

APPENDIX I

ACCOUNTANTS’ REPORT

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LEADRIVE TECHNOLOGY (SHANGHAI) CO., LTD., CITIC SECURITIES (HONG KONG) LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Leadrive Technology (SHANGHAI) Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[4] to I-[104]], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 May 2026 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-[104]] 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 [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

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

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“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

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assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 31 May 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the five months ended 31 May 2025, and other explanatory information (the “Interim Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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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 states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[●]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

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(A) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
REVENUE	5	159,836	1,158,952	2,000,214	551,593	956,038
Cost of sales		(173,178)	(1,144,209)	(1,888,340)	(545,958)	(869,554)
Gross (loss)/profit		(13,342)	14,743	111,874	5,635	86,484
Other income and gains	6	23,839	30,511	29,566	6,636	17,439
Selling and distribution expenses		(11,574)	(14,385)	(21,906)	(8,336)	(10,873)
Administrative expenses		(100,724)	(134,566)	(184,890)	(69,109)	(95,123)
Research and development expenses		(126,477)	(205,699)	(205,827)	(81,687)	(95,062)
Impairment (losses)/reversals on financial and contract assets, net		(2,739)	(7,966)	(4,994)	4,004	587
Other expenses		(707)	(1,169)	(2,029)	(274)	(1,634)
Finance costs	8	(5,456)	(16,484)	(52,800)	(16,936)	(29,344)
LOSS BEFORE TAX	7	(237,180)	(335,015)	(331,006)	(160,067)	(127,526)
Income tax expense	11	—	—	—	—	—
LOSS FOR THE YEAR/PERIOD		<u>(237,180)</u>	<u>(335,015)</u>	<u>(331,006)</u>	<u>(160,067)</u>	<u>(127,526)</u>
Attributable to:						
Owners of the parent		(229,028)	(329,765)	(333,962)	(160,456)	(126,955)
Non-controlling interests		(8,152)	(5,250)	2,956	389	(571)
		<u>(237,180)</u>	<u>(335,015)</u>	<u>(331,006)</u>	<u>(160,067)</u>	<u>(127,526)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	13	<u>(9.31)</u>	<u>(11.21)</u>	<u>(10.11)</u>	<u>(5.06)</u>	<u>(3.66)</u>

For the details of Pre-[REDACTED] Investments, please refer to note 35 to this report.

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(B) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
LOSS FOR THE YEAR/PERIOD . .	<u>(237,180)</u>	<u>(335,015)</u>	<u>(331,006)</u>	<u>(160,067)</u>	<u>(127,526)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Debt investments at fair value through other comprehensive income:					
Changes in fair value.	<u>(208)</u>	<u>(87)</u>	<u>—</u>	<u>—</u>	<u>66</u>
	(208)	(87)	—	—	66
Exchange differences:					
Exchange differences on translation of foreign operations	<u>182</u>	<u>(127)</u>	<u>247</u>	<u>634</u>	<u>(566)</u>
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	<u>(26)</u>	<u>(214)</u>	<u>247</u>	<u>634</u>	<u>(500)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX . .	<u>(26)</u>	<u>(214)</u>	<u>247</u>	<u>634</u>	<u>(500)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	<u>(237,206)</u>	<u>(335,229)</u>	<u>(330,759)</u>	<u>(159,433)</u>	<u>(128,026)</u>
Attributable to:					
Owners of the parent	<u>(229,144)</u>	<u>(329,916)</u>	<u>(334,037)</u>	<u>(160,136)</u>	<u>(127,455)</u>
Non-controlling interests	<u>(8,062)</u>	<u>(5,313)</u>	<u>3,278</u>	<u>703</u>	<u>(571)</u>
	<u>(237,206)</u>	<u>(335,229)</u>	<u>(330,759)</u>	<u>(159,433)</u>	<u>(128,026)</u>

