 December 2025:							
Cost	11,769	103,047	2,161	4,142	995	20,183	142,297
Accumulated depreciation	(1,152)	(21,972)	(1,457)	(3,178)	(740)	(13,664)	(42,163)
Net carrying amount	10,617	81,075	704	964	255	6,519	100,134

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14. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and properties used in its operations. Leases of plant and properties generally have lease terms between 13 and 72 months. The Group has a lease for machinery and equipment with a term of 72 months. Leases of other equipment generally have lease terms of 12 months or less or are individually of low value.

(a) Right-of-use assets

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

The Group

	Plant and properties	Machinery and equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	18,591	—	18,591
Additions	22,272	—	22,272
Depreciation charge	(11,564)	—	(11,564)
Termination of leases	(4,024)	—	(4,024)
Modification of lease	577	—	577
As at 31 December 2023 and 1 January 2024	25,852	—	25,852
Additions	22,653	336	22,989
Depreciation charge	(12,229)	(18)	(12,247)
Termination of leases	(6,969)	—	(6,969)
Modification of lease	(94)	—	(94)
As at 31 December 2024 and 1 January 2025	29,213	318	29,531
Additions	2,063	—	2,063
Depreciation charge	(11,328)	(56)	(11,384)
Termination of leases	(3,272)	—	(3,272)
Modification of lease	659	—	659
31 December 2025	<u>17,335</u>	<u>262</u>	<u>17,597</u>

The Company

	Plant and properties
	<i>RMB'000</i>
As at 1 January 2023	2,962
Additions	13,900
Depreciation charge	<u>(4,788)</u>
As at 31 December 2023 and 1 January 2024	12,074
Additions	2,798
Depreciation charge	<u>(5,128)</u>
As at 31 December 2024 and 1 January 2025	9,744
Additions	381
Depreciation charge	<u>(5,043)</u>
31 December 2025	<u>5,082</u>

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(b) Lease liabilities

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year	18,890	26,217	29,633
New leases	22,272	22,989	2,063
Accretion of interest recognised during the year	993	1,120	998
Termination of leases	(3,995)	(7,826)	(3,579)
Modification of lease	577	(94)	659
Payments	(12,520)	(12,773)	(12,048)
Carrying amount at end of year	26,217	29,633	17,726
Analysed into:			
Within one year	10,362	11,110	8,937
In the second year	9,474	8,848	4,643
In the third to fifth years, inclusive	6,381	9,675	4,146
Total	26,217	29,633	17,726

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year	2,824	11,682	9,371
New leases	13,900	2,798	381
Accretion of interest recognised during the year	342	434	303
Payments	(5,384)	(5,543)	(4,887)
Carrying amount at end of year	11,682	9,371	5,168
Analysed into:			
Within one year	4,283	4,361	3,993
In the second year	4,132	3,699	1,175
In the third to fifth years, inclusive	3,267	1,311	—
Total	11,682	9,371	5,168

The maturity analysis of lease liabilities is disclosed in note 38.

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities (note 7)	993	1,120	998
Depreciation charge of right-of-use assets (note 6)	11,564	12,247	11,384
Expenses relating to short-term leases (note 6)	2,567	2,743	1,426
Loss/(gain) on termination of lease contract as lessee (note 6)	29	(857)	(307)
Total amount recognised in profit or loss	15,153	15,253	13,501

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The Group as a lessor

The Group leases its printers under operating and finance lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during each of the Relevant Periods was RMB9,127,000, RMB8,700,000 and RMB7,556,000, details of which are included in note 5 to the Historical Financial Information.

As at the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under operating and finance leases with its tenants are as follows:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within one year	46,924	58,152	39,008
After one year but within two years	16,393	11,205	8,695
After two years but within three years	10,987	8,695	5,932
After three years but within four years	8,695	5,932	1,743
After four years but within five years	5,932	1,743	600
After five years	2,389	646	46
Total	91,320	86,373	56,024

15. OTHER INTANGIBLE ASSETS

The Group

	Software RMB'000
31 December 2023	
At 1 January 2023	
Cost	3,469
Accumulated amortisation	(1,152)
Net carrying amount	2,317
At 1 January 2023, net of accumulated amortisation	2,317
Additions	739
Amortisation provided during the year	(385)
At 31 December 2023, net of accumulated amortisation	2,671
At 31 December 2023	
Cost	4,208
Accumulated amortisation	(1,537)
Net carrying amount	2,671

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	Software <i>RMB'000</i>
31 December 2024	
At 1 January 2024	
Cost	4,208
Accumulated amortisation	<u>(1,537)</u>
Net carrying amount	<u>2,671</u>
At 1 January 2024, net of accumulated amortisation	2,671
Additions	1,305
Amortisation provided during the year	<u>(516)</u>
At 31 December 2024, net of accumulated amortisation	<u>3,460</u>
At 31 December 2024	
Cost	5,513
Accumulated amortisation	<u>(2,053)</u>
Net carrying amount	<u>3,460</u>
	Software <i>RMB'000</i>
31 December 2025	
At 1 January 2025	
Cost	5,513
Accumulated amortisation	<u>(2,053)</u>
Net carrying amount	<u>3,460</u>
At 1 January 2025, net of accumulated amortisation	3,460
Additions	533
Amortisation provided during the year	<u>(605)</u>
At 31 December 2025, net of accumulated amortisation	<u>3,388</u>
At 31 December 2025	
Cost	6,046
Accumulated amortisation	<u>(2,658)</u>
Net carrying amount	<u>3,388</u>
The Company	
	Software <i>RMB'000</i>
31 December 2023	
At 1 January 2023	
Cost	3,452
Accumulated amortisation	<u>(1,136)</u>
Net carrying amount	<u>2,316</u>
At 1 January 2023, net of accumulated amortisation	2,316
Additions	739
Amortisation provided during the year	<u>(384)</u>
At 31 December 2023, net of accumulated amortisation	<u>2,671</u>
At 31 December 2023	
Cost	4,192
Accumulated amortisation	<u>(1,521)</u>
Net carrying amount	<u>2,671</u>

