

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[•], received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANGZHOU BOCO ELECTRONICS CO., LTD AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of 杭州鉑科電子股份有限公司 (Hangzhou BOCO Electronics Co., Ltd., being unofficial translation of the name to English, for identification purpose only, formerly known as “杭州鉑科電子有限公司”) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-4 to I-[•], which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-4 to I-[•] 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 H 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 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

[Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s and the Company’s financial position as at 31 December 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.]

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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-4 have been made.

Dividends

We refer to note [12] to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

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HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”) and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”), which is also the functional currency of the Company, 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

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Revenue	5	261,189	555,884	1,044,596
Cost of sales		(202,039)	(433,861)	(807,990)
Gross profit		59,150	122,023	236,606
Other income, expenses, gains and losses, net	6	8,300	12,865	14,236
Selling and marketing expenses		(4,735)	(6,749)	(7,065)
Administrative expenses		(13,643)	(14,815)	(30,071)
Research and development expenses		(42,258)	(63,231)	(83,273)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Net impairment losses under expected credit loss (“ECL”) model	8	(633)	(972)	(4,318)
Finance income	7	229	1,306	4,092
Finance costs	7	(3,871)	(4,208)	(4,258)
Changes in carrying amounts of redemption liabilities	28	(1,398)	(6,967)	(11,518)
Profit before tax	9	1,141	39,252	104,688
Income tax credit (expense).	10	3,096	349	(7,557)
Profit and total comprehensive income for the year, attributable to:		4,237	39,601	97,131
Owners of the Company		4,237	39,601	97,131
Non-controlling interests		N/A	N/A	—
		4,237	39,601	97,131
Earnings per share (RMB)	13			
— Basic		0.03	0.29	0.66
— Diluted.		0.03	0.29	0.66

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STATEMENTS OF FINANCIAL POSITION

		The Group			The Company		
		As at 31 December			As at 31 December		
	Notes	2023	2024	2025	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS							
Property, plant and equipment	14	36,004	54,816	77,703	36,357	54,612	47,506
Right-of-use assets	15	12,725	11,172	11,880	11,629	9,861	4,632
Intangible assets	16	1,951	1,856	2,322	1,951	1,830	1,984
Deferred tax assets	17	6,695	7,044	3,176	6,695	7,044	3,176
Investments in subsidiaries	38(a)	—	—	—	8,951	19,638	29,489
Deposits paid for acquisition of property, plant and equipment.		802	8,131	2,121	802	116	834
		58,177	83,019	97,202	66,385	93,101	87,621
CURRENT ASSETS							
Inventories	18	45,461	103,525	166,355	45,461	103,525	144,355
Trade and notes receivables	19	28,110	141,139	157,390	28,110	141,139	260,688
Other receivables and prepayments	19	3,641	5,626	47,895	9,027	22,587	47,866
Financial assets at fair value through other comprehensive income (“FVTOCI”)	21	—	13,790	—	—	13,790	—
Income tax recoverable		23	151	151	23	—	—
Financial assets at fair value through profit or loss (“FVTPL”)	22	42,615	10,652	35,755	39,106	10,007	35,100
Restricted bank deposits	23	20,213	27,510	107,429	20,213	26,464	100,388
Cash and cash equivalents	23	36,691	82,736	371,831	18,822	72,891	262,051
		176,754	385,129	886,806	160,762	390,403	850,448
CURRENT LIABILITIES							
Trade and notes payables	24	87,506	256,304	485,607	87,505	255,256	453,352
Other payables	24	17,395	25,510	40,252	14,005	31,844	38,284
Contract liabilities	25	13,035	7,903	8,574	13,035	7,903	8,574
Tax payable		1,442	—	3,153	—	—	1,631
Bank borrowings.	26	5,000	15,700	49,500	5,000	15,700	49,500
Lease liabilities	27	3,763	5,156	5,600	3,039	4,706	2,969
Redemption liabilities	28	9,202	16,169	—	9,202	16,169	—
		137,343	326,742	592,686	131,786	331,578	554,310
NET CURRENT ASSETS		39,411	58,387	294,120	28,976	58,825	296,138
TOTAL ASSETS LESS CURRENT LIABILITIES		97,588	141,406	391,322	95,361	151,926	383,759

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		The Group			The Company		
		As at 31 December			As at 31 December		
	Notes	2023	2024	2025	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES							
Lease liabilities	27	9,600	6,587	7,906	9,090	5,754	1,481
Deferred tax liabilities	17	—	—	536	—	—	—
Redemption liabilities	28	76,405	79,690	—	76,405	79,690	—
		86,005	86,277	8,442	85,495	85,444	1,481
Net Assets		11,583	55,129	382,880	9,866	66,482	382,278
CAPITAL AND RESERVES							
Paid-in capital	29	17,045	17,045	—	17,045	17,045	—
Share capital	29	—	—	18,603	—	—	18,603
Reserves	38(b)	(5,462)	38,084	360,277	(7,179)	49,437	363,675
Equity attributable to owners of the Company		11,583	55,129	378,880			
Non-controlling interests		—	—	4,000			
TOTAL EQUITY		11,583	55,129	382,880	9,866	66,482	382,278

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interest	Total
	Share capital	Paid-in capital	Capital reserve	Surplus reserve	Share-based payment reserve	Retained profits	Subtotal		
	RMB'000	RMB'000	RMB'000 (Note a)	RMB'000 (Note b)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	—	16,363	(18,035)	864	1,888	7,743	8,823	—	8,823
Profit and total comprehensive income for the year. . .	—	—	—	—	—	4,237	4,237	—	4,237
Capital contributions (note 29).	—	682	19,318	—	—	—	20,000	—	20,000
Recognition of redemption liabilities (note 28).	—	—	(24,387)	—	—	—	(24,387)	—	(24,387)
Transfer to surplus reserve (Note b)	—	—	—	365	—	(365)	—	—	—
Recognition of equity-settled share-based payment expenses (note 30).	—	—	—	—	2,910	—	2,910	—	2,910
As at 31 December 2023	—	17,045	(23,104)	1,229	4,798	11,615	11,583	—	11,583
Profit and total comprehensive income for the year. . .	—	—	—	—	—	39,601	39,601	—	39,601
Transfer to surplus reserve (Note b)	—	—	—	5,267	—	(5,267)	—	—	—
Recognition of equity-settled share-based payment expenses (note 30).	—	—	—	—	3,945	—	3,945	—	3,945
As at 31 December 2024	—	17,045	(23,104)	6,496	8,743	45,949	55,129	—	55,129
Profit and total comprehensive income for the year. . .	—	—	—	—	—	97,131	97,131	—	97,131
Capital contributions (note 29).	—	1,558	109,442	—	—	—	111,000	—	111,000
Capital contribution from a non-controlling shareholder of a subsidiary (note 39)	—	—	—	—	—	—	—	4,000	4,000
Recognition of redemption liabilities (note 28).	—	—	(22,344)	—	—	—	(22,344)	—	(22,344)
Derecognition of redemption liabilities (note 28).	—	—	132,318	—	—	—	132,318	—	132,318
Transfer to surplus reserve (Note b)	—	—	—	8,918	—	(8,918)	—	—	—
Recognition of equity-settled share-based payment expenses (note 30).	—	—	—	—	5,646	—	5,646	—	5,646
Conversion into a joint stock company (note 29).	18,603	(18,603)	162,049	(15,040)	(11,883)	(135,126)	—	—	—
As at 31 December 2025	18,603	—	358,361	374	2,506	(964)	378,880	4,000	382,880

Notes:

- Amount as at 1 January 2023 represents the excess of capital contributions from shareholders of the Company over total paid-in capital at the date of capital injection and redemption liabilities in relation of certain preferential rights in the Company granted to certain investors as disclosed in note 28.
- Pursuant to the relevant laws in the People’s Republic of China (the “PRC”), entities established in the Chinese Mainland are required to transfer at least 10% of their profit after tax in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC before any distribution of dividends to owner each year to surplus reserve until the reserve reaches 50% of their respective registered capitals. Such surplus reserve can be used to make up for previous years’ losses, expand the existing operations or convert into additional capital.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES			
Profit before tax	1,141	39,252	104,688
Adjustments for:			
Finance costs	3,871	4,208	4,258
Finance income	(229)	(1,306)	(4,092)
Depreciation of property, plant and equipment	5,986	11,101	17,155
Depreciation of right-of-use assets	4,731	5,117	4,447
Amortisation of intangible assets	149	218	259
Net impairment losses under ECL model	633	972	4,318
Net loss (gain) on disposal of property, plant and equipment	13	(12)	106
Net gain on early termination of right-of-use assets and lease liabilities	—	—	(538)
Allowances for inventories	2,344	4,466	10,611
Share-based payment expenses	2,910	3,945	5,646
Gain on changes in fair value of financial assets at FVTPL, net	(1,060)	(901)	(573)
Changes in the carrying amount of redemption liabilities	1,398	6,967	11,518
Net unrealised foreign exchange loss	—	—	2,571
Operating cash flows before movements in working capital	21,887	74,027	160,374
Decrease (increase) in inventories	3,791	(62,530)	(73,441)
Increase in trade, notes, other receivables and prepayments	(23,420)	(116,006)	(57,557)
(Increase) decrease in notes receivables at FVTOCI	—	(3,675)	3,675
Increase in trade, notes and other payables . .	65,583	265,984	355,690
Increase (decrease) in contract liabilities . . .	6,968	(5,132)	671
Cash generated from operations	74,809	152,668	389,412
Enterprise income tax paid	(288)	(1,570)	—
NET CASH FROM OPERATING ACTIVITIES	74,521	151,098	389,412

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL	(78,000)	(90,000)	(71,990)
Placement of restricted bank deposits	(42,113)	(125,954)	(234,358)
Purchase of and deposits paid for acquisition of property, plant and equipment	(20,680)	(34,839)	(30,445)
Purchase of intangible assets	(1,721)	(123)	(725)
Bank interest received	229	1,449	3,876
Proceeds on disposal of property, plant and equipment	518	443	1,333
Withdrawal of restricted bank deposits	1,771	26,751	32,872
Proceeds from disposal of financial assets at FVTPL	47,000	122,605	47,460
Purchase of financial assets at FVTOCI	—	(10,000)	—
Proceeds on disposal of financial assets at FVTOCI	—	—	10,332
NET CASH USED IN INVESTING ACTIVITIES	(92,996)	(109,668)	(241,645)
FINANCING ACTIVITIES			
Proceeds from issuance of financial instruments with redemption rights	20,000	—	20,000
New bank borrowings raised	5,000	16,500	49,500
Interest paid	(721)	(901)	(1,490)
Repayment of bank borrowings	(2,000)	(5,800)	(15,700)
Payments of lease liabilities	(4,528)	(5,184)	(2,854)
Proceeds from capital contributions from investors of the Company	—	—	91,000
Capital injections from a non-controlling shareholder of a subsidiary	—	—	4,000
Payment of accrued issue costs	—	—	(1,500)
NET CASH FROM FINANCING ACTIVITIES	17,751	4,615	142,956
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(724)	46,045	290,723
Effect of changes in exchange rates	—	—	(1,628)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	37,415	36,691	82,736
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
represented by bank balances and cash	36,691	82,736	371,831

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated and registered in the PRC on 4 March 2021 as a limited liability company. Pursuant to an acting-in-concert agreement and a supplementary agreement entered into between Mr. Yin Guodong (“**Mr. Yin**”) and Dr. Shen Guoqiao (“**Dr. Shen**”), they have been acting in concert throughout the Track Record Period. Mr. Yin, Dr. Shen, 杭州麒信企業管理諮詢合夥企業(有限合夥) (Hangzhou Qixin Enterprise Management Consulting Partnership (Limited Partnership), being unofficial translation of the name to English, for identification purpose only) (“**Hangzhou Qixin**”) and 杭州麟誠企業管理諮詢合夥企業(有限合夥) (Hangzhou Lincheng Enterprise Management Consulting Partnership (Limited Partnership), being unofficial translation of the name to English, for identification purpose only) (“**Hangzhou Lincheng**”), both of which were held by Mr. Yin as their sole general partner, together constitute a group of controlling shareholders of the Company. The other roles and responsibilities of Mr. Yin and Dr. Shen are set out in note 11. On 30 December 2025, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC and changed the name to 杭州鉑科電子股份有限公司 (Hangzhou BOCO Electronics Co., Ltd. being unofficial translation of the name to English, for identification purpose only, formerly known as “杭州鉑科電子有限公司”). The addresses of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” to the Document.