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(C) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 May
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	143,807	395,254	744,800	907,766
Right-of-use assets	15	37,202	39,002	71,836	73,508
Intangible assets	16	5,884	4,171	9,224	9,766
Debt investments at fair value through other comprehensive income	18	20,087	–	–	10,066
Financial assets at fair value through profit or loss	26	6,725	14,822	20,478	25,478
Other non-current assets	19	17,963	16,788	39,230	17,978
Total non-current assets		231,668	470,037	885,568	1,044,562
CURRENT ASSETS					
Inventories	20	190,982	470,469	562,187	727,461
Trade receivables	21	129,726	518,736	651,824	600,094
Bills receivable	22	324	22,008	39,897	43,904
Financial assets at fair value through other comprehensive income	23	10,263	141,692	347,712	320,340
Prepayments, other receivables and other assets	24	67,724	93,157	94,531	90,399
Contract assets	25	–	843	6,051	18,474
Financial assets at fair value through profit or loss	26	180,910	–	–	250,785
Restricted bank deposits	27	–	–	42,631	30,396
Cash and cash equivalents	27	231,334	203,847	757,603	628,416
Total current assets		811,263	1,450,752	2,502,436	2,710,269
CURRENT LIABILITIES					
Trade and bills payables	28	103,095	481,703	847,497	797,063
Other payables and accruals	29	61,379	121,022	239,631	212,350
Liabilities to other investors	30	–	91,585	158,644	163,147
Contract liabilities	31	5,775	31,766	71,894	90,540
Interest-bearing bank borrowings	32	121,817	659,700	1,135,705	1,326,823
Lease liabilities	15	7,844	9,400	11,889	14,126
Total current liabilities		299,910	1,395,176	2,465,260	2,604,049
NET CURRENT ASSETS		511,353	55,576	37,176	106,220
TOTAL ASSETS LESS CURRENT LIABILITIES					
		743,021	525,613	922,744	1,150,782

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		As at 31 December			As at 31 May
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	32	42,066	92,746	161,675	474,093
Deferred income	33	7,697	18,820	43,050	63,068
Lease liabilities	15	10,234	10,458	42,880	45,584
Provision	34	799	4,377	13,038	15,740
Total non-current liabilities		60,796	126,401	260,643	598,485
NET ASSETS		682,225	399,212	662,101	552,297
EQUITY					
Equity attributable to owners of the parent					
Paid-in capital/Share capital	35	2,942	30,000	34,703	34,703
Reserves	37	665,053	365,327	621,644	512,411
		667,995	395,327	656,347	547,114
Non-controlling interests		14,230	3,885	5,754	5,183
Total equity		682,225	399,212	662,101	552,297

For the details of Pre-[REDACTED] Investments, please refer to note 35 to this report.

Year ended 31 December 2023

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Year ended 31 December 2024

	Attributable to owners of the parent							
	Paid-in capital/Share capital	Capital reserve/Share premium*	Equity- settled share-based payment reserves*	Fair value reserve of financial assets			Non- controlling interests	Total equity
				at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated loss*		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 and 1 January 2024	2,942	1,168,182	72,430	87	(21)	(575,625)	667,995	14,230
Loss for the year	-	-	-	-	-	(329,765)	(329,765)	(5,250)
Other comprehensive loss for the year:								
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	(87)	-	-	(87)	-
Exchange differences on translation of foreign operations	-	-	-	-	(64)	-	(64)	(63)
Total comprehensive loss for the year	-	-	-	(87)	(64)	(329,765)	(329,916)	(5,313)
Capital injection	204	43,839	-	-	-	-	44,043	-
Conversion into a joint stock company	-	(651,509)	-	-	-	651,509	-	-
Capital reserve converted into share capital	26,854	(26,854)	-	-	-	-	-	-
Acquisition of non-controlling interests	-	(14,616)	-	-	-	-	(14,616)	(5,032)
Equity-settled share-based payment expenses	-	-	27,821	-	-	-	27,821	-
At 31 December 2024	30,000	519,042	100,251	-	(85)	(253,881)	395,327	3,885

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Year ended 31 December 2025

Attributable to owners of the parent									
	Share capital	Share premium*	Equity-settled share-based payment reserves*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated loss*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 and 1 January 2025	30,000	519,042	100,251	—	(85)	(253,881)	395,327	3,885	399,212
Loss for the year	—	—	—	—	—	(333,962)	(333,962)	2,956	(331,006)
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	—	—	—	—	(75)	—	(75)	322	247
Total comprehensive loss for the year	—	—	—	—	(75)	(333,962)	(334,037)	3,278	(330,759)
Capital injection	4,703	575,297	—	—	—	—	580,000	—	580,000
Share issue expenses	—	(7,115)	—	—	—	—	(7,115)	—	(7,115)
Acquisition of non-controlling interests	—	(4,782)	—	—	—	—	(4,782)	(1,409)	(6,191)
Equity-settled share-based payment expenses	—	—	26,954	—	—	—	26,954	—	26,954
At 31 December 2025	34,703	1,082,442	127,205	—	(160)	(587,843)	656,347	5,754	662,101