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	Software <i>RMB'000</i>
31 December 2024	
At 1 January 2024	
Cost	4,192
Accumulated amortisation	<u>(1,521)</u>
Net carrying amount	<u>2,671</u>
At 1 January 2024, net of accumulated amortisation	2,671
Additions	2,013
Amortisation provided during the year	<u>(545)</u>
At 31 December 2024, net of accumulated amortisation	<u>4,139</u>
At 31 December 2024	
Cost	6,205
Accumulated amortisation	<u>(2,066)</u>
Net carrying amount	<u>4,139</u>
	Software <i>RMB'000</i>
31 December 2025	
At 1 January 2025	
Cost	6,205
Accumulated amortisation	<u>(2,066)</u>
Net carrying amount	<u>4,139</u>
At 1 January 2025, net of accumulated amortisation	4,139
Additions	533
Amortisation provided during the year	<u>(676)</u>
At 31 December 2025, net of accumulated amortisation	<u>3,996</u>
At 31 December 2025	
Cost	6,738
Accumulated amortisation	<u>(2,742)</u>
Net carrying amount	<u>3,996</u>

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments, at cost	240,407	244,062	274,062
Less: provision for impairment losses on investments	<u>—</u>	<u>2,387</u>	<u>3,697</u>
Total	<u>240,407</u>	<u>241,675</u>	<u>270,365</u>

Some subsidiaries incurred losses or only carried out limited operational activities. The management has performed impairment testing for investments in subsidiaries which had impairment indicators at the end of each of the Relevant Periods. The Company has recognised an impairment loss on investments in subsidiaries amounting to nil, RMB2,388,000 and RMB3,697,000 as at 31 December 2023, 2024 and 2025, respectively.

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17. DEFERRED TAX

The Group

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

Deferred tax liabilities

Deferred tax liabilities	Depreciation allowance in excess of related depreciation RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2023	1,879	4,648	6,527
Deferred tax charged to profit or loss during the year (note 10)	180	1,815	1,995
At 31 December 2023 and 1 January 2024	2,059	6,463	8,522
Deferred tax charged to profit or loss during the year (note 10)	66	920	986
At 31 December 2024 and 1 January 2025	2,125	7,383	9,508
Deferred tax credited to profit or loss during the year (note 10)	(784)	(2,984)	(3,768)
At 31 December 2025	1,341	4,399	5,740

Deferred tax assets

Deferred tax assets	Lease liabilities RMB'000	Impairment on financial assets RMB'000	Impairment of inventories RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
At 1 January 2023	4,678	443	151	9,786	15,058
Deferred tax credited/ (charged) to profit or loss during the year (note 10)	1,869	(103)	28	(2,938)	(1,144)
At 31 December 2023 and 1 January 2024	6,547	340	179	6,848	13,914
Deferred tax credited to profit or loss during the year (note 10)	938	450	251	1,377	3,016
At 31 December 2024 and 1 January 2025	7,485	790	430	8,225	16,930
Deferred tax charged to profit or loss during the year (note 10)	(2,978)	(105)	(127)	(1,134)	(4,344)
At 31 December 2025	4,507	685	303	7,091	12,586

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

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	7,519	10,971	11,842
Net deferred tax liabilities recognised in the consolidated statements of financial position	2,127	3,549	4,996

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	51,886	128,496	162,371
Deductible temporary differences	58,100	107,731	151,384
Total	109,986	236,227	313,755

The Group has accumulated tax losses of RMB51,886,000, RMB128,496,000 and RMB162,371,000 in aggregate as at 31 December 2023, 2024 and 2025, respectively, which will expire in 1 to 10 years to offset against future taxable profits of the companies in Chinese mainland. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Company

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	24,329	74,926	102,105
Deductible temporary differences	55,643	105,822	150,356
Total	79,972	180,748	252,461

The above tax losses will expire in 8 to 10 years to offset against future taxable profits of the Company. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

18. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract fulfillment cost	698	1,632	996
Raw materials	56,138	43,133	41,001
Work in progress	13,173	10,182	20,596
Finished goods	33,283	31,756	34,589
Total	103,292	86,703	97,182

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	23,775	13,802	13,373
Work in progress	13,135	10,164	20,595
Finished goods	28,806	29,937	36,980
Total	65,716	53,903	70,948

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19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	139,808	134,436	150,778
Impairment	(4,514)	(7,732)	(9,389)
Trade receivables, net	135,294	126,704	141,389
Bills receivable	7,402	29,592	30,687
Bills receivable, net	7,402	29,592	30,687
Net carrying amount	142,696	156,296	172,076

The Group generally requires its customers to make payments at various stages of the sales transactions. However, the Group generally grants a credit period of within 12 months for equipment sales. The payment is generally within 6 months upon receipt of invoice for material sales. For printing services, the Group generally grants a credit period of 30 days to 60 days. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. The Group's bills receivable were all aged within six months and were neither past due nor impaired.