The Group is principally engaged in the research and development, manufacturing and sales of high-performance power supply/conversion products and others.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in note 3 which conform with IFRS Accounting Standards issued by the IASB.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group’s accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
IFRS 18	Presentation and Disclosure in Financial Statements ³

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IFRS 20

Regulatory Assets and Regulatory Liabilities⁴

- ¹ Effective for annual periods beginning on or after a date to be determined
- ² Effective for annual periods beginning on or after 1 January 2026
- ³ Effective for annual periods beginning on or after 1 January 2027
- ⁴ Effective for annual periods beginning on or after 1 January 2029

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the amendments to IFRS Accounting Standards above will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of IFRS 18) and IFRS 7 “Financial Instruments and Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is not expected to have material impact on the financial position of the Group but is expected to affect the structure and presentation of the statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

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

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less than any identified impairment loss on the statements of financial position of the Company.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in notes 5 and 25.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 “Leases” at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis.

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Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 “Financial Instruments” and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

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Share-based payments

Equity-settled share-based payment transactions

Equity-settled shares-based payment transactions: share awards and restricted share units (“RSU”) granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (included in share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-base payment reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

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

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For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 “Income Taxes” requirements to the lease liabilities and the right of use assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenses

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

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- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing and selling expenses.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 “Revenue from Contracts with Customers”. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is not a designated and effective hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. All other changes in the carrying amount of these debt instruments/receivables are

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recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the “other income, expenses, gains and losses, net” line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade, notes and other receivables, debt instruments/receivables at FVTOCI, restricted bank deposits and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. For all other instruments, the Group measures the impairment loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external (if available) market indicators of credit risk, e.g. a significant increase in the credit spread;

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- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

When contractual payments are more than 30 days past due, the Group may consider that the credit risk has not increased significantly based on past experience and satisfactory settlement history from the trade debtors.

The Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management purposes, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). When a financial asset is more than 90 days past due, it may not be considered as in default by the Group considering the historical and expected subsequent repayment from the trade debtors.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

The ECL on trade receivables with significant outstanding balances or high credit risk on the trade debtors are assessed on an individual basis and the remaining ones are considered on a collective basis taking into consideration the aging of the outstanding balances and relevant credit information such as forward looking macroeconomic information.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for financial assets at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account. For financial assets at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the reserve in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “finance income” line item.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of financial assets at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

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Financial liabilities or equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade, notes and other payables and redemption liabilities are subsequently measured at amortised cost, using the effective interest method.

Redemption liabilities

A contract that contains an obligation to purchase the equity instruments of the Company for cash or another financial asset gives rise to a financial liability for the present value or the estimated carrying amount of the redemption amount, even if the obligations to purchase by the Company is conditional on the counterparty exercising a right to redeem. Such redemption obligations are granted to certain investors in forms of certain preferred shareholders’ rights. The redemption liabilities are recognised as financial liability initially at the present value or the carrying amount of the redemption amount and reclassified from equity. Subsequently, the redemption liabilities are measured at amortised cost with changes in carrying amount recognised under “finance costs” or “change in carrying amount of redemption liabilities” line items in profit or loss according to the natures of the different shareholders’ right granted; and are reassessed at the end of each reporting period based on updated estimates.

The Group derecognises the financial liability when, and only when, the Group’s obligations are discharged, cancelled or have expired. Upon a termination of the redemption obligation, the carrying amount of the financial instruments derecognised was credited into the equity.

Derecognition of financial liabilities other than redemption liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Recognition of deferred tax assets

As at December 31, 2023, 2024 and 2025, deferred tax assets of RMB6,095,000, RMB5,273,000 and RMB25,000, respectively, in relation to unused tax losses for certain operating entities has been recognised in the consolidated statements of financial position as disclosed in note 17. No deferred tax asset has been recognised on the tax losses of RMB3,108,000, RMB8,697,000 and RMB6,688,000 as at December 31, 2023, 2024 and 2025, respectively, due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future, which is a key source of estimation uncertainty.

In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade receivables

The Group performs impairment assessment under ECL model on trade receivables individually and collectively, as set out in note 3.

The Group determines the ECL for the trade debtors with individually-significant trade receivables or with high credit risk on an individual basis with reference to their past default records (if any), current past due exposure and, where applicable, an analysis of their current financial information and/or publicly available information. The Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of trade debtors as groupings of various debtors, taking into consideration their historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group’s trade receivables are disclosed in notes 19 and 36.

Write-down of inventories

The Group’s inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the net realisable value with reference to aging and the conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed at the end of each reporting period for write-down, if appropriate. Further details of the inventories are set out in note 18.

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5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Sales of power supplies products, recognised at a point in time			
— Computing server power supplies			
• Application-specific computing server power supply	250,359	402,023	718,911
• Artificial intelligence computing server power supplies	63	1,668	7,432
	250,422	403,691	726,343
— Energy storage solution power conversion	10,723	152,055	318,253
— Others	44	138	—
	261,189	555,884	1,044,596

(ii) Revenue accounting policies and performance obligations for contracts with customers

Sales of power supplies products

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods underlying the particular performance obligation is transferred to the customer.

Revenue arising from sales of power supplies products is recognised at a point in time when the goods are accepted by the customers after delivery to the customers’ premises, since only by that time the Group passes control of the goods to the customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities.

Customers are sometimes required to make certain percentages of total consideration as prepayment before the Group deliver the products to customers. Contract liabilities are recognised when consideration is received in which revenue has yet been recognised. All the sales contracts that are unsatisfied are for periods of one year or less. As the Group applies the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iii) Segment information

For the purpose of resource allocation and assessment of performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

(iv) Geographical information

The Group’s non-current assets are all located in the PRC. The geographical information of the Group’s revenue, determined based on geographical locations of the registered office of customers, during the Track Record Period, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese Mainland	257,319	496,039	653,752
Singapore	—	—	165,643
Hong Kong, China	2,079	42,793	150,588
Others	1,791	17,052	74,613
	261,189	555,884	1,044,596

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(v) Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the Track Record Period is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	234,861	284,269	229,999
Customer B	N/A*	137,764	252,625
Customer C	N/A*	N/A*	278,732

* The corresponding revenue contributed to the total revenue of the Group is less than 10% in the relevant years.

6. OTHER INCOME, EXPENSES, GAINS AND LOSSES, NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income (expenses), gains (losses) include:			
Government grants (<i>Note i</i>)	5,501	3,914	9,307
Extra-deduction of input value-added tax (“VAT”) (<i>Note ii</i>)	—	2,959	—
VAT refund for software products (<i>Note iii</i>)	1,459	4,487	9,220
Gain on changes in fair value of financial assets at FVTPL, net	1,060	901	573
Net (loss) gain on disposal of property, plant and equipment.	(13)	12	(106)
Net gain on early termination of right-of-use assets and lease liabilities	—	—	538
Net foreign exchange gains (losses).	173	520	(4,988)
Others	120	72	(308)
	8,300	12,865	14,236

Notes:

- i. The government grants recognised mainly represent subsidies granted by local government authorities to support the operating activities of the Group, in which no future related cost is expected to be incurred. These government grants with no unfulfilled conditions or contingencies are recognised when payments were received.
- ii. Effective from 1 January 2023 to 31 December 2027, the net amount of VAT payables is reduced by an additional 5% of VAT on purchases, pursuant to the announcements jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC in 2023.
- iii. Pursuant to the Notice of VAT Policy of Software Products (Cai Shui [2011] No. 100) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, the actual VAT burden in excess of 3% of the sale amounts of software products developed and produced independently by an entity established in the Chinese Mainland are refunded after the relevant tax payments.

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7. FINANCE INCOME/COSTS — NET

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finance income from:			
— bank deposits	229	1,306	4,092
Finance costs arising from:			
— lease liabilities	(633)	(542)	(493)
— bank borrowings	(88)	(359)	(997)
— redemption liabilities (<i>note 28</i>)	(3,150)	(3,285)	(2,597)
— discounting notes receivables at FVTOCI	—	(22)	(171)
	(3,871)	(4,208)	(4,258)
Finance income/costs-net.	(3,642)	(2,902)	(166)

8. NET IMPAIRMENT LOSSES UNDER ECL MODEL

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses under ECL model, net of reversal, from			
— trade and notes receivables	300	931	3,950
— other receivables	333	41	368
	633	972	4,318

Details of impairment assessment are set out in note 36.

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9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment	5,986	11,101	17,155
Depreciation of right-of-use assets	4,731	5,117	4,447
Amortisation of intangible assets	149	218	259
Total depreciation and amortisation	10,866	16,436	21,861
Less: capitalised in inventories	(5,608)	(8,084)	(11,678)
Total depreciation and amortisation charged to profit or loss	5,258	8,352	10,183
Auditors’ remuneration	—	—	—
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cost of inventories recognised as cost of sales	198,857	427,189	794,251
Write-down of inventories	2,344	4,466	10,611
Directors’ and supervisors’ remunerations (note 11)	4,904	6,246	9,103
Other staff costs			
— Salaries and other benefits	40,475	67,200	96,515
— Retirement benefit scheme contributions	1,567	3,101	6,120
— Discretionary performance related bonus	6,734	10,531	14,150
— Share-based payment expenses	1,345	2,380	3,997
Total staff costs	55,025	89,458	129,885
Less: capitalised in inventories	(13,004)	(27,630)	(44,416)
Total staff costs charged to profit or loss	42,021	61,828	85,469
Included in research and development expenses are:			
— Staff costs	30,732	49,732	63,391
— Depreciation and amortisation	3,712	6,150	8,111

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10. INCOME TAX (CREDIT) EXPENSE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax:			
PRC Enterprise Income Tax (“EIT”)	1,539	—	2,375
Hong Kong profits tax.	—	—	778
	1,539	—	3,153
Deferred tax	(4,635)	(349)	4,404
	(3,096)	(349)	7,557

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong Dollar (“HK\$”) 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits.

The Company obtained the “High and New Technology Enterprise” certification in December 2023 and is entitled to a preferential tax rate of 15% for a period of three years from the date of the relevant certification until its expiry in December 2026. 杭州安瑞綠能科技有限公司 (Hangzhou Anrui Green Energy Technology Co., Ltd., being translation for identification purpose only) obtained the “High and New Technology Enterprise” certification in December 2021 and is entitled to a preferential tax rate of 15% for a period of three years from the date of relevant certification until its expiry in December 2024.

Other than as described above, under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the other subsidiaries established in the Chinese Mainland are subject to PRC EIT rate of 25% during the Track Record Period.

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Income tax (credit) expense for the years can be reconciled to profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Profit before tax	1,141	39,252	104,688
Tax at PRC EIT rate of 25%	285	9,813	26,172
Tax effect of expenses not deductible for tax purpose.	1,815	3,627	5,016
Tax effect of tax losses not recognised.	769	1,397	479
Tax effect of other deductible temporary differences not recognised	796	98	942
Tax effect attributable to the additional qualified tax deduction relating to research and development expenditures (<i>Note</i>)	(8,862)	(14,025)	(19,828)
Utilisation of deductible temporary differences previously not recognised	—	(1,493)	—
Utilisation of tax losses previously not recognised	—	—	(981)
Effect of income tax at different tax rates . . .	2,101	234	(4,243)
Income tax (credit) expense.	(3,096)	(349)	7,557

Note: Pursuant to relevant laws and regulations in the PRC, the Group enjoys super deduction of 100% on qualifying research and development expenditures throughout the Track Record Period.