Attributable to owners of the parent

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Five months ended 31 May 2026

	Attributable to owners of the parent									
		Share capital	Share premium*	Equity-settled share-based payment reserves*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated loss*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025 and 1 January 2026	34,703		1,082,442	127,205	—	(160)	(587,843)	656,347	5,754	662,101
Loss for the period	—	—	—	—	—	—	(126,955)	(126,955)	(571)	(127,526)
Other comprehensive loss for the period:										
Changes in fair value of debt investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	66	—	—	66	—	66
Exchange differences on translation of foreign operations	—	—	—	—	—	(566)	—	(566)	—	(566)
Total comprehensive loss for the period	—	—	—	—	66	(566)	(126,955)	(127,455)	(571)	(128,026)
Equity-settled share-based payment expenses	—	—	—	18,222	—	—	—	18,222	—	18,222
As at 31 May 2026.	34,703		1,082,442	145,427	66	(726)	(714,798)	547,114	5,183	552,297

* These reserve accounts comprise the consolidated reserves of RMB665,053,000, RMB365,327,000, RMB621,644,000, RMB577,009,000 (unaudited) and RMB512,411,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 May 2025 and 2026, respectively.

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(E) CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Five months ended 31 May	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(unaudited)						
CASH FLOWS USED IN						
OPERATING ACTIVITIES						
Loss before tax		(237,180)	(335,015)	(331,006)	(160,067)	(127,526)
Adjustments for:						
Finance costs	8	5,456	16,484	52,800	16,936	29,344
Bank interest income	6	(1,461)	(2,696)	(2,154)	(794)	(1,092)
Depreciation of items of property, plant and equipment	14	21,386	41,041	72,382	25,399	38,092
Depreciation of right of use assets	15	6,863	9,284	10,747	4,387	6,755
Amortisation of intangible assets	16	3,371	3,685	3,327	1,320	1,458
Impairment losses/(reversals) on financial and contract assets, net	7	2,739	7,966	4,994	(4,004)	(587)
Write-down of inventories to net realisable value	7	10,889	45,401	17,936	10,446	12,136
Loss on disposal of items of property, plant and equipment .		312	622	1,799	214	313
Gain on early cancellation of leases		–	–	(36)	(36)	–
Loss on disposal of items of intangible assets		–	13	–	–	–
Foreign exchange differences . . .		(602)	208	(1,307)	(727)	561
Equity-settled share-based payment expenses	7	28,627	27,821	26,954	11,044	18,222
Fair value gains on financial assets at fair value through profit or loss of investments in equity instruments	6	(1,225)	(8,097)	(5,656)	–	–
Investment Income from financial assets at fair value through profit or loss	6	(1,070)	(947)	(3,245)	–	(3,095)
		(161,895)	(194,230)	(152,465)	(95,882)	(25,419)

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	<i>Notes</i>	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>	
(Increase)/decrease in						
inventories		(116,735)	(324,888)	(109,654)	71,664	(177,410)
(Increase)/decrease in trade						
receivables		(50,780)	(396,514)	(137,493)	194,794	52,695
(Increase)/decrease in bills						
receivable		(330)	(22,129)	(18,356)	7,178	(4,099)
Increase in contract assets		–	(860)	(5,330)	(5,330)	(12,709)
Decrease/(increase) in financial						
assets at fair value through						
other comprehensive income		12,560	(131,429)	(206,020)	(176,677)	27,372
Decrease/(increase) in						
prepayments, other receivables						
and other assets		1,896	(25,433)	9	13,888	5,936
(Placement)/collection of						
restricted bank deposits		–	–	(2,631)	–	2,235
Increase in other non-current						
assets		–	–	(1,800)	–	–
Increase/(decrease) in trade and						
bills payables		32,016	378,608	365,794	(212,601)	(50,434)
Increase in contract liabilities		4,195	25,991	40,128	10,479	18,646
Increase in provision		799	3,578	8,661	1,953	2,702
Increase in deferred income		7,427	11,123	24,230	6,467	20,018
Increase/(decrease) in other						
payables and accruals		17,040	41,085	15,913	(40,347)	(38,956)
Cash used in operations		(253,807)	(635,098)	(179,014)	(224,414)	(179,423)
Net cash flows used in operating						
activities		(253,807)	(635,098)	(179,014)	(224,414)	(179,423)
CASH FLOWS USED IN						
INVESTING ACTIVITIES						
Purchase of items of property,						
plant and equipment	14	(114,062)	(272,574)	(340,192)	(143,307)	(168,975)
Proceeds from disposal of						
property, plant and equipment		244	–	128	50	250
Purchase of intangible assets	16	(2,349)	(1,985)	(8,380)	(1,340)	(2,000)
Purchase of right-of-use assets	15	(19,663)	–	–	–	–
Purchase of debt investments at						
fair value through other						
comprehensive income		–	–	(10,000)	–	(10,000)