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	122,778	129,715	156,435
1 to 2 years	18,649	18,760	9,202
2 to 3 years	1,269	7,821	6,439
Total	142,696	156,296	172,076

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	3,876	4,514	7,732
Impairment	1,653	9,558	3,260
Write-off	(1,015)	(6,340)	(1,603)
At end of year	4,514	7,732	9,389

An impairment analysis on trade receivables is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates used in the provision matrix are based on ageing analysis of customers that have similar loss pattern. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that are available at the end of the reporting period about past events, current conditions and forecasts of future economic conditions.

The bills receivable were mainly issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was not significant at the end of each of the Relevant Periods.

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix:

At 31 December 2023

	Credit risk exposure using a provision matrix				
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	1.3%	9.6%	27.8%	100.0%	3.2%
Gross carrying amount (RMB'000)	116,863	20,634	1,758	553	139,808
Expected credit losses (RMB'000)	1,487	1,985	489	553	4,514
Net carrying amount	115,376	18,649	1,269	—	135,294

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At 31 December 2024

	Credit risk exposure using a provision matrix				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.1%	9.7%	27.5%	100.0%	5.8%
Gross carrying amount (<i>RMB'000</i>)	102,223	20,782	10,781	650	134,436
Expected credit losses (<i>RMB'000</i>)	2,100	2,022	2,960	650	7,732
Net carrying amount	100,123	18,760	7,821	—	126,704

At 31 December 2025

	Credit risk exposure using a provision matrix				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.2%	15.4%	32.8%	100.0%	6.2%
Gross carrying amount (<i>RMB'000</i>)	128,597	10,879	9,580	1,722	150,778
Expected credit losses (<i>RMB'000</i>)	2,849	1,677	3,141	1,722	9,389
Net carrying amount	125,748	9,202	6,439	—	141,389

The Company

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Trade receivables due from third parties	86,498	77,507	85,363
Trade receivables due from subsidiaries	119,016	39,225	25,409
Impairment	(4,785)	(6,029)	(7,001)
Trade receivables, net	200,729	110,703	103,771
Bills receivable	3,495	26,683	20,808
Bills receivable, net	3,495	26,683	20,808
Net carrying amount	204,224	137,386	124,579

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

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Within 1 year	133,935	109,916	111,002
1 to 2 years	67,507	22,468	8,483
2 to 3 years	2,782	5,002	5,094
Total	204,224	137,386	124,579

The movement in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
At beginning of year	2,598	4,785	6,029
Impairment	2,285	4,059	1,994
Write-off	(98)	(2,815)	(1,022)
At end of year	4,785	6,029	7,001

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Set out below is the information about the credit risk exposure on trade receivables using a provision matrix:

At 31 December 2023

	Credit risk exposure using a provision matrix				Total
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	1.2%	3.3%	13.3%	100.0%	2.3%
Gross carrying amount (<i>RMB'000</i>)	131,985	69,817	3,208	504	205,514
Expected credit losses (<i>RMB'000</i>)	1,545	2,310	426	504	4,785
Net carrying amount	130,440	67,507	2,782	—	200,729

At 31 December 2024

	Credit risk exposure using a provision matrix				Total
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.20%	7.6%	27.5%	100.0%	5.2%
Gross carrying amount (<i>RMB'000</i>)	85,094	24,320	6,896	422	116,732
Expected credit losses (<i>RMB'000</i>)	1,861	1,853	1,893	422	6,029
Net carrying amount	83,233	22,467	5,003	—	110,703

At 31 December 2025

	Credit risk exposure using a provision matrix				Total
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	2.2%	14.4%	31.5%	100.0%	6.3%
Gross carrying amount (<i>RMB'000</i>)	92,188	9,905	7,433	1,246	110,772
Expected credit losses (<i>RMB'000</i>)	1,994	1,422	2,339	1,246	7,001
Net carrying amount	90,194	8,483	5,094	—	103,771

20. CONTRACT ASSETS

The Group and the Company

	As at 1 January 2023	As at 31 December		
	2023	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets arising from:				
Retention receivables	3,484	1,124	1,728	1,479
Less: Impairment of contract assets	79	20	75	52
Total	3,405	1,104	1,653	1,427

Contract assets are initially recognised for the revenue earned from sales of products and the receipt of retention consideration is conditional on expiration of the warranty period. Upon expiration of the warranty period, the amounts recognised as contract assets are reclassified as trade receivables.

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The movements in the loss allowance for impairment of contract assets are as follows:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	79	20	75
(Reversal of impairment losses)/impairment losses on contract assets (<i>note 6</i>)	(59)	55	(23)
At end of year	20	75	52

An impairment analysis is performed at the end of each of Relevant Periods using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group’s and the Company’s contract assets using a provision matrix:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expected credit loss rate	1.8%	4.3%	3.5%
Gross carrying amount (<i>RMB'000</i>)	1,124	1,728	1,479
Expected credit losses (<i>RMB'000</i>)	20	75	52

21. LONG-TERM TRADE RECEIVABLES

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sell goods on instalments	144,972	166,587	163,060
Impairment	(710)	(2,782)	(3,418)
Net carrying amount	144,262	163,805	159,642
Analysed into:			
Current portion	67,848	84,203	84,147
Non-current portion	76,414	79,602	75,495

Long-term trade receivables arising from instalment sales for a period within 36 months are classified as non-current assets. The portion due within one year is reclassified to current portion of long-term trade receivables under current assets separately from trade receivables.