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11. DIRECTORS’, SUPERVISOR’S, CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

(a) Directors’, Supervisor’s and the chief executive’s emoluments

During the Track Record Period, directors’ and supervisor’s remuneration (including emoluments for the services as employees of the group entities prior to becoming the directors of the Company) disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

		Salaries and allowances	Retirement benefit scheme contributions	Discretionary performance related bonus	Share-based payments	Total
	Date of appointment	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2023						
Directors						
Mr. Yin (<i>Note i</i>)	March 2021	655	7	150	—	812
Mr. Chen Gang (“ Mr. Chen G. ”) (<i>Note ii</i>)	March 2021	654	7	144	—	805
Dr. Shen (<i>Note ii</i>)	April 2023	659	7	250	1,418	2,334
Mr. Liu Zixi (“ Mr. Liu ”) (<i>Note iii</i>)	July 2021	—	—	—	—	—
Mr. Tang Mengyuan (“ Mr. Tang ”) (<i>Note iii</i>)	December 2022	—	—	—	—	—
Supervisor						
Mr. Chen Tie (“ Mr. Chen T. ”) (<i>Note iv</i>)	July 2021	655	7	144	147	953
		2,623	28	688	1,565	4,904

		Salaries and allowances	Retirement benefit scheme contributions	Discretionary performance related bonus	Share-based payments	Total
	Date of appointment	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2024						
Directors						
Mr. Yin (<i>Note i</i>)	March 2021	665	8	564	—	1,237
Mr. Chen G. (<i>Note ii</i>)	March 2021	664	8	300	—	972
Dr. Shen (<i>Note ii</i>)	April 2023	666	8	250	1,418	2,342
Mr. Zhang Weijia (“ Mr. Zhang ”) (<i>Note v</i>)	December 2025	434	6	135	—	575
Mr. Liu (<i>Note iii</i>)	July 2021	—	—	—	—	—
Mr. Tang (<i>Note iii</i>)	December 2022	—	—	—	—	—
Supervisor						
Mr. Chen T (<i>Note iv</i>)	July 2021	665	8	300	147	1,120
		3,094	38	1,549	1,565	6,246

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		Retirement benefit scheme contributions	Discretionary performance related bonus	Share-based payments	Total
	Date of appointment	Salaries and allowances			
		RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Directors					
Mr. Yin (<i>Note i</i>)	March 2021	682	9	1,490	—
Mr. Chen G (<i>Note ii</i>)	March 2021	681	9	1,049	—
Dr. Shen (<i>Note ii</i>)	April 2023	661	9	157	1,418
Mr. Zhang (<i>Note v</i>)	December 2025	654	9	529	84
Mr. Liu (<i>Note iii</i>)	July 2021	—	—	—	—
Mr. Tang (<i>Note iii</i>)	December 2022	—	—	—	—
Ms. Li Chengai (<i>Note vi</i>)	December 2025	—	—	—	—
Mr. Zhang Junming (<i>Note vi</i>)	December 2025	—	—	—	—
Ms. Yee, Janet Pui Fonk (<i>Note vi</i>)	December 2025	—	—	—	—
Mr. Chen T. (<i>Note iv</i>)	December 2025	682	9	824	147
		3,360	45	4,049	1,649

Notes:

- (i) Mr. Yin has been a director, the chairman of the board of directors and the general manager of the Company since its inception in March 2021 and was appointed as the chief executive officer in December 2025. Mr. Yin was redesignated as an executive director in January 2026 with effect from the date of [REDACTED] of the H shares on the Stock Exchange (the “[REDACTED]”) (the “[REDACTED]”).
- (ii) Mr. Chen G. and Dr. Shen were redesignated as executive directors in January 2026 with effect from the [REDACTED].
- (iii) The terms as directors of the Company expired in December 2025.
- (iv) Mr. Chen T served as a supervisor until he was appointed as a director of the Company in December 2025 and was redesignated as an executive director of the Company in January 2026 with effect from the [REDACTED].
- (v) Mr. Zhang joined the Group as Board secretary of the Company in May 2024 and was appointed as a director of the Company in December 2025 and was redesignated as an executive director of the Company in January 2026 with effect from the [REDACTED]. The remuneration disclosed above relates to his service as a key management personnel from the date of appointment.
- (vi) Ms. Li Chengai, Mr. Zhang Junming and Ms. Yee, Janet Pui Fonk were appointed as independent directors of the Company in December 2025 and were redesignated as independent non-executive directors of the Company in January 2026 with effect from the [REDACTED].

Date of appointments above represents the relevant dates on which the individuals became a director of the Company, and has been redesignated as executive directors or independence non-executive directors, as appropriate, in January 2026, with effect from the [REDACTED].

The emoluments of directors shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The supervisor’s emoluments shown above were for his services as a supervisor and as a director of the Company upon appointment in 2025. The discretionary performance-related bonuses were determined by the management of the Group by reference to the performance.

During the Track Record Period, there was no arrangement under which a director or supervisor or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisor of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

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(b) Five highest paid employees

The five highest paid employees of the Group for the years ended 31 December 2023, 2024 and 2025 include 2, 3 and 4 directors of the Company, respectively, whose emoluments, are set out above. The emoluments of the remaining 3, 2 and 1 employees for the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other benefits	1,915	1,323	681
Retirement benefit scheme contributions	20	16	9
Discretionary performance related bonus			
<i>(Note)</i>	850	1,119	862
Share-based payment expenses	476	287	1,446
	<u>3,261</u>	<u>2,745</u>	<u>2,998</u>

Note: Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.

The number of the highest paid employees (who are not the directors nor the supervisors of the Company) are within the following bands presented in HK\$:

	Year ended 31 December		
	2023	2024	2025
	<i>Number of individuals</i>		
HK\$1,000,001 to HK\$1,500,000	3	1	—
HK\$1,500,001 to HK\$2,000,000	—	1	—
HK\$2,500,001 to HK\$3,000,000	—	—	1
Total	<u>3</u>	<u>2</u>	<u>1</u>

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDENDS

No dividend was paid or declared by the Company during the Track Record Period, nor proposed since the end of the Track Record Period.

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13. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended 31 December		
	2023	2024	2025
Earnings (RMB’000):			
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	4,237	39,601	97,131
Number of shares (’000):			
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	[135,000]	[135,000]	[147,670]

The Investors’ Shares (as defined and detailed in note 28) with preferential rights, which were recorded as redemption liabilities in note 28, were not treated as outstanding shares and thus were excluded in the calculation of basic earnings per share until these rights were legally terminated on 30 September 2025.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the Track Record Period has been adjusted retrospectively for the effect of the conversion into a joint stock company and share subdivision as set out in note 29 as if they had been completed on 1 January 2023.

For the years ended 31 December 2023, 2024 and 2025, the Company had the Investors’ Shares (as defined and detailed in note 28) which are potential ordinary shares until the relevant preferential rights are legally terminated on 30 September 2025. The potential ordinary shares were not included in the calculation of diluted earnings per share as the average fair value of the shares of the Company was higher than the exercise price of the obligation arising from preferential rights to repurchase during each of the years of the Track Record Period.

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14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvement and machinery	Office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
At 1 January 2023.	9,661	9,071	156	—	18,888
Additions	21,873	2,390	1,448	—	25,711
Disposals	(534)	(8)	—	—	(542)
At 31 December 2023.	31,000	11,453	1,604	—	44,057
Additions	28,476	1,637	231	—	30,344
Disposals	(491)	(20)	—	—	(511)
At 31 December 2024.	58,985	13,070	1,835	—	73,890
Additions	33,411	3,708	348	7,472	44,939
Transfer.	7,230	—	—	(7,230)	—
Disposals	(4,159)	(1,808)	(273)	—	(6,240)
At 31 December 2025.	95,467	14,970	1,910	242	112,589
ACCUMULATED DEPRECIATION					
At 1 January 2023.	(879)	(1,182)	(17)	—	(2,078)
Provided for the year	(3,308)	(2,648)	(30)	—	(5,986)
Eliminated on disposals.	8	3	—	—	11
At 31 December 2023.	(4,179)	(3,827)	(47)	—	(8,053)
Provided for the year	(7,685)	(3,036)	(380)	—	(11,101)
Eliminated on disposals.	66	14	—	—	80
At 31 December 2024.	(11,798)	(6,849)	(427)	—	(19,074)
Provided for the year	(13,529)	(3,167)	(459)	—	(17,155)
Eliminated on disposals.	462	830	51	—	1,343
At 31 December 2025.	(24,865)	(9,186)	(835)	—	(34,886)
CARRYING VALUE					
At 31 December 2023.	26,821	7,626	1,557	—	36,004
At 31 December 2024.	47,187	6,221	1,408	—	54,816
At 31 December 2025.	70,602	5,784	1,075	242	77,703

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The Company

	Machinery	Office equipment	Motor vehicles	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST				
At 1 January 2023	10,121	9,013	156	19,290
Additions	21,874	2,390	1,448	25,712
Disposals	(534)	(8)	—	(542)
At 31 December 2023	31,461	11,395	1,604	44,460
Additions	28,278	1,575	25	29,878
Disposals	(491)	(20)	—	(511)
At 31 December 2024	59,248	12,950	1,629	73,827
Additions	9,457	1,348	240	11,045
Disposals	(4,032)	(3,352)	(34)	(7,418)
At 31 December 2025	64,673	10,946	1,835	77,454
ACCUMULATED DEPRECIATION				
At 1 January 2023	(921)	(1,152)	(17)	(2,090)
Provided for the year	(3,358)	(2,636)	(30)	(6,024)
Eliminated on disposals	8	3	—	11
At 31 December 2023	(4,271)	(3,785)	(47)	(8,103)
Provided for the year	(7,792)	(3,024)	(376)	(11,192)
Eliminated on disposals	66	14	—	80
At 31 December 2024	(11,997)	(6,795)	(423)	(19,215)
Provided for the year	(10,558)	(2,635)	(409)	(13,602)
Eliminated on disposals	1,058	1,801	10	2,869
At 31 December 2025	(21,497)	(7,629)	(822)	(29,948)
CARRYING VALUE				
At 31 December 2023	27,190	7,610	1,557	36,357
At 31 December 2024	47,251	6,155	1,206	54,612
At 31 December 2025	43,176	3,317	1,013	47,506

Included in the balances of machinery and office equipment of the Company as at 31 December 2023, 2024 and 2025 are certain items acquired from its subsidiaries prior to the Track Record Period, whose effects are eliminated at consolidation.