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	<i>Notes</i>	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>	
Proceeds from disposal of debt investments at fair value through other comprehensive income		–	20,000	10,000	–	–
Purchase of financial assets measured at fair value through profit or loss		(247,000)	(270,000)	(1,299,500)	–	(1,154,000)
Proceeds from disposal of financial assets measured at fair value through profit or loss		97,000	450,000	1,299,500	–	939,000
Placement of restricted bank deposits		–	–	(40,000)	–	(30,000)
Interest from financial assets . . .		1,627	4,552	5,399	794	3,402
Net cash flows used in investing activities		(284,203)	(70,007)	(383,045)	(143,803)	(422,323)
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank borrowings		197,239	938,896	1,501,443	647,421	740,776
Repayment of bank borrowings . .		(63,535)	(350,839)	(950,704)	(329,750)	(248,030)
Capital contribution from shareholders		501,047	44,043	580,000	370,000	–
Proceeds from liabilities to other investors	30	–	89,670	57,330	49,670	–
Payment of share issue expenses .		(7,252)	–	(7,115)	(6,226)	–
Interest paid	8	(4,580)	(13,958)	(49,564)	(19,824)	(12,899)
Acquisition of non-controlling interests		–	(19,648)	(6,191)	–	–
[REDACTED] expense paid		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payment of lease liabilities	15	(6,695)	(10,215)	(9,697)	(5,549)	(4,636)
Net cash flows from financing activities		616,224	677,949	1,114,259	705,742	473,688
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS						
Effect of foreign exchange rate changes, net.		787	(331)	1,556	1,360	(1,129)

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		Year ended 31 December			Five months ended 31 May	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Cash and cash equivalents at beginning of year/period		152,333	231,334	203,847	203,847	757,603
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	27	231,334	203,847	757,603	542,732	628,416
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		231,334	203,847	800,234	542,732	658,812
Less: Restricted bank deposits . .		—	—	42,631	—	30,396
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows		231,334	203,847	757,603	542,732	628,416

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(F) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 31 May
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	21,155	62,040	83,635	96,502
Right-of-use assets	15	4,764	4,041	39,282	35,829
Intangible assets	16	5,693	4,105	7,132	7,256
Investments in subsidiaries	17	182,138	391,132	521,932	545,336
Debt investments at fair value through other comprehensive income	18	20,087	–	–	10,066
Other non-current assets	19	7,583	2,448	2,641	2,239
Total non-current assets		241,420	463,766	654,622	697,228
CURRENT ASSETS					
Inventories	20	117,125	205,365	203,466	291,941
Trade receivables	21	309,991	1,189,312	1,215,302	1,440,776
Bills receivable	22	324	35,278	29,723	14,511
Financial assets at fair value through other comprehensive income	23	4,477	45,970	254,622	277,561
Prepayments, other receivables and other assets	24	100,070	260,464	415,883	233,425
Contract assets	25	–	549	5,757	16,486
Financial assets at fair value through profit or loss	26	180,910	–	–	250,785
Restricted bank deposits	27	–	–	20,000	30,000
Cash and cash equivalents	27	191,000	111,808	587,921	514,657
Total current assets		903,897	1,848,746	2,732,674	3,070,142
CURRENT LIABILITIES					
Trade and bills payables	28	226,055	1,018,538	1,232,569	1,588,304
Other payables and accruals	29	20,774	48,865	101,429	56,173
Contract liabilities	31	2,512	22,961	70,718	89,637
Interest-bearing bank borrowings	32	115,519	603,790	923,930	1,025,855
Lease liabilities	15	1,989	2,757	7,579	6,832
Total current liabilities		366,849	1,696,911	2,336,225	2,766,801
NET CURRENT ASSETS		537,048	151,835	396,449	303,341
TOTAL ASSETS LESS CURRENT LIABILITIES					
		778,468	615,601	1,051,071	1,000,569