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	117,658	90,404	83,209
1 to 2 years	24,698	65,610	47,050
2 to 3 years	1,906	7,791	29,383
Total	144,262	163,805	159,642

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	943	710	2,782
(Reversal of impairment losses)/impairment losses (note 6)	(233)	2,072	636
At end of year	710	2,782	3,418

An impairment analysis was performed as at the end of each of the Relevant Periods. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Prepayments	7,831	7,390	6,172
Deposits	1,167	684	120
Value-added-tax recoverable	10,113	14,925	13,688
Receivables under finance lease	34,594	49,241	36,303
Others	1,226	1,164	1,433
Subtotal	54,931	73,404	57,716
Impairment allowance	(552)	(705)	(551)
Total-current	54,379	72,699	57,165
Non-current			
Deposits	3,008	3,425	3,123
Prepayments for non-current asset	2,038	—	—
Receivables under finance lease	27,198	18,361	12,317
Subtotal	32,244	21,786	15,440
Impairment allowance	(274)	(190)	(129)
Total-Non current	31,970	21,596	15,311
Total	86,349	94,295	72,476

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	5,262	4,809	4,488
Deposits	119	120	33
Value-added tax recoverable	3,603	7,355	6,014
Due from subsidiaries	143,431	219,934	183,010
Others	245	314	177
Subtotal	152,660	232,532	193,722
Impairment allowance	(2,222)	(3,566)	(3,165)
Total — current	150,438	228,966	190,557
Non-current			
Deposits	1,292	1,329	1,352
Prepayments for non-current asset	151	—	—
Total — Non current	1,443	1,329	1,352
Total	151,881	230,295	191,909

An impairment analysis was performed as at the end of each of the Relevant Periods. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits (a)	—	—	20,000

Notes:

- (a) The structured deposits were issued by banks in Chinese mainland. The yields range from 0.36% to 1.16% per annum. The financial asset was mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

24. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	124,886	155,821	148,721
Restricted cash	17,771	3,791	2,826
Total	142,657	159,612	151,547
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Denominated in			
RMB	122,937	133,039	134,430
USD	11,517	19,395	9,182
EUR	8,203	7,178	7,935
Total	142,657	159,612	151,547

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	84,740	114,022	109,134
Restricted cash	17,771	3,791	2,826
Total	102,511	117,813	111,960
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Denominated in			
RMB	94,208	104,729	104,217
EUR	2,876	306	2,960
USD	5,427	12,778	4,783
Total	102,511	117,813	111,960

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one month and three months, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2023, 2024 and 2025, the Group and the Company have assessed the credit risk of cash and cash equivalents and restricted cash to be minimal as they were placed in reputable financial institutions.

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

As at the end of each of the Relevant Periods, the Group’s and the Company’s restricted cash represented bank deposits pledged to issue the bank acceptance notes.

25. TRADE AND BILLS PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	120,051	70,262	86,845
Bills payables	98,753	64,649	55,941
Total	218,804	134,911	142,786

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	216,101	133,102	142,455
1 to 2 years	2,602	1,344	160
2 to 3 years	89	397	128
Over 3 years	12	68	43
Total	218,804	134,911	142,786

The trade payables are non-interest-bearing and are normally settled within 10 months upon receipt of the VAT invoice from suppliers.

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables due to subsidiaries	6,307	12,179	10,743
Trade payables due to third parties	94,173	45,945	71,595
Bills payables	98,753	64,649	55,941
Total	199,233	122,773	138,279

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

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	198,845	122,666	137,351
1 to 2 years	313	51	850
2 to 3 years	75	5	51
Over 3 years	—	51	27
Total	199,233	122,773	138,279

26. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	19,961	15,438	13,743
Other tax payables	4,602	8,105	7,967
Accruals	620	2,194	974
Deposits	682	692	707
Provision (note(a))	3,773	4,020	4,255
Other payables	1,831	2,303	1,353
Total-current	31,469	32,752	28,999
Total	31,469	32,752	28,999

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	12,428	9,197	7,964
Other tax payables	1,225	4,187	1,756
Accruals	481	1,904	236
Deposits	652	692	692
Due to subsidiaries	12,673	—	14,000
Provision (note(a))	3,773	4,020	4,255
Other payables	1,763	1,900	1,777
Total — current	32,995	21,900	30,680
Total	32,995	21,900	30,680

Due to subsidiaries and other payables are non-interest-bearing, unsecured and repayable on demand.

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Notes:

(a) The movement of the Group’s and the Company’s provision during the Relevant Periods is as follows:

	Warranties
	<i>RMB’000</i>
At 1 January 2023	3,726
Additional provision	1,708
Amounts utilised during the year	<u>(1,661)</u>
At 31 December 2023 and 1 January 2024	3,773
Additional provision	2,037
Amounts utilised during the year	<u>(1,790)</u>
At 31 December 2024 and 1 January 2025	4,020
Additional provision	1,925
Amounts utilised during the year	<u>(1,690)</u>
At 31 December 2025	<u><u>4,255</u></u>

The Group provides one to two years warranties to its certain customers on its products for general repairs of defects occurring during the warranty 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.

27. CONTRACT LIABILITIES

The Group

	As at 1 January 2023	As at 31 December 2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Advance receipts from sales contract	<u>8,925</u>	<u>9,906</u>	<u>14,219</u>	<u>9,774</u>

Contract liabilities include short-term advances received to deliver printing equipment and materials, and provide printing services.