The above items of property, plant and equipment of the Group and the Company, except for construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives	Estimated residual values
	<i>years</i>	
Leasehold improvement	Estimated useful lives or remaining lease terms, whichever is shorter	0%
Machinery	3–10	0–10%
Office equipment	1–5	0–10%
Motor vehicles	4–5	5%

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15. RIGHT-OF-USE ASSETS

The Group

	<u>Office properties</u>
	<i>RMB’000</i>
COST	
At 1 January 2023	15,101
Additions	6,241
At 31 December 2023	21,342
Additions	3,564
Termination of lease	(3,221)
At 31 December 2024	21,685
Additions	9,919
Termination of lease	(11,521)
At 31 December 2025	20,083
ACCUMULATED DEPRECIATION	
At 1 January 2023	(3,886)
Provided for the year	(4,731)
At 31 December 2023	(8,617)
Provided for the year	(5,117)
Termination of lease	3,221
At 31 December 2024	(10,513)
Provided for the year	(4,447)
Termination of lease	6,757
At 31 December 2025	(8,203)
CARRYING VALUE	
At 31 December 2023	12,725
At 31 December 2024	11,172
At 31 December 2025	11,880

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Expenses relating to short-term leases	530	1,530	1,544
Total cash outflow for leases	5,761	7,184	4,891

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Restrictions or covenants on leases

In addition, lease liabilities of RMB13,363,000, RMB11,743,000 and RMB13,506,000 are recognised with related right-of-use assets of RMB12,725,000, RMB11,172,000 and RMB11,880,000 as at 31 December 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Company

	Office properties
	<i>RMB'000</i>
COST	
At 1 January 2023	14,061
Additions	5,344
At 31 December 2023	19,405
Additions	2,624
Termination of lease	(3,221)
At 31 December 2024	18,808
Additions	2,097
Termination of lease	(10,071)
At 31 December 2025	10,834
ACCUMULATED DEPRECIATION	
At 1 January 2023	(3,655)
Provided for the year	(4,121)
At 31 December 2023	(7,776)
Provided for the year	(4,392)
Termination of lease	3,221
At 31 December 2024	(8,947)
Provided for the year	(2,487)
Termination of lease	5,232
At 31 December 2025	(6,202)
CARRYING VALUE	
At 31 December 2023	11,629
At 31 December 2024	9,861
At 31 December 2025	4,632

During the Track Record Period, the Group and the Company lease various properties from independent third parties for the operations. Lease contracts are entered into for a fixed term of 2 to 6 years. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company apply the definition of a contract and determines the period for which the contract is enforceable.

The Group and the Company regularly entered into short-term leases. As at 31 December 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed above.

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16. INTANGIBLE ASSETS

The Group

	Software
	<i>RMB’000</i>
COST	
At 1 January 2023	360
Additions	1,761
At 31 December 2023	2,121
Additions	123
At 31 December 2024	2,244
Additions	725
At 31 December 2025	2,969
ACCUMULATED AMORTISATION	
At 1 January 2023	(21)
Provided for the year	(149)
At 31 December 2023	(170)
Provided for the year	(218)
At 31 December 2024	(388)
Provided for the year	(259)
At 31 December 2025	(647)
CARRYING VALUE	
At 31 December 2023	1,951
At 31 December 2024	1,856
At 31 December 2025	2,322

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The Company

	Software
	<i>RMB'000</i>
COST	
At 1 January 2023	360
Additions	1,761
At 31 December 2023	2,121
Additions	96
At 31 December 2024	2,217
Additions	398
At 31 December 2025	2,615
ACCUMULATED AMORTISATION	
At 1 January 2023	(21)
Provided for the year	(149)
At 31 December 2023	(170)
Provided for the year	(217)
At 31 December 2024	(387)
Provided for the year	(244)
At 31 December 2025	(631)
CARRYING VALUE	
At 31 December 2023	1,951
At 31 December 2024	1,830
At 31 December 2025	1,984

The above intangible assets of the Group and the Company have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	10 years
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17. DEFERRED TAXATION

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

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets	6,695	7,044	3,176	6,695	7,044	3,176
Deferred tax liabilities	—	—	(536)	—	—	—
	6,695	7,044	2,640	6,695	7,044	3,176

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The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

The Group

	Right-of use assets	Lease liabilities	Tax losses	Impairment loss on assets	Share-based payment expenses	Accelerated tax depreciation	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	(1,763)	1,821	1,939	13	88	—	(38)	2,060
(Charge) credit to profit or loss	(255)	272	4,156	406	213	—	(157)	4,635
At 31 December 2023	(2,018)	2,093	6,095	419	301	—	(195)	6,695
Credit (charge) to profit or loss	211	(215)	(822)	805	213	—	157	349
At 31 December 2024	(1,807)	1,878	5,273	1,224	514	—	(38)	7,044
(Charge) credit to profit or loss	(700)	576	(5,248)	2,176	212	(1,454)	34	(4,404)
At 31 December 2025	(2,507)	2,454	25	3,400	726	(1,454)	(4)	2,640

The Company

	Right-of use assets	Lease liabilities	Tax losses	Impairment loss on assets	Share-based payment expenses	Accelerated tax depreciation	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	(1,561)	1,619	1,939	13	88	—	(38)	2,060
(Charge) credit to profit or loss	(183)	200	4,156	406	213	—	(157)	4,635
At 31 December 2023	(1,744)	1,819	6,095	419	301	—	(195)	6,695
Credit (charge) to profit or loss	265	(250)	(841)	805	213	—	157	349
At 31 December 2024	(1,479)	1,569	5,254	1,224	514	—	(38)	7,044
Credit (charge) to profit or loss	784	(902)	(5,254)	2,001	212	(743)	34	(3,868)
At 31 December 2025	(695)	667	—	3,225	726	(743)	(4)	3,176

The following are the details of the tax losses of the Group and the Company during the Track Record Period:

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Unused tax losses under PRC EIT . .	43,743	43,801	6,789	40,635	35,026	—
Less: deferred tax asset recognised .	(40,635)	(35,104)	(101)	(40,635)	(35,026)	—
Unrecognised tax losses	3,108	8,697	6,688	—	—	—

No deferred tax asset has been recognised by the Group for the remaining tax losses as set out above due to the unpredictability of future profit streams. These unrecognised tax losses as at 31 December 2023, 2024 and 2025 of the Group will expire within 5 years from the year of originating under the EIT law of the PRC.

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18. INVENTORIES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	34,434	74,305	99,846	34,434	74,305	80,792
Work-in-progress	5,921	20,945	12,909	5,921	20,945	12,719
Finished goods	5,106	8,275	53,600	5,106	8,275	50,844
Total	45,461	103,525	166,355	45,461	103,525	144,355
The carrying amounts above is net of write-down of inventories	2,431	6,897	17,508	2,431	6,897	16,808

19. TRADE, NOTES AND OTHER RECEIVABLES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables from						
— third parties	10,914	87,333	162,143	10,914	87,333	94,080
— related parties	17,496	29,321	—	17,496	29,321	—
— subsidiaries	—	—	—	—	—	170,467
	28,410	116,654	162,143	28,410	116,654	264,547
Less: impairment loss allowance . . .	(300)	(1,156)	(5,106)	(300)	(1,156)	(4,212)
Trade receivables, net (<i>Notes i, v</i>) . .	28,110	115,498	157,037	28,110	115,498	260,335
Notes receivables, gross and net (<i>Note ii</i>)	—	25,641	353	—	25,641	353
Trade and notes receivables, net . . .	28,110	141,139	157,390	28,110	141,139	260,688
Other receivables and prepayments						
Advances to suppliers	1,741	2,155	2,037	725	1,092	987
Advance to a subsidiary for goods . .	—	—	—	533	2,704	—
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Amounts due from related parties (<i>Note iii</i>)	—	130	178	—	130	130
VAT recoverable	248	50	34,504	248	—	29,991
Other receivables	1,720	3,400	8,720	1,608	2,938	4,394
Deferred issue costs	—	—	2,917	—	—	2,917
Amounts due from subsidiaries (<i>Note iv</i>)	—	—	—	1,981	7,832	9,908
Dividend receivables from a subsidiary	—	—	—	4,000	8,000	—
	3,709	5,735	48,372	9,095	22,696	48,343
Less: impairment loss allowance . . .	(68)	(109)	(477)	(68)	(109)	(477)
Other receivables and prepayments, net (<i>Note v</i>)	3,641	5,626	47,895	9,027	22,587	47,866
Total	31,751	146,765	205,285	37,137	163,726	308,554

Notes:

- (i) As at 1 January 2023, trade receivables from contracts with customers of the Group and the Company amounted to RMB3,277,000.

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The Group generally allows a credit period typically within 60 days to its customers. The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on revenue recognition date at the end of each reporting periods.

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
0 to 180 days	27,301	112,823	155,269	27,301	112,823	258,567
Over 181 days	809	2,675	1,768	809	2,675	1,768
	<u>28,110</u>	<u>115,498</u>	<u>157,037</u>	<u>28,110</u>	<u>115,498</u>	<u>260,335</u>

Included in the balances of trade receivables of the Group and the Company as at 31 December 2023 and 2024 are amount due from 深圳比特微电子科技有限公司 (Shenzhen MicroBT Electronics Technology Co., Ltd., being unofficial translation of the name to English, for identification purpose only, a shareholder of the Company who is considered by the directors of the Company as having significant influence in the Group) (“**Shenzhen MicroBT**”) and its subsidiary (together, “**Shenzhen MicroBT Group**”) of RMB17,496,000 and RMB29,321,000, respectively.

From 12 December 2025 onward, Shenzhen MicroBT ceased to have the right to appoint one person as a director of the Company. The directors of the Company consider that Shenzhen MicroBT Group ceased to have significant influence on the Company and the Group and ceased to be identified as related parties as defined by IAS 24 “Related Party Disclosures”.

- (ii) The following is an aged analysis of notes receivables, net of impairment loss allowance, presented based on the issue dates of notes receivables.

	The Group and the Company		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0 to 180 days	—	25,641	353

- (iii) The balance of the Group as at 31 December 2024 solely represents amount due from Hangzhou Qixin, a shareholder of the Company and one of the RSU Platforms (as defined in note 30)) and as at 31 December 2025 represents amounts due from Hangzhou Qixin of RMB130,000 and Mr. Yin of RMB48,000. The balances of the Company as at 31 December 2024 and 2025 solely represent amount due from Hangzhou Qixin. All of these amounts of the Group and the Company are non-traded related, unsecured, interest free and repayable on demand. [The balance will be [fully settled] before the [REDACTED]].
- (iv) These amounts of the Company are non-trade related, unsecured, interest free and repayable on demand.
- (v) Movements of impairment loss allowance on trade and other receivables

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Movements of impairment loss allowance for trade receivables at lifetime ECL for the Track Record Period:

The Group

	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	—	—
Impairment loss allowance recognised	300	—	300
At 31 December 2023	300	—	300
Impairment loss allowance recognised	856	75	931
Write-offs	—	(75)	(75)
At 31 December 2024	1,156	—	1,156
Impairment loss allowance recognised	2,791	1,159	3,950
At 31 December 2025	3,947	1,159	5,106

The Company

	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	—	—
Impairment loss allowance recognised	300	—	300
At 31 December 2023	300	—	300
Impairment loss allowance recognised	856	75	931
Write-offs	—	(75)	(75)
At 31 December 2024	1,156	—	1,156
Impairment loss allowance recognised	1,897	1,159	3,056
At 31 December 2025	3,053	1,159	4,212

Movements of impairment loss allowance for other receivables for the Track Record Period:

The Group and the Company

	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	387	387
Impairment loss allowance recognised	68	265	333
Write-offs	—	(652)	(652)
At 31 December 2023	68	—	68
Impairment loss allowance recognised	41	—	41
At 31 December 2024	109	—	109
Impairment loss allowance recognised	368	—	368
At 31 December 2025	477	—	477

Details of currency risk and impairment assessment of trade, notes and other receivables are set out in note 36.

20. TRANSFERS OF FINANCIAL ASSETS

(a) Transferred financial assets that are not derecognised in their entirety

As at 31 December 2024, RMB678,000 of the Group’s and the Company’s notes receivables were endorsed to certain suppliers for settlement of trade payables with full recourse. If the notes receivables are not paid on maturity, the suppliers have the right to request the Group to pay the unsettled balances.

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As the Group and the Company had not transferred the significant risks and rewards relating to the notes receivables to the suppliers upon endorsement, they are continued to be recognised for the full carrying amounts of the relevant notes receivables and had recognised the payables from the endorsement of the notes receivables with full recourse.