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		As at 31 December			As at 31 May
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	32	39,217	15,000	45,880	88,120
Deferred income	33	—	—	3,450	8,200
Lease liabilities	15	2,870	1,259	33,092	33,752
Provision	34	395	2,773	11,660	14,699
Total non-current liabilities		42,482	19,032	94,082	144,771
NET ASSETS		735,986	596,569	956,989	855,798
EQUITY					
Paid-in capital/Share capital	35	2,942	30,000	34,703	34,703
Reserves	37	733,044	566,569	922,286	821,095
Total equity		735,986	596,569	956,989	855,798

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Leadrive Technology (SHANGHAI) Co., Ltd. (the “Company”, formerly known as “臻驅科技(上海)有限公司”) was established as a limited liability company in the People’s Republic of China (the “PRC”) on 9 May 2017. Upon approval at the shareholders’ general meeting held on 5 August 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and was renamed as Leadrive Technology (SHANGHAI) Co., Ltd. (“臻驅科技(上海)股份有限公司”). The registered office of the Company is located at 3rd floor, Building 19, Block 8 NO. 498 Guo Shoujing Road Pilot Free Trade Zone Shanghai PRC.

During the Relevant Periods, the Group principally engaged in manufacture and sales of motor controllers, modular Power Electronics Building Blocks (“PEBB”), power modules and provision of related services.

As at the date of this report, the Company had direct interests in its subsidiaries, the particulars of which are set out below:

Information about subsidiaries

Name	Date and place of incorporation/ registration	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Leadrive New Energy (Shanghai) Co., Ltd.* (臻驅新 能源(上海)有限公司“臻驅新能 源”) (a) (b) (c)	11 May 2021 Chinese Mainland	RMB20,000,000	60%	–	Investment holding
Leadrive Electricity (Shanghai) Co., Ltd.* (臻驅電氣(上海)有 限公司“臻驅電氣”) (a) (b) (c)	22 December 2017 Chinese Mainland	RMB5,000,000	100%	–	Manufacture and sales of products
Leadrive Semiconductor (Jiaxing) Co., Ltd. * (臻驅半 導體(嘉興)有限公司“臻驅半導 體”) (a) (b) (c)	4 July 2022 Chinese Mainland	RMB200,000,000	100%	–	Manufacture and sales of products
Liuzhou Leadrive Electric Control Technology Co., Ltd.* (柳州臻驅電控科技 有限公司“柳州臻驅”) (a) (b) (c)	7 August 2018 Chinese Mainland	RMB83,825,000	100%	–	Manufacture and sales of products
Leadrive Technology (Liuzhou) Co., Ltd.* (臻驅科技(柳州)有 限公司“臻驅科技柳州”) (a) (b) (c)	27 October 2022 Chinese Mainland	RMB50,000,000	100%	–	Manufacture and sales of products
Leadrive Technology (Hangzhou) Co., Ltd.* (臻驅 科技(杭州)有限公司“臻驅科技 杭州”) (b) (c)	31 May 2024 Chinese Mainland	RMB10,000,000	100%	–	Research and development
Leadrive Technology (Chongqing) Co., Ltd.* (臻驅 科技(重慶)有限公司“臻驅科技 重慶”) (c)	20 January 2025 Chinese Mainland	RMB80,000,000	100%	–	Manufacture and sales of products
Leadrive Technology (Wuhu) Co., Ltd.* (臻驅科技(蕪湖)有 限公司“臻驅科技蕪湖”) (b) (c)	2 August 2024 Chinese Mainland	RMB300,000,000	51%	–	Manufacture and sales of products

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Name	Date and place of incorporation/ registration	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Lingang Power Electronics Research Co., Ltd.* (上海臨港電力電子研究有限公司“臨港電力”) (a) (b) (c)	11 April 2019 Chinese Mainland	RMB24,242,400	53.625%	–	Research and development
Leadrive Technology Germany GmbH (d)	11 November 2018 Germany	EUR50,000	100%	–	Overseas sales and research & development center
Leadrive Japan Co., Ltd. (d)	12 September 2025 Japan	JPY10,000,000	100%	–	Overseas sales
Leadrive Technology (Hong Kong) Co., Ltd. (臻驅科技(香港)有限公司“臻驅香港”) (d)	25 November 2025 Hong Kong	USD3,000,000	100%	–	Overseas sales
Leadrive Technology (Guangzhou) Co., Ltd.* (臻驅科技(廣州)有限公司“臻驅廣州”) (d)	17 December 2025 Chinese Mainland	RMB20,000,000	100%	–	Manufacture and sales of products
Leadrive Optimotion (Shanghai) Co., Ltd.* (臻驅擎動科技(上海)有限公司) (d)	30 April 2026 Chinese Mainland	RMB20,000,000	100%	–	Manufacture and sales of products
Leadrive Eneroute (Shanghai) Co., Ltd.* (臻驅智慧能源(上海)有限公司) (d)	30 April 2026 Chinese Mainland	RMB20,000,000	55%	–	Manufacture and sales of products
Leadrive Technology (Guangdong) Co., Ltd.* (臻驅科技(廣東)有限公司) (d)	24 April 2026 Chinese Mainland	RMB20,000,000	100%	–	Research and development