The Company

	As at 1 January 2023	As at 31 December 2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Advance receipts from sales contract	<u>6,220</u>	<u>4,553</u>	<u>20,313</u>	<u>6,412</u>

28. INTEREST-BEARING BANK BORROWINGS

The Group

	Effective interest rate (%)	Maturity	As at 31 December 2024 RMB’000
Current			
Bank loans — unsecured	2.60%	2025	20,011
Bank loans — guaranteed*	2.40%-2.90%	2025	87,963
Current portion of long-term bank loans — guaranteed*	2.75%-2.85%	2025	<u>5,021</u>
Total — current			112,995
Non-current			
Bank loans — guaranteed*	2.75%-2.85%	2027	<u>24,000</u>
Total			<u><u>136,995</u></u>

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As at 31 December 2025			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — unsecured	2.20%-2.60%	2026	30,017
Current portion of long-term bank loans — guaranteed*	2.24%-2.90%	2026	7,168
Total — current			37,185
Non-current			
Bank loans — guaranteed*	2.24%-2.90%	2027–2028	156,400
Total			193,585

The carrying amounts of borrowings are denominated in the following currencies:

	2024 RMB'000	2025 RMB'000
RMB	136,995	193,585

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2024 RMB'000	2025 RMB'000
Fixed interest rate	—	10,008
Variable interest rate	136,995	183,577
Total	136,995	193,585

	2024 RMB'000	2025 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	112,995	37,185
In the second year	5,000	67,550
In the third to fifth years, inclusive	19,000	88,850
Total	136,995	193,585

* As at 31 December 2024 and 2025, the Group’s bank loans amounted to RMB116,984,000 and RMB163,568,000 were guaranteed by Mr. Ma Jinsong, a director and shareholder of the Company, respectively.

The Company

As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — guaranteed*	2.40%-2.90%	2025	87,963
Current portion of long-term bank loans — guaranteed*	2.75%-2.85%	2025	5,021
Total — current			92,984
Non-current			
Bank loans — guaranteed*	2.75%-2.85%	2027	24,000
Total			116,984

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As at 31 December 2025			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Current portion of long-term bank loans — guaranteed*	2.24%-2.90%	2026	7,168
Total — current			7,168
Non-current			
Bank loans — guaranteed*	2.24%-2.90%	2027–2028	156,400
Total			163,568

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2024 RMB'000	2025 RMB'000
Fixed interest rate	—	10,008
Variable interest rate	116,984	153,560
Total	116,984	163,568
	2024 RMB'000	2025 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	92,984	7,168
In the second year	5,000	67,550
In the third to fifth years, inclusive	19,000	88,850
Total	116,984	163,568

As at 31 December 2024 and 2025, the Company’s bank loans were guaranteed by Mr. Ma Jinsong, a director and shareholder of the Company.

As at 31 December 2025, the Group’s long-term bank loan with a carrying amount of RMB29,972,000 was subject to the fulfilment of covenants relating to the Group’s certain financial ratios (asset liability ratio and current ratio).

29. REDEMPTION LIABILITIES

From August 2015 to November 2024, the Company has completed several rounds of financing and received capital contributions with special rights (“Special Rights”). The equity holders of the above shares with Special Rights are collectively referred to as the redemption liability investors (“Redemption Liability Investors”). The redemption price for Shares shall be an amount equal to applicable issue price with a simple rate of certain percent per annum return calculating from the corresponding issue date to the date of applicable redemption notice.

The key terms of the Special Rights are summarized as follows:

Redemption rights

Upon occurrence of any triggering events as detailed in the shareholders’ agreements, the Redemption Liability Investors have the right to exercise the redemption right. The redemption amount is the original investment amount paid by the Redemption Liability Investors for the redemption liabilities they requested to repurchase, plus the interest accrued on the original investment amount at an annual interest rate of 12% or 10% calculated from the payment date of the original investment amount to the date on which the redemption price is fully paid, plus the declared but unpaid dividends.

Pursuant to a supplemental agreement entered into by the Company with, among others, the Redemption Liability Investors of the Company dated May and June 2026, the redemption rights as mentioned above shall be suspended for a period (the “Suspension Period”) commencing on the day immediately prior to the date of the Company’s first submission of the listing application to the Main Board of the Stock Exchange, until the earlier of: (a) the withdrawal of the listing application by the Company; (b) the lapse of the listing application and such application is not renewed by the Company within 18 months; (c) the rejection of the listing applications by the Stock Exchange; and (d) the failure by the Company to complete a qualified IPO on or before 36 months prior to the date of first submission of the listing application.

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Presentation and classification

As the triggering events on the redemption rights had occurred as at the end of each of the Relevant Periods, the Company recognised the liabilities for its obligation to buy back shares as the financial liabilities and the Redemption Liabilities were classified as current liabilities as at 31 December 2023, 2024 and 2025.