(b) Transferred financial assets that are derecognised in their entirety

For the years ended 31 December 2023, 2024 and 2025, the Group and the Company had derecognised certain notes receivables discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB390,000, RMB39,510,000 and RMB61,000, respectively. Since these notes receivables were issued or guaranteed by reputable banks in the Chinese Mainland with high credit ratings, the directors of the Company consider that substantial risk in relation to these notes receivables was interest risk, as the credit risk arising from these notes receivables was minimal, the Group and the Company had transferred substantially all the risks of these notes receivables to relevant banks or suppliers.

21. FINANCIAL ASSETS AT FVTOCI

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes receivables (<i>Note i</i>)	—	3,675	—
Transferrable time deposit (<i>Note ii</i>)	—	10,115	—
	—	13,790	—

Notes:

- (i) The Group’s and the Company’s receivables at FVTOCI as at 31 December 2024 were certain notes receivables which were held by the Group for endorsing to suppliers before the notes receivables due for payments under IFRS 9. All of these notes receivables are maturing within 180 days from the end of the reporting periods. Details of impairment assessment are set out in note 36.
- (ii) During the year ended 31 December 2024, the Group and the Company entered into a contract of transferrable time deposit with a bank in the Chinese Mainland. The debt instrument was held by the Group within a business model whose objective is both collecting contractual cash flows and selling the financial assets when appropriate. Details of impairment assessment are set out in note 36.

22. FINANCIAL ASSETS AT FVTPL

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted financial products	42,615	10,652	35,755	39,106	10,007	35,100

During the Track Record Period, the Group and the Company entered into contracts of financial products with several financial institutions in the Chinese Mainland. The unlisted financial products investments are managed by licensed financial institutions in the Chinese Mainland to invest in certain financial assets locally. All investments had maturity date within one year and are classified as financial assets at FVTPL.

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23. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

The Group’s and the Company’s restricted bank deposits are deposited to banks for the issue of notes payables that are due within one year from the end of the respective reporting periods by the Group and the Company and are therefore classified as current assets. These restricted bank deposits will be released upon the settlement of relevant notes payables.

Bank balances and restricted bank deposits carry interest at market rates ranging from 0.05% to 1.30%, 0.05% to 1.20% and 0.01% to 0.80% per annum as at 31 December 2023, 2024 and 2025, respectively.

Cash and cash equivalents are mainly bank balances and demand deposits for the purpose of meeting the Group’s and the Company’s short term cash commitment.

Details of currency risk and impairment assessment of restricted bank deposits and cash and cash equivalents are set out in note 36.

24. TRADE, NOTES AND OTHER PAYABLES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables (<i>Note i</i>)	36,294	171,423	278,680	36,293	171,422	253,466
Notes payables (<i>Note ii</i>)	51,212	84,881	206,927	51,212	83,834	199,886
Trade and notes payables	87,506	256,304	485,607	87,505	255,256	453,352
Salaries and wages payables	11,373	17,881	21,864	9,471	16,342	18,471
Other taxes payables	3,420	2,797	1,679	1,621	2,797	795
Payables for purchases of property, plant and equipment	865	1,873	7,089	865	1,873	1,867
Amounts due to directors of the Company (<i>Note iii</i>)	34	62	16	24	51	6
Amounts due to subsidiaries (<i>Note iv</i>)	—	—	—	508	8,004	8,366
Accrued issue costs	—	—	1,420	—	—	1,420
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	1,703	2,897	3,440	1,516	2,777	2,615
Other payables	17,395	25,510	40,252	14,005	31,844	38,284
Total	104,901	281,814	525,859	101,510	287,100	491,636

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Notes:

- (i) Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received from the suppliers. The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting periods.

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	35,973	170,174	257,315	35,973	170,174	233,420
Over 90 days	321	1,249	21,365	320	1,248	20,046
	36,294	171,423	278,680	36,293	171,422	253,466

- (ii) Majority of the notes payables of the Group and the Company were secured by the restricted bank deposits of the Group and the Company. As at 31 December 2023, 2024 and 2025, all of the then outstanding notes payables of the Group and the Company presented based on issue dates at the end of each reporting periods are within 180 days.

- (iii) Details of the amounts are as follows:

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Yin	18	37	10	8	27	—
Dr. Shen	11	22	4	11	22	4
Mr. Chen G.	5	3	2	5	2	2
	34	62	16	24	51	6

All of these amounts are non-traded related, unsecured, interest free and repayable on demand. [The entire balances as at 31 December 2025 will be subsequently settled before the [REDACTED].]

- (iv) The amounts of the Company are non-traded related, unsecured, interest free and repayable on demand.

25. CONTRACT LIABILITIES

The Group and the Company

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts received in advance for				
— sales of products.	6,067	13,035	7,903	8,574

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The following table shows the revenue recognised relates to carried-forward contract liabilities at the beginning of the respective reporting period:

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	5,544	12,052	6,943

The Group and the Company require certain customers to pay certain percentages of total consideration as advance payment as part of credit risk management policies, which represents the Group’s and the Company’s obligation to transfer goods to a customer for which the Group and the Company had received consideration from the customer.

Contract liabilities that are expected to be settled within the Group’s and the Company’s normal operating cycle are classified as current liabilities based on the Group’s and the Company’s earliest obligation to transfer goods to the customers.

The significant increase in the Group’s and the Company’s contract liabilities for the year ended 31 December 2023 was mainly due to the expansion of the Group and increased amounts of advances received from new contracts.

The significant decrease in the Group’s and the Company’s contract liabilities for the year ended 31 December 2024 was mainly due to the changes in contract terms with some their existing customers.

26. BANK BORROWINGS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank loans, carry at fixed-rate, due within one year	5,000	15,700	49,500
Analysed as:			
Secured and guaranteed (<i>Note i</i>)	—	4,000	—
Secured and unguaranteed (<i>Note ii</i>)	3,000	—	20,000
Unsecured and guaranteed (<i>Note iii</i>)	2,000	11,700	—
Unsecured and unguaranteed	—	—	29,500
	5,000	15,700	49,500

Notes:

- (i) The relevant loan is secured by a patent owned by the Company and guaranteed by Mr. Yin and his spouse.
- (ii) The relevant loan is secured by patents owned by the Company.
- (iii) The relevant loans are guaranteed by Mr. Chen G., Mr. Yin and his spouse.
- (iv) The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group’s and the Company’s borrowings are as follows:

	As at 31 December		
	2023	2024	2025
Fixed-rate borrowings	3.80% to 3.85%	2.60% to 3.59%	2.21% to 2.70%

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(v) In respect of a bank loan with a carrying amount of RMB9,200,000 as at 31 December 2024 extended by a bank to the Company, the Company is required to comply with the following significant financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- Debt-to-asset ratio of the Company shall be no more than 86%;
- Contingent liability ratio of the Company shall be not more than 100%;
- The net operating cashflows of the Company shall not be negative for two consecutive years.

In respect of another bank loan with a carrying amount of RMB9,000,000 as at 31 December 2025 extended by a bank to the Company, the Company is required to comply with the following significant financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- Debt-to-asset ratio of the Company shall be no more than 90%;
- Contingent liability ratio of the Company shall be not more than 100%;
- The net operating cashflows of the Company shall not be negative for two consecutive years.

In the opinion of the directors of the Company, the Group and the Company are in compliance with these covenants throughout the Track Record Period.

27. LEASE LIABILITIES

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:						
Within one year.	3,763	5,156	5,600	3,039	4,706	2,969
Within a period of more than one year but not exceeding two years .	3,602	4,207	3,808	3,335	3,647	1,481
Within a period of more than two years but not exceeding five years.	5,998	2,380	4,098	5,755	2,107	—
	13,363	11,743	13,506	12,129	10,460	4,450
Less: amounts due for settlement within 12 months shown under current liabilities . . .	(3,763)	(5,156)	(5,600)	(3,039)	(4,706)	(2,969)
Amounts due for settlement after 12 months shown under non-current liabilities	9,600	6,587	7,906	9,090	5,754	1,481

The Group’s and the Company’s incremental borrowing rates applied to lease liabilities ranged from 3.85% to 4.65% per annum, and 3.85% to 4.65% per annum and 3.50% to 4.30% per annum as at 31 December 2023, 2024 and 2025 respectively.

28. REDEMPTION LIABILITIES

The Group and the Company

In May 2021, the Company entered into investment agreements with an independent investor (the “**Series Angel Investor**”), pursuant to which the investor made an investment of RMB5,000,000 for subscription of the Company’s paid-in capital of RMB1,500,000 (the “**Series Angel Shares**”) with certain preferential rights in the Company. The cash consideration was fully settled in July 2021.

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In November 2022, the Company entered into investment agreements with certain independent investors (the “**Series A Investors**”), pursuant to which these investors made an aggregate investment of RMB60,000,000 for subscription of the Company’s paid-in capital of RMB2,045,000 (the “**Series A Shares**”) with certain preferential rights in the Company. The cash consideration was fully settled in December 2022 and January 2023.

In January 2024, the Company, the Series Angel Investor and Series A Investors entered into a share transfer agreement with certain independent investors, pursuant to which certain equity interests of the Company held by the Series Angel Investor and the Series A Investors (including the above-mentioned preferential rights in the Company) had been transferred to these independent investors.

In August 2025, the Company, the Series Angel Investor and Series A Investors entered into several other share transfer agreements with certain independent investors, pursuant to which certain equity interests of the Company held by the Series Angel Investor and Series A Investors (including the above-mentioned preferential rights in the Company) had been transferred to these independent investors.

In September 2025, the Company entered into an investment agreement with certain independent investors (the “**Series B Investors**”), pursuant to which these investors made an aggregate investment of RMB20,000,000 for subscription of the Company’s paid-in capital of RMB341,000 (the “**Series B Shares**”) with certain preferential rights in the Company. The cash consideration was fully settled in September 2025.

In September 2025, the Company also entered into another investment agreement with certain independent investors (the “**Series B+ Investors**”), pursuant to which these investors made an aggregate investment of RMB91,000,000 for subscription of the Company’s paid-in capital of RMB1,217,000 (the “**Series B+ Shares**”) with certain preferential rights in the Company, which would be effective upon receipt the full consideration by the Group. Such consideration has been received in full in October 2025.

On 30 September 2025, the obligations of the Company arising from the redemption rights and liquidation preferences attached to (i) the Series Angel Shares, Series A Shares, Series B Shares were terminated and (ii) the Series B+ Shares will be terminated upon they become effective in October 2025 irrespective of whether the H shares of the Company be [REDACTED] on the Stock Exchange pursuant to a termination agreement entered into by the Company with respect to each of the investors. The Series Angel Shares, Series A Shares, Series B Shares and Series B+ Shares are collectively be referred to as the “Investors’ Shares”.

The key terms of the Investors’ Shares prior to the termination of the obligations of the Company arising from the redemption rights and liquidation preferences are summarised as follows:

Redemption rights

If the Company failed to complete a qualified [REDACTED] before 31 December 2027 and/or upon occurrence of certain contingent events as stipulated in the relevant investment agreements, at the option of the Series A Investors, Series B Investors and Series B+ Investors, any Series A Investors, Series B Investors and Series B+ Investors have rights to require the Company and/or the controlling shareholder to redeem all of the outstanding shares held by the Series A Investors, Series B Investors and Series B+ Investors. The redemption amount is calculated as the higher of (i) the original investment principal from the Series A Investors, Series B Investors and Series B+ Investors plus an interest of 10% per annum calculated on a simple basis from the settlement date of the cash considerations paid by Series A Investors, Series B Investors and Series B+ Investors, less the cash

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dividend or cash compensation, if any, collected by the Series A Investors, Series B Investors and Series B+ Investors; and (ii) the net assets of the Group attributable to the corresponding shareholding held by the Series A Investors, Series B Investors and Series B+ Investors in the Company.