Notes:

- (a) The statutory financial statements of these entities for the year ended 31 December 2023, prepared in accordance with Accounting Standards for Business Enterprises and regulations in Chinese Mainland have been audited by Shanghai Branch, BDO Zhong Lian LLP, a certified public accounting firm registered in the PRC.
- (b) The statutory financial statements of these entities for the year ended 31 December 2024, prepared in accordance with Accounting Standards for Business Enterprises and regulations in Chinese Mainland have been audited by Shanghai Branch, BDO Zhong Lian LLP, a certified public accounting firm registered in the PRC.
- (c) The statutory financial statements of these entities for the year ended 31 December 2025, prepared in accordance with Accounting Standards for Business Enterprises and regulations in Chinese Mainland have been audited by Shanghai Branch, Gongzheng Tianye Certified Public Accountants, SGP, a certified public accounting firm registered in the PRC.
- (d) No audited financial statements have been prepared for these entities since their incorporation, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation.

* The English names of these companies represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

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2.1 BASIS OF PREPARATION

For ordinary shares issued to Pre-[REDACTED] Investors, pursuant to the supplemental agreements entered into between the Company and the Pre-[REDACTED] Investors in relation to redemption rights granted by the Company, which are void ab initio as described in note 35 to this report, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 35 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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

Basis of consolidation

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

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

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

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

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

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

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

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2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 19	<i>Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities</i> ³

1 No mandatory effective date yet determined but available for adoption

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

3 Effective for annual/reporting periods beginning on or after 1 January 2029

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but no significant impact on the Group’s financial performance and financial position. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

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

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

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

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

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

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- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

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

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

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

Buildings	4.75%
Machinery	9.50%-31.67%
Electronic devices	19.00%-31.67%
Furniture and fixtures	19.00%
Motor vehicles	19.00%
Leasehold improvements	20.00%-33.33%

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

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

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

Intangible assets (other than goodwill)

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

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Patent use rights

Purchased patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Know-how

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

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Research and development expenses

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Buildings	1.58 to 6 years
Leasehold land	50 years

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

(b) Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced

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for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

Financial assets at fair value through profit or loss

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

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of each of the Relevant Periods with the risk of a default

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occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 180 days past due.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

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

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

Simplified approach

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

Classification as equity and financial liabilities

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 financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own 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.

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Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, interest-bearing bank borrowings and liabilities to other investors)

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

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

Derecognition of financial liabilities

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

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

Inventories

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

Cash and cash equivalents

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

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

Provisions

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

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

The Group provides for warranties in relation to the sale of products during the warranty period. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The warranty-related cost is revised annually.

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Sale of goods

The Group manufactures and sells a range of products, including motor controllers, Power Electronics Building Blocks (“PEBB”), power modules and others.

Revenue from the sales of goods is recognised at the point in time when control of the asset is transferred to the customer. Revenue from domestic sales is recognised generally on receipt and acceptance of the goods and services by the customer or upon the confirmation from the customer. Revenue from export sales is recognised when the Company has declared the products according to the contract and obtained the bill of lading or delivery notes.

Some contracts provide customers with a right of rebates which give rise to variable consideration subject to constraint. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

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(b) Research and development services

Revenue from the research and development services is recognised at the point in time when control of the service is transferred to the customer, generally upon acknowledgment of completion from the customer.

Costs incurred for the provision of design services are recognised as contract fulfilment costs, which are recognised as the cost of sales when recognising revenue.

Other income

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

Contract liabilities

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

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

A series of share incentive schemes were granted to employees (including directors) of the Group and other eligible participants who contribute to the success of the Group’s operations (“equity-settled transactions”). The cost of equity-settled transactions with those eligible participants is measured by reference to the fair value at the date at which they are granted. The fair value of share incentive scheme is determined by an external valuer using a market model, further details of which are given in note 36 to the to the Historical Financial Information.