The movements of the redemption liabilities during the Relevant Periods are as follows:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	473,642	515,879	588,387
New redemption liabilities	—	30,000	—
Interest on redemption liabilities	42,237	42,508	41,796
Repurchase	—	—	(49,721)
At end of year	515,879	588,387	580,462

30. SHARE CAPITAL

The Group and the Company

Shares

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Issued and fully paid: Share capital	118,516	120,294	117,442

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

Share capital

	Number of shares	Share capital RMB'000
At 1 January 2023	121,204,664	121,204
Shares repurchased (i)	(2,688,172)	(2,688)
At 31 December 2023 and as at 1 January 2024	118,516,492	118,516
Capital injection by shareholders (ii)	1,777,250	1,778
At 31 December 2024 and as at 1 January 2025	120,293,742	120,294
Shares repurchased (iii)	(2,851,821)	(2,852)
At 31 December 2025	117,441,921	117,442

Notes:

- (i) Pursuant to shareholders’ resolutions passed on 27 October 2023, the shareholders approved to repurchase and cancel 2,688,172 shares of the Company held by Zhejiang Jingning Junchen Technology Co., Ltd. at a consideration of RMB1. The issued share capital was reduced from RMB121,204,000 to RMB118,516,000.
- (ii) Pursuant to shareholders’ resolutions passed on 9 November 2024, the shareholders approved to increase the registered capital from RMB118,516,000 to RMB120,294,000 and Quanzhou Guoke Jiahe Xinjin No.1 Venture Capital Fund Partnership (Limited Partnership) subscribed for the 1,777,250 additional shares at a cash consideration of RMB30,000,000.

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- (iii) Pursuant to shareholders’ resolutions passed on 6 December 2024, the shareholders approved to repurchase and cancel 2,851,821 shares of the Company held by Jinshi Manufacturing Transformation and Upgrading New Materials Fund (Limited Partnership), Suzhou Longao Artificial Intelligence High-Tech Investment Center (Limited Partnership), Zheng Anjie and Jiaxing Dening Hengzhuo Equity Investment Partnership (Limited Partnership) at a cash consideration of RMB49,719,000. The registered share capital was reduced from RMB120,294,000 to RMB117,442,000 in January 2025.

31. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(i) Capital reserve

The capital reserve of the Group mainly represents the premium in issuing shares.

(ii) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 6 to the Historical Financial Information.

(iii) Statutory reserve

In accordance with the Company Law of Chinese mainland and the articles of association of entities established in Chinese mainland are required to appropriate 10% of its net profits after tax, as determined under the Chinese accounting standards, to the statutory reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant regulations and in the articles of association of the entities, the statutory reserve may be used either to offset losses, or to be converted to increase the capital provided that the balance after this conversion is not less than 25% of the registered capital of the entities.

(iv) Other reserve

The other reserve of the Group represents the amount of equity shares with redemption features as set out in note 29 to the Historical Financial Information.

The Company

The amounts of the Company’s reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2023	657,108	13,956	(428,417)	(87,645)	155,002
Loss for the year and total comprehensive loss for the year	—	—	—	(37,234)	(37,234)
Shares repurchased	2,688	—	—	—	2,688
As at 31 December 2023 and 1 January 2024	659,796	13,956	(428,417)	(124,879)	120,456
Loss for the year and total comprehensive loss for the year	—	—	—	(67,009)	(67,009)
Recognition of redemption liabilities	—	—	(30,000)	—	(30,000)
Capital injection by shareholders	28,222	—	—	—	28,222
As at 31 December 2024 and 1 January 2025	688,018	13,956	(458,417)	(191,888)	51,669
Loss for the year and total comprehensive loss for the year	—	—	—	(36,490)	(36,490)
Shares repurchased	(36,251)	—	39,103	—	2,852
As at 31 December 2025	651,767	13,956	(419,314)	(228,378)	18,031

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32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB22,272,000, RMB22,989,000 and RMB2,063,000, respectively, in respect of lease arrangements for plant and properties, and machinery and equipment.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000	Redemption liabilities RMB'000
At 1 January 2023	5,586	18,890	473,642
Changes from financing cash flows	(5,812)	(12,520)	—
New leases	—	22,272	—
Interest expense	226	993	42,237
Termination and modification of lease contracts	—	(3,418)	—
At 31 December 2023	—	26,217	515,879
At 1 January 2024	—	26,217	515,879
Changes from financing cash flows	134,804	(12,773)	30,000
New leases	—	22,989	—
Interest expense	2,191	1,120	42,508
Termination and modification of lease contracts	—	(7,920)	—
At 31 December 2024	136,995	29,633	588,387
At 1 January 2025	136,995	29,633	588,387
Changes from financing cash flows	51,919	(12,048)	(49,721)
New leases	—	2,063	—
Interest expense	4,671	998	41,796
Termination and modification of lease contracts	—	(2,920)	—
At 31 December 2025	193,585	17,726	580,462

(c) Total cash outflow for leases

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

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within operating activities	2,567	2,743	1,426
Within financing activities	12,520	12,773	12,048
Total	15,087	15,516	13,474

33. COMMITMENTS

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

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contracted, but not provided for:			
Purchase of items of property, plant and equipment	1,237	3,668	797

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34. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods.

(a) Name and relationships of the related parties:

Name	Relationship
Mr. Ma Jinsong	a director and shareholder of the Company

(b) Compensation of key management personnel of the Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	1,150	1,300	1,233
Performance related bonuses	900	830	683
Pension scheme contributions	136	142	142
Total	2,186	2,272	2,058

Further details of directors’ and the chief executive’s remuneration are included in note 8 to the Historical Financial Information.

(c) Other transactions with related parties

- * As at 31 December 2024 and 2025, the Group’s and the Company’s bank loans amounted to RMB116,984,000 and RMB163,568,000, were guaranteed by Mr. Ma Jinsong, a director and shareholder of the Company, respectively.

35. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade and bills receivables	2,789	139,907	142,696
Long-term trade receivables	—	144,262	144,262
Financial assets included in other receivables and other assets	—	66,367	66,367
Restricted cash	—	17,771	17,771
Cash and cash equivalents	—	124,886	124,886
Total	2,789	493,193	495,982

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Lease liabilities	26,217
Trade and bills payables	218,804
Financial liabilities included in other payables and accruals	3,133
Redemption liabilities	515,879
Total	764,033

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As at 31 December 2024

Financial assets

	Financial assets at fair value through other comprehensive income <i>RMB'000</i>	Financial assets at amortised cost <i>RMB'000</i>	Total <i>RMB'000</i>
Trade and bills receivables	22,287	134,009	156,296
Long-term trade receivables	—	163,805	163,805
Financial assets included in other receivables and other assets	—	71,980	71,980
Restricted cash	—	3,791	3,791
Cash and cash equivalents	—	155,821	155,821
Total	22,287	529,406	551,693

As at 31 December 2024

Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i>
Lease liabilities	29,633
Trade and bills payables	134,911
Financial liabilities included in other payables and accruals	5,189
Redemption liabilities	588,387
Interest-bearing bank borrowings	136,995
Total	895,115

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss <i>RMB'000</i>	Financial assets at fair value through other comprehensive income <i>RMB'000</i>	Financial assets at amortised cost <i>RMB'000</i>	Total <i>RMB'000</i>
Structured deposits	20,000	—	—	20,000
Trade and bills receivables	—	20,782	151,294	172,076
Long-term trade receivables	—	—	159,642	159,642
Financial assets included in prepayments, other receivables and other assets	—	—	52,616	52,616
Restricted cash	—	—	2,826	2,826
Cash and cash equivalents	—	—	148,721	148,721
Total	20,000	20,782	515,099	555,881

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Financial liabilities

	Financial liabilities at amortised cost RMB'000
Lease liabilities	17,726
Trade and bills payables	142,786
Financial liabilities included in other payables and accruals	3,034
Redemption liabilities	580,462
Interest-bearing bank borrowings	193,585
Total	937,593

36. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland (the “Endorsed Bills”) with a carrying amount of RMB2,294,000, RMB2,487,000 and RMB880,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills to which the suppliers have recourse were RMB2,294,000, RMB2,487,000 and RMB880,000 as at 31 December 2023, 2024 and 2025.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB5,303,000, RMB13,774,000 and RMB10,265,000. The Derecognised Bills had a maturity of 1 to 6 months as at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023, 2024 and 2025, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from Continuing Involvement, both during each of the Relevant Periods or cumulatively. The endorsement has been made evenly throughout each of the Relevant Periods.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group’s financial instruments, other than those with carrying amounts that reasonably approximate to fair value, are as follows:

	Carrying amounts			Fair values		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets						
Long-term trade receivables	144,262	163,805	159,642	144,262	163,805	159,642
Receivables under finance lease	61,169	66,903	48,112	61,169	66,903	48,112
Trade and bills receivables measured at fair value through other comprehensive income	2,789	22,287	20,782	2,789	22,287	20,782
Financial assets at fair value through profit or loss	—	—	20,000	—	—	20,000
Total	208,220	252,995	248,536	208,220	252,995	248,536
Financial liabilities						
Interest-bearing bank borrowings	—	136,995	193,585	—	136,995	193,611

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

The Group’s finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the financial controller. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

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

The fair values of long-term trade receivables, receivables under finance lease and long-term interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk for long-term interest-bearing bank borrowings during each of the Relevant Periods were assessed to be insignificant.

The Group invests in unlisted investments, which represent structured deposits issued by banks in the Chinese mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The bills receivable measured at fair value through other comprehensive income are the bank acceptance bills registered by the acceptance bank with high credit rating, and the Group’s management model aims at both collecting the contractual cash flow and selling the financial assets. The Group has estimated the fair value of these bank acceptance notes by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	
Trade and bills receivables measured at fair value through other comprehensive income	—	2,789	—	2,789

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB’000	RMB’000	RMB’000	
Trade and bills receivables measured at fair value through other comprehensive income	—	22,287	—	22,287

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As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant	Significant	
		observable inputs	unobservable inputs	
Level 1	Level 2	Level 3		
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade and bills receivables measured at fair value through other comprehensive income	—	20,782	—	20,782
Financial assets at fair value through profit or loss	—	20,000	—	20,000
Total	—	40,782	—	40,782

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

The Group did not have any financial liabilities measured at fair value as at 31 December 2023, 31 December 2024 and 31 December 2025, respectively.

Assets for which fair values are disclosed

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term trade receivables	—	144,262	—	144,262
Receivables under finance lease	—	61,518	—	61,518
Total	—	205,780	—	205,780

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant	Significant	
		observable	unobservable	
		inputs	inputs	
		Level 2	Level3	
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term trade receivables	—	163,805	—	163,805
Receivables under finance lease	—	67,412	—	67,412
Total	—	231,217	—	231,217

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant	Significant	
		observable	unobservable	
		inputs	inputs	
		Level 2	Level3	
	RMB'000	RMB'000	RMB'000	RMB'000
Long-term trade receivables	—	159,642	—	159,642
Receivables under finance lease	—	48,491	—	48,491
Total	—	208,133	—	208,133

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Liabilities for which fair values are disclosed

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Interest-bearing bank borrowings	—	136,995	—	136,995

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Interest-bearing bank borrowings	—	193,585	—	193,585

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments, comprise cash and cash equivalents and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

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

Interest rate risk

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s debt obligations with a floating interest rate. The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts.