Liquidation preferences

In the event of any liquidation including but not limited to insolvency liquidation, dissolving liquidation and deemed liquidation (such as the event that results in a change in controlling shareholder of the Company) as stipulated in the relevant investment agreements (together, the “**Liquidation Events**”), all the funds and assets available for distribution to shareholders shall be distributed in accordance with the scheme below, (i) the Series A Investors, Series B Investors and Series B+ Investors shall be entitled to receive the amount equal to the original investment principal amount paid by Series A Investors, Series B Investors and Series B+ Investors; and (ii) Series Angel Investor should be entitled to receive the amount equal to the original investment principal amount paid by the Series Angel Investor; and (iii) all of the remaining proceeds available for distribution to shareholders shall be distributed among all shareholders of the Company. If the amount of distributable proceeds was less than the liquidation preference amount, the investors shall be entitled the amount based on the percentage of each investor’s share in the Company in accordance with the liquidation preferences in the scheme.

The redemption rights and liquidation preferences granted to the holders of the Investors’ Shares constitute the Company’s obligations to repurchase its own equity instruments. As the Group and the Company did not have an unconditional right to avoid redeeming the Investors’ Shares for cash, the Group and the Company recognised financial liabilities for the obligation to redeem the Investors’ Shares, which represents the amount expected to be paid for the Investors’ Shares upon occurrence of any event with the highest settlement outcome. These financial liabilities were subsequently measured at amortised cost. Pursuant to the termination agreement of Investors’ Shares entered into by the Company and the relevant investors, the preferential rights in respect of redemption rights and liquidation preferences were automatically terminated on 30 September 2025 and accordingly, the carrying amount of the financial liabilities of all redemption liabilities was derecognised upon the termination of the preferential rights on 30 September 2025.

The movements of the redemption liabilities of the Group and the Company are as follows:

	<i>RMB’000</i>
As at 1 January 2023	56,672
Recognition of redemption liabilities	24,387
Charged to finance costs	3,150
Changes in carrying amounts of redemption liabilities	1,398
As at 31 December 2023	85,607
Charged to finance costs	3,285
Changes in carrying amounts of redemption liabilities	6,967
As at 31 December 2024	95,859
Recognition of redemption liabilities	22,344
Charged to finance costs	2,597
Changes in carrying amounts of redemption liabilities	11,518
Derecognition of redemption liabilities	(132,318)
As at 31 December 2025	—

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29. PAID-IN CAPITAL/SHARE CAPITAL

Paid-in capital is generated from founders’ and investors’ capital injection. The excess of total consideration raised over paid-in capital was credited to the Company’s capital reserve. The Company was converted into a joint stock company with limited liability on 30 December 2025. The summary of movements in the Company’s paid-in capital/share capital are set out as below.

	Paid-in capital
	<i>RMB’000</i>
<i>Registered and fully paid:</i>	
As at 1 January 2023	16,363
Capital injection (<i>Note i</i>).	682
As at 31 December 2023 and 2024	17,045
Capital injection (<i>Note ii</i>)	1,558
As at 30 December 2025 immediately before conversion into a joint stock company (<i>Note iii</i>)	18,603

Share capital

	Number of shares	Nominal value of shares
		<i>RMB’000</i>
Ordinary shares of RMB1 each		
<i>Authorised and issued</i>		
Issue of ordinary shares upon conversion into a joint stock company on 30 December 2025 and as at 31 December 2025 (<i>Note iii</i>)	18,603,410	18,603

Notes:

- (i) Pursuant to the share purchase agreement of the Series A Shares, certain Series A Investors made an aggregate capital contribution of RMB20,000,000 to the Company in 2023, of which RMB682,000 was credited to the Company’s paid-in capital and the remaining RMB19,318,000 was credited to capital reserve.
- (ii) Pursuant to the share purchase agreements of the Series B Shares and Series B+ Shares, Series B Investors and Series B+ Investors made an aggregate capital contribution of RMB111,000,000 into the Company in 2025, of which RMB1,558,000 was credited to the Company’s paid-in capital and the remaining RMB109,442,000 was credited to capital reserve.
- (iii) On 30 December 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. Upon completion of such conversion, the registered capital of the Company was RMB18,603,410 divided into 18,603,410 ordinary shares with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders of the Company in proportion to their respective equity interests in the Company immediately before the conversion.
- (iv) In January 2026, a resolution was passed by the then shareholders of the Company, pursuant to which each of the share of the Company with a nominal value of RMB1.00 each shall be sub-divided into 10 shares with a nominal value of RMB0.10 each, and shall take effect immediately before the [REDACTED], upon which the share capital of the Company shall be RMB18,603,410 divided into 186,034,100 shares with a nominal value of RMB0.10 per share, which will be held by all the then shareholders of the Company in proportion to their respective shareholding interests in the Company.

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30. SHARE-BASED PAYMENTS

Equity-settled share incentive schemes of the Company

The Group operates share-based payment scheme (the “**Scheme**”) for the purpose of providing incentives and rewards to better aligning the interests of eligible participants and the Group. Eligible participants of the Scheme include the Company’s directors and the Group’s employees.

The Company granted RSUs of the Company to certain eligible participants through certain employee incentive platforms (the “**RSU Platforms**”), which are controlled and managed by Mr. Yin. According to the Scheme, different grantees subscribed for partnership interest at a specified consideration price and become limited partners of certain RSU Platforms, thereby indirectly holding the RSUs.

In August 2022, the Company also granted shares of the Company to Dr. Shen directly.

The vesting of the RSUs and share awards granted are subject to the eligible participants remaining at all times after the date of granting(s) and on the vesting date(s) eligible participants of the Scheme. RSUs and share awards granted under the Scheme are time-based. The time-based RSUs and share awards shall have the vesting periods for different batches as follows:

- (i) 60% of the RSUs and share awards shall vest on the fifth anniversary of the date of commencement of employment of the respective grantee. Every 10% of the RSUs and share awards shall vest each time on the sixth, seventh, eighth and ninth anniversary of the date of commencement of employment of the same grantee.
- (ii) 33%, 33% and 34% of the RSUs shall vest each time on the third, fourth and fifth anniversary of the date of grant date.

RSUs and share awards shall not be transferable or assignable and no grantees shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person prior to vesting. If a grantee ceases to be employed by the Group within the vesting period, the general partner of relevant RSU Platforms or designated third party (for the case of the RSUs) or Mr. Yin (for the case of the share awards) has a right to repurchase the underlying RSUs or share awards base on pre-determined transaction prices.

The following tables disclose particulars of the RSUs and share awards granted under the Scheme during the Track Record Period:

The RSUs

Tranche	Dates of grant	Subscription price per RSU	Vesting dates	Grant date fair value per RSU
		<i>RMB</i>		<i>RMB</i>
Lot A.	4 June 2021 to 15 July 2021	0.99–1.01	April 2026 to May 2030	3.80–3.82
Lot B.	9 October 2021 to 30 December 2021	1.00–1.01	April 2026 to November 2030	3.83–3.84
Lot C.	1 March 2022 to 18 July 2022	3.33	April 2027 to June 2031	12.30
Lot D.	21 December 2022 to 16 January 2023	3.33	April 2026 to August 2031	18.13

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Tranche	Dates of grant	Subscription price per RSU	Vesting dates	Grant date fair value per RSU
		<i>RMB</i>		<i>RMB</i>
Lot E.	26 October 2023 to 28 December 2023	5.86–5.88	April 2026 to August 2032	22.90–22.92
Lot F (<i>Note</i>).	21 February 2024	5.87	January 2029 to January 2033	22.88
Lot G	24 April 2025	0.79	April 2026 to January 2032	32.51
Lot H	11 December 2025 to 5 January 2026	11.73–11.74	December 2028 to January 2031	74.55–74.56

Tranche	Amount of registered capital/paid-in capital		
	As at 31 December		As at 30 December
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Lot A.	785	785	785
Lot B.	222	219	3
Lot C.	190	183	181
Lot D.	52	52	37
Lot E.	244	225	216
Lot G.	—	—	164
Lot H.	—	—	470
	1,493	1,464	1,856

Note: During the year ended 31 December 2024, the grantees of the Group under Lot F resigned and the corresponding RSUs granted were forfeited accordingly.

The Share Awards

Grantee	Dates of grant	Subscription price	Vesting dates	Grant date fair value per award	Amount of registered capital/paid-in capital
		<i>RMB</i>		<i>RMB</i>	<i>RMB’000</i>
Dr. Shen	1 August 2022	1.00	April 2027 to April 2031	14.63	525

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The following table reflect the impact of the share conversion of the Company, as detailed in note 29, on the RSUs and share awards.

	Unvested registered shares
	<i>(in thousands)</i>
The RSUs	
As at 30 December 2025 (Date of conversion into a joint stock company) and as at	
31 December 2025	<u>1,856</u>
The Share Awards	
As at 30 December 2025 (Date of conversion into a joint stock company) and as at	
31 December 2025	<u>525</u>

The fair values of the Lots A–H of the RSUs and share awards as at different grant dates were estimated by an independent valuer, Avista Valuation Advisory Limited (Address: Suites 2401–06, 24/F, Everbright Centre, 108 Gloucester Road, Wan Chai, Hong Kong).

The Group applied the discounted cash flow method under the income approach for Lot D, Lot G and Lot H and the recent transaction method under the market approach for remaining lots and share awards to determine the underlying equity value of the Company and adopted equity allocation model to determine the fair value of the RSUs and share awards granted. Cash flow projections based on financial forecasts approved by management covering a five-year period and discount rates of 18%, 16% and 15% for Lot D, Lot G and Lot H, respectively. Cash flow beyond that five-year period has been extrapolated using a steady 2% growth rate for all of Lot D, Lot G and Lot H. This growth rate does not exceed the long-term average growth rate for the market in which the Group operates.

As the grantees either indirectly holding the RSUs in the relevant RSU Platforms (being shareholders of the Company) or directly holding the shares of the Company, as appropriate, where the relevant RSUs and share awards were first transferred from Mr. Yin, the issuance of the RSUs and share awards to the eligible participants is regarded as a contribution from a shareholder. Accordingly, during the years ended 31 December 2023, 2024 and 2025, the Group recognised a total share-based payment expenses of RMB2,910,000 RMB3,945,000 and RMB5,646,000, respectively, with a corresponding adjustment to the share-based payment reserve in the equity.

31. PLEDGE OF ASSETS

The following assets have been pledged to various banks for obtaining line of credit and, securing of the Group’s and the Company’s banking facilities or the issue of notes payables at the end of each reporting period:

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Notes receivables	—	678	—	—	678	—
Restricted bank deposits	20,213	27,510	107,429	20,213	26,464	100,388
	<u>20,213</u>	<u>28,188</u>	<u>107,429</u>	<u>20,213</u>	<u>27,142</u>	<u>100,388</u>

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32. CAPITAL COMMITMENTS

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the Historical Financial Information.	3,359	12,948	22,605

33. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities	Bank borrowings	Redemption liabilities	Deferred issue costs and accrued issue costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023.	11,650	2,000	56,672	—	70,322
Financing cash flows	(5,161)	2,912	20,000	—	17,751
Non-cash changes					
Addition of lease	6,241	—	—	—	6,241
Interest expenses	633	88	3,150	—	3,871
Issuance of financial instruments with redemption rights.	—	—	4,387	—	4,387
Changes in carrying amounts of redemption liabilities	—	—	1,398	—	1,398
At 31 December 2023.	13,363	5,000	85,607	—	103,970
Financing cash flows	(5,726)	10,341	—	—	4,615
Non-cash changes					
Addition of lease	3,564	—	—	—	3,564
Interest expenses	542	359	3,285	—	4,186
Changes in carrying amounts of redemption liabilities	—	—	6,967	—	6,967
At 31 December 2024.	11,743	15,700	95,859	—	123,302
Financing cash flows	(3,347)	32,803	20,000	(1,500)	47,956
Non-cash changes					
Addition of lease	9,919	—	—	—	9,919
Interest expenses	493	997	2,597	—	4,087
Termination of lease	(5,302)	—	—	—	(5,302)
Issuance of financial instruments with redemption rights.	—	—	2,344	—	2,344
Changes in carrying amounts of redemption liabilities	—	—	11,518	—	11,518
Derecognition of redemption liabilities	—	—	(132,318)	—	(132,318)
Deferred issue cost	—	—	—	2,917	2,917
At 31 December 2025.	13,506	49,500	—	1,417	64,423

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34. RETIREMENT BENEFITS PLANS

The employees of the Group in the Chinese Mainland are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The entities in the Chinese Mainland are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

For the years ended 31 December 2023, 2024 and 2025, the total amount provided by the Group to the scheme or plans in the Chinese mainland and charged to profit or loss are RMB1,595,000, RMB3,139,000 and RMB6,165,000, respectively.