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

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

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

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

Other employee benefits

Pension scheme

The employees of the Company and the Group’s subsidiaries which operates in the Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Group are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its Historical Financial Information. The Group will adjust the amounts recognised in its Historical Financial Information to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Deferred tax assets

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

The Group has tax losses of RMB794,138,000, RMB1,164,832,000, RMB1,643,223,000 and RMB1,809,234,000 carried forward at the end of each of the Relevant Periods. These losses related to entities that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The entities have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Classification of financial assets

The classification of financial assets at initial recognition depends on the Group’s business model for managing the financial assets and the financial assets’ contractual cash flow characteristics:

- (1) Management needs to make significant judgement when assessing its business model, including but is not limited to (a) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity’s key management personnel; (b) the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed; and (c) how managers of the business are

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compensated. In determining whether cash flows are going to be realised by collecting the financial assets’ contractual cash flows, management needs to consider the reasons for the sales, timing of sales, frequency and value in prior periods; and

- (2) Management needs to make significant judgement on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as whether contractual cash flows could be significantly different from the benchmark cash flows involves judgement when assessing a modified time value of a money element, and whether the fair value of prepayment features is insignificant also requires judgement when assessing the financial assets with prepayment features.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables, bills receivable, financial assets at fair value through other comprehensive income and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables, bills receivable, financial assets at fair value through other comprehensive income and contract assets. The provision rates are based on invoice date for groupings of various customer segments that have similar loss patterns (i.e., by the industry of the customer, customer type and rating).

The provision matrix is initially established by taking into account both the historical collection performance and industry benchmarks. When making such judgements and estimates, the Group infers the expected changes in the debtor’s credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future. The information about the ECLs on the Group’s trade receivables, bills receivable, financial assets at fair value through other comprehensive income and contract assets is disclosed in note 21, note 22, note 23 and note 25 to the Historical Financial Information.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Warranties

The provision for the warranties is estimated based on sales volumes and past experience of the level of repairs. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Fair value of financial instruments

The fair value of financial instruments, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about credit risk and liquidity risks, etc, associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 44 to the to the Historical Financial Information.

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Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets with definite life are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Share-based payments

Several employee incentive schemes are operated for the purpose of providing incentives to the Company’s directors and the Group’s employees. The grant date fair values of the shares of the employee incentive schemes are determined based on independent valuation. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. However, this estimate may be revised if the number of equity instruments that will ultimately vest changes in the future. Further details are contained in note 36 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision maker of the Group who reviews the operating results of the Group’s business as one operating segment to make strategic decisions and resource allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Chinese Mainland	148,485	1,145,922	1,897,511	528,510	888,125
Other countries/regions . .	11,351	13,030	102,703	23,083	67,913
Total	<u>159,836</u>	<u>1,158,952</u>	<u>2,000,214</u>	<u>551,593</u>	<u>956,038</u>

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

(b) Non-current assets

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Chinese Mainland	204,394	454,638	864,515	1,007,315
Other countries/regions	462	577	575	1,703
Total	<u>204,856</u>	<u>455,215</u>	<u>865,090</u>	<u>1,009,018</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

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Information about major customers

The revenue generated from sales to customers which individually contributed more than 10% of the Group’s total revenue during each of the Relevant Periods and the five months ended 31 May 2025 is set out below:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Customer 1	17,127	422,309	1,142,774	338,960	477,795
Customer 2	*	159,811	268,171	*	*
Customer 3	47,879	293,485	*	*	*
Customer 4	41,972	*	*	*	*
Customer 5	21,515	116,618	*	*	*
Customer 6	*	*	*	*	127,276
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the respective period.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Revenue from contracts with customers	159,836	1,158,952	2,000,214	551,593	956,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Revenue from contracts with customers

(a) Disaggregated revenue information

Segment revenue

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Types of goods or services					
Motor Controller	138,176	956,539	1,519,596	428,936	776,005
Power Electronics Building Blocks	9,661	178,885	346,695	68,827	165,278
Power Modules	448	4,310	69,142	26,543	13,151
R&D services and others .	11,551	19,218	64,781	27,287	1,604
Total	159,836	1,158,952	2,000,214	551,593	956,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Timing of revenue recognition					
Goods and services transferred at a point in time	159,836	1,158,952	2,000,214	551,593	956,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting year/period: . .	<u>1,577</u>	<u>2,750</u>	<u>24,896</u>	<u>9,065</u>	<u>344</u>

(b) Performance obligations

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

Sales of motor controllers, Power Electronics Building Blocks, Power Modules and Others

The performance obligation is satisfied at the point in time when control of the goods and services is transferred to the customer. Revenue from the sales of goods is recognised at the point in time when control of the asset is transferred to the customer. Revenue from domestic sales is recognised generally on receipt and acceptance of the goods and services by the customer or upon the confirmation from the customer. Revenue from export sales is recognised when the Company has declared the products according to the contract and obtained the bill of lading or delivery notes. The payment generally varies from 30 days to 120 days after issuing the invoice.