If the interest rate of bank borrowings had increased/decreased by 50 basis points and all other variables were held constant, the loss before tax of the Group, through the impact on floating rate borrowings, would have increased/decreased by approximately nil, RMB867,000 and RMB685,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts.

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As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	7,402	—	—	139,808	147,210
Long-term trade receivables*	—	—	—	144,972	144,972
Contract assets*	—	—	—	1,124	1,124
Financial assets included in prepayments, other receivables and other assets					
— Normal**	67,193	—	—	—	67,193
Restricted cash					
— Not yet past due	17,771	—	—	—	17,771
Cash and cash equivalents					
— Not yet past due	124,886	—	—	—	124,886
Total	217,252	—	—	285,904	503,156

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	29,592	—	—	134,436	164,028
Long-term trade receivables*	—	—	—	166,587	166,587
Contract assets*	—	—	—	1,728	1,728
Financial assets included in prepayments, other receivables and other assets					
— Normal**	72,875	—	—	—	72,875
Restricted cash					
— Not yet past due	3,791	—	—	—	3,791
Cash and cash equivalents					
— Not yet past due	155,821	—	—	—	155,821
Total	262,079	—	—	302,751	564,830

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	30,687	—	—	150,778	181,465
Long-term trade receivables*	—	—	—	163,060	163,060
Contract assets*	—	—	—	1,479	1,479
Financial assets included in prepayments, other receivables and other assets					
— Normal**	53,296	—	—	—	53,296
Restricted cash					
— Not yet past due	2,826	—	—	—	2,826
Cash and cash equivalents					
— Not yet past due	148,721	—	—	—	148,721
Total	235,530	—	—	315,317	550,847

* For trade receivables, long-term trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 19, 20 and 21.

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

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Liquidity risk

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

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

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

	On demand or Less than 1 year <i>RMB’000</i>	Between 1 and 2 years <i>RMB’000</i>	Between 2 and 3 years <i>RMB’000</i>	Between 3 and 5 years <i>RMB’000</i>	Total <i>RMB’000</i>
31 December 2023					
Lease liabilities	11,354	9,975	5,189	1,378	27,896
Trade and bills payables	218,804	—	—	—	218,804
Financial liabilities included in other payables	3,133	—	—	—	3,133
Redemption liabilities	515,879	—	—	—	515,879
Total	749,170	9,975	5,189	1,378	765,712
	On demand or Less than 1 year <i>RMB’000</i>	Between 1 and 2 years <i>RMB’000</i>	Between 2 and 3 years <i>RMB’000</i>	Between 3 and 5 years <i>RMB’000</i>	Total <i>RMB’000</i>
31 December 2024					
Interest-bearing bank borrowings	115,173	5,660	19,523	—	140,356
Lease liabilities	12,568	9,299	5,016	5,082	31,965
Trade and bills payables	134,911	—	—	—	134,911
Financial liabilities included in other payables	5,189	—	—	—	5,189
Redemption liabilities	588,387	—	—	—	588,387
Total	856,228	14,959	24,539	5,082	900,808
	On demand or Less than 1 year <i>RMB’000</i>	Between 1 and 2 years <i>RMB’000</i>	Between 2 and 3 years <i>RMB’000</i>	Between 3 and 5 years <i>RMB’000</i>	Total <i>RMB’000</i>
31 December 2025					
Interest-bearing bank borrowings	41,639	71,532	91,056	—	204,227
Lease liabilities	9,388	4,880	4,332	—	18,600
Trade and bills payables	142,786	—	—	—	142,786
Financial liabilities included in other payables	3,034	—	—	—	3,034
Redemption liabilities	580,462	—	—	—	580,462
Total	777,309	76,412	95,388	—	949,109

Capital management

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

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

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANT’S REPORT

The asset-liability ratios as at the end of each of the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	864,377	915,555	921,904
Total liabilities	806,824	942,574	980,113
Asset-liability ratio*	93%	103%	106%

* The asset-liability ratio is calculated by dividing total liabilities by total assets.

39. EVENTS AFTER THE RELEVANT PERIODS

Pursuant to shareholders’ resolutions passed on 4 January 2026, the shareholders approved to repurchase and cancel 4,955,581 shares of the Company held by some shareholders with Special Rights. The total repurchase price was RMB74,564,000, of which the investment principal amount was RMB52,672,000 and the interest was RMB21,892,000.

Pursuant to the resolution passed at the Company’s second extraordinary general meeting in April 2026, the Company approved the subscription agreement entered into with certain shareholders. Under the agreement, the shareholders subscribed for 4,889,973 shares of the Company for a total consideration of RMB100,000,000.

Pursuant to shareholders’ resolutions passed in May 2026, the shareholders approved to grant incentive shares under the equity incentive plan to one individual employee. Pursuant to the equity incentive plan, the incentive shares were sourced from new shares issued by the Company. The Company had granted all 1,777,251 incentive shares under the incentive plan to the employee on a one-off basis, and the employee had subscribed for all such shares at a grant price of RMB1.00 per share with lock-up and transfer restrictions regulated in the equity incentive plan.

Except for the above events, no significant event has occurred in respect of any period subsequent to 31 December 2025.

40. SUBSEQUENT FINANCIAL STATEMENTS

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