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged.

The capital structure of the Group consists of net debt, which includes bank borrowings, lease liabilities and redemption liabilities disclosed in notes 26, 27 and 28, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising paid-in capital/share capital and various reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the issue of new shares, new debts or the redemption of existing debts.

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group and the Company

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets						
Financial assets at amortised cost . .	86,666	254,806	645,071	74,666	259,285	637,082
Financial assets at FVTOCI	—	13,790	—	—	13,790	—
Financial assets at FVTPL	42,615	10,652	35,755	39,106	10,007	35,100
	<u>129,281</u>	<u>279,248</u>	<u>680,826</u>	<u>113,772</u>	<u>283,082</u>	<u>672,182</u>
Financial liabilities						
Financial liabilities at amortised cost	180,715	372,695	551,816	181,025	379,520	521,870

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(b) Financial risk management objectives and policies

The Group’s major financial instruments include trade, notes and other receivables, amounts due from related parties, financial assets at FVTOCI, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, trade, notes and other payables, bank borrowings, lease liabilities and redemption liabilities. The Company’s major financial instruments include trade, notes and other receivables, amounts due from related parties, amounts due from subsidiaries, dividend receivables from a subsidiary, financial assets at FVTOCI, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, trade, notes and other payables, bank borrowings, lease liabilities and redemption liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group and the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group’s and the Company’s activities expose it primarily to currency risk and interest rate risk. There had been no change in the Group’s and the Company’s exposure to these risks or the manner in which it managed and measured the risks during the Track Record Period.

(i) Currency risk

The Group and the Company have foreign currency transactions, including sales, which expose the Group to foreign currency risk. Certain of the Group’s and the Company’s bank balances and trade receivables are denominated in currencies other than the functional currency of the relevant group entities and expose to such foreign currency risk.

The carrying amounts of the mainly foreign currency denominated monetary assets other than functional currencies of the relevant group entities at the end of each reporting period are as follows:

	The Group			The Company		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Assets						
United States Dollar (“USD”).	2,385	52,302	358,835	2,385	52,302	350,231

Sensitivity analysis

The following table details the Group’s and the Company’s sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in post-tax profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax profit and the amounts below would be positive.

	The Group			The Company		
	Year ended 31 December			Year ended 31 December		
	2023	2024	2025	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
USD impact.	(101)	(2,223)	(15,125)	(101)	(2,223)	(14,885)

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(ii) Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to, fixed-rate cash and cash equivalents, bank borrowings, lease liabilities and redemption liabilities (details are set out in notes 23, 26, 27 and 28, respectively). The Group and the Company are also exposed to cash flow interest rate risk in relation to floating-rate restricted bank deposits and floating-rate cash and cash equivalents (details are set out in note 23). The Group and the Company manage their interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

The Group and the Company currently do not have formal interest rate hedging policies. The management of the Group and the Company monitors the Group’s and the Company’s exposures on an on-going basis and will consider hedging interest rate risk should the need arise.

In the opinion of the management of the Group, the exposure of cash flow interest rate risk arising from floating-rate restricted bank deposits and cash and cash equivalents is insignificant and accordingly no sensitivity analysis is presented.

Credit risk and impairment assessment

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company consider all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

The Group’s and the Company’s maximum exposure to credit risk in the event of the counterparties’ failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statements of financial position.

The Group’s and the Company’s credit risk is primarily attributable to its trade, notes and other receivables, financial assets at FVTOCI, restricted bank deposits and bank balances.

In order to minimise the credit risk, the management of the Group and the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The restricted bank deposits, bank balances, notes receivables and financial assets at FVTOCI are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, bank balances, notes receivables and financial assets at FVTOCI is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

The Group has concentration of credit risk as 62%, 25% and 33% of the total trade receivables was due from the Group’s largest customer as at 31 December 2023, 2024 and 2025, respectively, and 96%, 90% and 66% of the total trade receivables was due from the Group’s five largest customers in aggregate as at 31 December 2023, 2024 and 2025, respectively.

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Trade receivables

For trade receivables, the Group and the Company have applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Group and the Company determine the ECL for the trade debtors with individually-significant trade receivables or with high credit risk on an individual basis by applying internal credit rating for trade debtors under this model and the Group and the Company assess the trade debtors with reference to their past default record, current past due exposure and, where applicable, an analysis of their current financial information and/or publicly available information. In calculating the ECL, the loss rates were estimated based on internal credit ratings of the trade debtors, comparable probability of default and were adjusted for forward-looking information that is available without undue cost or effort.

In addition, the Group and the Company grouped the remaining trade receivables based on shared credit risk characteristics by reference to the aging of outstanding balances. The Group and the Company use practical expedient in estimating ECL on remaining trade receivables which are not assessed individually using a provision matrix. The Group and the Company use debtors’ aging to assess the impairment for them without further distinction as they consisted of many customers with common risk characteristics and the historical credit loss experience does not indicate significantly different loss patterns for different customers. The estimated loss rates are based on the Group’s historical observed default rates over the expected life of the debtors and were adjusted for forward-looking information that is available without undue cost or effort.

The Group and the Company write off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

In order to minimise credit risk, the Group and the Company have tasked its operation management committee to develop and maintain the Group’s and the Company’s credit risk gradings to categorise exposures according to their degree of risk of default.

Other receivables

For other receivables, the Group and the Company make periodic collective assessments as well as individual assessment on the recoverability of other receivables based on aging of debtors, historical settlement records, past experience and other factors. The Group and the Company determine the ECL on an individual basis for the debtors with certain nature and the remaining is estimated collectively by using a provision matrix. For provision matrix based on collective basis, the Group and the Company have applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, since the directors of the Company assessed that there has not been any significant increase in credit risk.

Amounts due from related parties/amounts due from subsidiaries/dividend receivables from a subsidiary

The ECL on amounts due from related parties, amounts due from subsidiaries and dividend receivables from a subsidiary are assessed individually based on the probability of defaults of amounts due from related parties, amounts due from subsidiaries and dividend receivables from a subsidiary, the management has taken into account the financial position of the counter parties as well as forward looking information that is available without undue cost or effort. The Group and the Company assessed the ECL for amounts due from related parties, amounts due from subsidiaries and dividend from a subsidiary are insignificant and thus no loss allowance was recognised during the Track Record Period.

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The following table shows the Group’s and the Company’s credit risk grading framework in respect of financial assets:

Categories	Descriptions	Trade receivables	Other financial assets
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Default.	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset has occurred	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off.	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group’s and the Company’s financial assets which are subject to ECL assessment:

	Notes	Internal credit Ratings	12m or lifetime ECL	The Group			The Company		
				Gross carrying amount			Gross carrying amount		
				31 December 2023	31 December 2024	31 December 2025	31 December 2023	31 December 2024	31 December 2025
				RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables									
— Individual assessment	19	Doubtful	Lifetime ECL — not credit-impaired	17,496	94,555	88,010	17,496	94,555	36,020
— Individual assessment	19	Default	Lifetime ECL — credit-impaired	—	—	1,159	—	—	1,159
— Collective assessment	19	Note 1	Lifetime ECL — not credit-impaired	10,914	22,099	72,974	10,914	22,099	227,368
				<u>28,410</u>	<u>116,654</u>	<u>162,143</u>	<u>28,410</u>	<u>116,654</u>	<u>264,547</u>
Notes receivables	19	Performing	12m ECL	—	25,641	353	—	25,641	353
Amounts due from related parties	19	Performing	12m ECL	—	130	178	—	130	130
Amounts due from subsidiaries	19	Performing	12m ECL	—	—	—	1,981	7,832	9,908
Dividend receivables from a subsidiary.	19	Performing	12m ECL	—	—	—	4,000	8,000	—
Other receivables									
— Individual assessment	19	Doubtful	Lifetime ECL — not credit-impaired	742	1,713	2,413	742	1,713	2,413
— Collective assessment	19	Note 2	12m ECL	978	1,687	6,307	866	1,225	1,981
				<u>1,720</u>	<u>3,400</u>	<u>8,720</u>	<u>1,608</u>	<u>2,938</u>	<u>4,394</u>

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	Notes	Internal credit Ratings	12m or lifetime ECL	The Group			The Company		
				Gross carrying amount			Gross carrying amount		
				31 December 2023	31 December 2024	31 December 2025	31 December 2023	31 December 2024	31 December 2025
				RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at									
FVTOCI	21	Performing	12m ECL	—	13,790	—	—	13,790	—
Restricted bank deposits	23	Performing	12m ECL	20,213	27,510	107,429	20,213	26,464	100,388
Cash and cash equivalents	23	Performing	12m ECL	36,691	82,736	371,831	18,822	72,891	262,051

Note 1: For trade receivables, the Group and the Company have applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. Except for debtors with individually-significant trade receivables or high credit risk, the Group and the Company determine the ECL on these items on a collective basis, grouped by aging.

Note 2: The Group and the Company have applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, since the directors of the Company assessed that there has not been any significant increase in credit risk. Except for debtors assessed individually, the Group and the Company determine the ECL on these items on a collective basis, grouped by aging.

The following tables provide information about the exposure to credit risk for trade receivables which are assessed based on an individual basis and a provision matrix grouped by aging of the receivables as at 31 December 2023, 2024 and 2025, respectively, within lifetime ECL (not credit-impaired) and other financial assets measured at amortised cost.

The Group

	At 31 December 2023		At 31 December 2024		At 31 December 2025	
	Weighted average loss rate	Gross carrying amount	Weighted average loss rate	Gross carrying amount	Weighted average loss rate	Gross carrying amount
		RMB'000		RMB'000		RMB'000
Trade receivables by individual assessment						
— doubtful	0.89%	17,496	0.82%	94,555	3.20%	88,010
— default	—	—	—	—	100.00%	1,159
		17,496		94,555		89,169
Trade receivables by collective assessment aged						
0 to 180 days	0.72%	10,032	1.10%	19,175	1.03%	72,487
Over 181 days	8.23%	882	5.91%	2,924	79.26%	487
		10,914		22,099		72,974
Notes receivables, aged						
0 to 180 days	—	—	—	25,641	—	353

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	At 31 December 2023		At 31 December 2024		At 31 December 2025	
	Weighted average loss rate	Gross carrying amount	Weighted average loss rate	Gross carrying amount	Weighted average loss rate	Gross carrying amount
		RMB'000		RMB'000		RMB'000
Amounts due from related parties . .	—	—	—	130	—	178
Other receivables by						
— individual assessment	9.23%	742	6.37%	1,713	19.75%	2,413
— collective assessment	—	978	—	1,687	—	6,307
		1,720		3,400		8,720
Restricted bank deposits	—	20,213	—	27,510	—	107,429
Cash and cash equivalents	—	36,691	—	82,736	—	371,831

The Company

	At 31 December 2023		At 31 December 2024		At 31 December 2025	
	Weighted average loss rate	Gross carrying amount	Weighted average loss rate	Gross carrying amount	Weighted average loss rate	Gross carrying amount
		RMB'000		RMB'000		RMB'000
Trade receivables by individual assessment						
— doubtful	0.89%	17,496	0.82%	94,555	5.93%	36,020
— default	—	—	—	—	100.00%	1,159
		17,496		94,555		37,179
Trade receivables by collective assessment aged						
0 to 180 days	0.72%	10,032	1.10%	19,175	0.23%	226,881
Over 181 days	8.23%	882	5.91%	2,924	79.26%	487
		10,914		22,099		227,368
Notes receivables, aged						
0 to 180 days	—	—	—	25,641	—	353
Amounts due from a related party . .	—	—	—	130	—	130
Amounts due from subsidiaries . . .	—	1,981	—	7,832	—	9,908
Dividend receivables from a subsidiary	—	4,000	—	8,000	—	—
Other receivables by						
— individual assessment	9.23%	742	6.37%	1,713	19.75%	2,413
— collective assessment	—	866	—	1,225	—	1,981
		1,608		2,938		4,394
Restricted bank deposits	—	20,213	—	26,464	—	100,388
Cash and cash equivalents	—	18,822	—	72,891	—	262,051

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The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

Liquidity risk

The management of the Group and the Company monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance the Group’s and the Company’s operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group’s and the Company’s remaining contractual maturity for its financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

The Group

At 31 December 2023	Weighted average effective interest rate	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, notes and other payables . . .	—	90,108	—	—	90,108	90,108
Lease liabilities	4.27%	2,751	2,785	11,492	17,028	13,363
Bank borrowings	3.83%	96	5,063	—	5,159	5,000
Redemption liabilities (note 28) . . .	4.30%	9,202	—	90,418	99,620	85,607
		<u>102,157</u>	<u>7,848</u>	<u>101,910</u>	<u>211,915</u>	<u>194,078</u>

At 31 December 2024	Weighted average effective interest rate	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, notes and other payables . . .	—	261,136	—	—	261,136	261,136
Lease liabilities	4.29%	2,816	2,813	6,716	12,345	11,743
Bank borrowings	2.97%	9,427	6,559	—	15,986	15,700
Redemption liabilities (note 28) . . .	4.30%	16,169	—	90,418	106,587	95,859
		<u>289,548</u>	<u>9,372</u>	<u>97,134</u>	<u>396,054</u>	<u>384,438</u>

At 31 December 2025	Weighted average effective interest rate	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, notes and other payables . . .	—	499,960	2,356	—	502,316	502,316
Lease liabilities	3.71%	1,950	1,995	10,243	14,188	13,506
Bank borrowings	2.53%	49,993	—	—	49,993	49,500
		<u>551,903</u>	<u>4,351</u>	<u>10,243</u>	<u>566,497</u>	<u>565,322</u>

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The Company

At 31 December 2023	Weighted average effective interest rate	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade, notes and other payables . . .	—	90,418	—	—	90,418	90,418
Lease liabilities	4.29%	2,390	2,420	10,967	15,777	12,129
Bank borrowings	3.83%	96	5,063	—	5,159	5,000
Redemption liabilities (<i>note 28</i>) . . .	4.30%	9,202	—	90,418	99,620	85,607
		102,106	7,483	101,385	210,974	193,154

At 31 December 2024	Weighted average effective interest rate	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade, notes and other payables . . .	—	267,961	—	—	267,961	267,961
Lease liabilities	4.31%	2,492	2,529	5,946	10,967	10,460
Bank borrowings	2.97%	9,427	6,559	—	15,986	15,700
Redemption liabilities (<i>note 28</i>) . . .	4.30%	16,169	—	90,418	106,587	95,859
		296,049	9,088	96,364	401,501	389,980

At 31 December 2025	Weighted average effective interest rate	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade, notes and other payables . . .	—	470,014	2,356	—	472,370	472,370
Lease liabilities	3.97%	1,503	1,503	1,511	4,517	4,450
Bank borrowings	2.53%	49,993	—	—	49,993	49,500
		521,510	3,859	1,511	526,880	526,320

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(c) Fair value measurements of financial instruments

Some of the Group’s and the Company’s financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group and the Company use market-observable data to the extent it is available.

(i) Fair value of the Group’s and the Company’s financial assets that are measured at fair value on a recurring basis

Some of the Group’s and the Company’s financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group

	Fair value			Fair value hierarchy	Valuation technique and key input
	At 31 December				
	2023	2024	2025		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
Financial assets:					
Financial assets at FVTOCI	N/A	13,790	N/A	Level 2	Discounted cash flow method using the discount rate that reflected the credit risk of the corresponding banks which are observable
Financial assets at FVTPL .	42,615	10,652	35,755	Level 2	Discounted cash flows method, estimated based on expected returns of the underlying assets in the available markets

The Company

	Fair value			Fair value hierarchy	Valuation technique and key input
	At 31 December				
	2023	2024	2025		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
Financial assets:					
Financial assets at FVTOCI	N/A	13,790	N/A	Level 2	Discounted cash flow method using the discount rate that reflected the credit risk of the corresponding banks which are observable
Financial assets at FVTPL .	39,106	10,007	35,100	Level 2	Discounted cash flows method, estimated based on expected returns of the underlying assets in the available markets

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There were no transfers between level 1 and 2 during the Track Record Period.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group and the Company considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair value.

The fair values of these financial assets and financial liabilities at amortized cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

37. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the Track Record Period, other than as disclosed elsewhere in the Historical Financial Information, the Group and the Company have the following transactions with related parties.

Related party	Nature of transactions	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Shenzhen MicroBT Group (<i>Note</i>).	Sales of power supplies products	234,861	284,269	217,964
	Sales of equipment	358	—	—
	Purchases of smart camera	318	—	—

Note: The directors of the Company consider that Shenzhen MicroBT Group have not been identified as related parties of the Group and the Company since 12 December 2025 as defined by IAS 24.

As set out in note 26, certain of the Group’s and the Company’s bank borrowings are secured by patents owned by the Company and guaranteed by Mr. Yin and his spouse, and Mr. Chen G. These guarantees were subsequently be released upon settlement of relevant borrowings.

(b) Compensation of key management personnel

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	2,623	3,094	3,360
Retirement benefit scheme contributions	28	38	45
Discretionary performance related bonus	688	1,549	4,049
Share-based payments	1,565	1,565	1,649
	<u>4,904</u>	<u>6,246</u>	<u>9,103</u>

The remuneration of key management personnel (being [executive] directors of the Company) is determined with reference to the performance of individuals and market trends.

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38. FINANCIAL INFORMATION OF THE COMPANY

(a) Investments in subsidiaries of the Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of investments, unlisted.	8,951	19,638	29,489

(b) Movements of the Company’s reserves

	Capital reserve	Surplus reserve	Share-based payment reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023.	(18,035)	864	1,888	6,613	(8,670)
Profit and total comprehensive income for the year.	—	—	—	3,650	3,650
Capital contributions (note 29)	19,318	—	—	—	19,318
Recognition of redemption liabilities (note 28)	(24,387)	—	—	—	(24,387)
Transferred to surplus reserve	—	365	—	(365)	—
Recognition of equity-settled share-based payment expenses (note 30)	—	—	2,910	—	2,910
At 31 December 2023.	(23,104)	1,229	4,798	9,898	(7,179)
Profit and total comprehensive income for the year.	—	—	—	52,671	52,671
Transfer to surplus reserve	—	5,267	—	(5,267)	—
Recognition of the equity-settled share-based payment expenses (note 30)	—	—	3,945	—	3,945
At 31 December 2024.	(23,104)	6,496	8,743	57,302	49,437
Profit and total comprehensive income for the year.	—	—	—	89,176	89,176
Capital contributions (note 29)	109,442	—	—	—	109,442
Recognition of redemption liabilities (note 28)	(22,344)	—	—	—	(22,344)
Derecognition of redemption rights (note 28)	132,318	—	—	—	132,318
Transfer to surplus reserve	—	8,918	—	(8,918)	—
Recognition of the equity-settled share-based payment expenses (note 30)	—	—	5,646	—	5,646
Conversion into a joint stock company (note 29)	162,049	(15,040)	(11,883)	(135,126)	—
At 31 December 2025.	358,361	393	2,506	2,434	363,675

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39. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly held by the Company at the end of each of the reporting periods are set out below. All subsidiaries are limited liability companies and have a financial year end of 31 December. None of the subsidiaries had issued any debt securities as at 31 December 2023, 2024 and 2025.

Name of subsidiaries	Principal place of operation and incorporation, and date of incorporation	Registered capital	Paid-up capital	Shareholding/equity Interest attributable to the Company			At the date of this report	Principal activities	Notes
				At 31 December					
				2023	2024	2025			
杭州安瑞綠能科技有限公司 (Hangzhou Anrui Green Energy Technology Co., Ltd., being translation for identification purpose only).	The PRC, 4 April 2014	RMB6,000,000	RMB6,000,000	100%	100%	100%	[100]%	No substantive business operation	(a)
深圳市鉅科電子有限公司 (Shenzhen Boco Electronics Co., Ltd., being translation for identification purpose only).	The PRC, 29 November 2022	RMB2,000,000	RMB2,000,000	100%	100%	100%	[100]%	Sales of power supply products	(a)
上海鉅科電子有限公司 (Shanghai Boco Electronics Co., Ltd., being translation for identification purpose only).	The PRC, 29 December 2023	RMB2,000,000	31 December 2023: nil; 31 December 2024: RMB800,000; 31 December 2025 and date of report: RMB2,000,000	100%	100%	100%	[100]%	Research and development of power supply products	(a)
衡陽鉅科電子有限公司 (Hengyang Boco Electronics Co., Ltd., being translation for identification purpose only).	The PRC, 24 October 2024	RMB10,000,000	31 December 2024: RMB9,200,000; 31 December 2025 and date of report: RMB10,000,000	N/A	100%	100%	[100]%	Research and development, production and sales of power supply products	(a)
Boco Electronics (HK) Co., Ltd..	Hong Kong, 13 September 2023	N/A	31 December 2023: nil; 31 December 2024: HK\$30,000; 31 December 2025 and date of report: HK\$1,280,000	100%	100%	100%	[100]%	Overseas sales platform	(b)

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Name of subsidiaries	Principal place of operation and incorporation, and date of incorporation	Registered capital	Paid-up capital	Shareholding/equity Interest attributable to the Company			At the date of this report	Principal activities	Notes
				At 31 December					
				2023	2024	2025			
湖南賽鉑電子有限公司 (Hunan Salboc Electronics Co., Ltd., being translation for identification purpose only) (“Hunan Salboc”) (formerly known as 衡陽鉑科技有限 公司 (Hengyang Boco Technology Co., Ltd., being translation for identification purpose only))	The PRC, 10 December 2024	31 December 2024: RMB5,000,000; 31 December 2025 and date of report: RMB10,000,000	31 December 2024: nil; 31 December 2025 and date of report: RMB10,000,000	N/A	100%	60%	[60]%	Early business development	(a)(c)

Notes:

- (a) No audited financial statements have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there is no statutory audit requirement. These subsidiaries that incorporated in the PRC are limited liability company.
- (b) The statutory financial statements of the subsidiary were audited by W.H.Shum & Co. Certified Public Accountants and WOCP CPA Limited Certified Public Accountants (Practising) in Hong Kong in accordance with HKFRS Accounting Standards for the period from the date of incorporation to 28 February 2025 and from 1 March 2025 to 31 December 2025, respectively.
- (c) In July 2025, the Company entered into an investment agreement with an independent investor, pursuant to which the investor will make an investment of RMB4,000,000 for subscription of 40% equity interest in Hunan Salboc. The investment amount has been fully settled in November 2025.

40. EVENT AFTER REPORTING PERIOD

There has been no material event subsequent to 31 December 2025 other than those disclosed in the relevant notes.

41. SUBSEQUENT FINANCIAL STATEMENTS

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