Research and Development Services

The performance obligation is satisfied upon acknowledgement of completion from the customer and payment generally varies from 30 days to 90 days after issuing the invoice.

The management of the Group expects the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of the end of each of the Relevant Periods will be recognised within one year from the end of the respective periods. Therefore, the expedient allowed by IFRS 15.121 is applied.

6. OTHER INCOME AND GAINS

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<u>Other income</u>					
Bank interest income	1,461	2,696	2,154	794	1,092
Government grants	<u>17,686</u>	<u>15,923</u>	<u>14,731</u>	<u>3,998</u>	<u>12,024</u>
Total other income	<u>19,147</u>	<u>18,619</u>	<u>16,885</u>	<u>4,792</u>	<u>13,116</u>
<u>Other gains</u>					
Investment income from financial assets at fair value through profit or loss	1,070	947	3,245	—	3,095

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	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fair value gains on financial assets at fair value through profit or loss of investments in equity instruments	1,225	8,097	5,656	—	—
Exchange gains	576	1,152	1,556	835	—
Others	1,821	1,696	2,224	1,009	1,228
Total other gains	4,692	11,892	12,681	1,844	4,323
Total other income and gains	23,839	30,511	29,566	6,636	17,439

7. LOSS BEFORE TAX

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

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of sales	173,178	1,144,209	1,888,340	545,958	869,554
Depreciation of right-of-use assets* (note 15) . .	6,863	9,284	10,747	4,387	6,755
Depreciation of property, plant and equipment* (note 14)	21,386	41,041	72,382	25,399	38,092
Amortisation of intangible assets* (note 16)	3,371	3,685	3,327	1,320	1,458
Lease payments not included in the measurement of lease liabilities	532	374	799	390	98
Employee benefit expense*:					
Wages, salaries and allowances	136,236	237,778	323,497	130,074	133,039
Equity-settled share-based payment expenses	23,928	27,821	26,954	11,044	18,222
Equity-settled share-based payments to external consultants	4,699	—	—	—	—
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Impairment losses/(reversals) on financial and contract assets, net	2,739	7,966	4,994	(4,004)	(587)
Write-down of inventories to net realisable value**	10,889	45,401	17,936	10,446	12,136
Foreign exchange differences, net	(576)	(1,152)	(1,556)	(835)	952

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* Cost of sales includes expenses relating to depreciation of property, plant and equipment, right-of-use assets, amortisation of intangible assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** The write-down of inventories to net realisable value is included in “Cost of sales” in profit or loss.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank borrowings	4,759	14,464	43,759	14,764	23,689
Interest on lease liabilities	697	911	1,063	356	1,152
Interest on liabilities to other investors	—	1,915	9,729	3,567	4,503
	5,456	17,290	54,551	18,687	29,344
Less: Interest capitalised	—	(806)	(1,751)	(1,751)	—
Total	5,456	16,484	52,800	16,936	29,344

For the details of Pre-[REDACTED] Investments, please refer to note 35 to this report.

9. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

Directors’ and supervisors’ remuneration as recorded during the Relevant Periods and the five months ended 31 May 2025, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	3,987	4,688	4,662	2,158	1,149
Performance related bonuses	1,309	1,563	1,554	719	383
Equity-settled share-based payment expenses	6,283	7,661	6,506	2,721	3,940
Pension scheme contributions and social welfare	928	1,015	1,048	480	244
Sub-total	12,507	14,927	13,770	6,078	5,716
Total	12,507	14,927	13,770	6,078	5,716

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(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the five months ended 31 May 2025 were as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Ms. Tang Qiuying	—	—	—	—	—
Ms. Ge Yiqun	—	—	—	—	—
Ms. Zhu Xiaofang	—	—	—	—	—
Total	—	—	—	—	—
	=	=	=	=	=

- (i) All of independent non-executive directors of the Company were appointed in December 2025 and will take into effect from the date of Document.

(b) Executive directors, non-executive directors and supervisors

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023						
Executive directors:						
Mr. Shen Jie (Dr. Shen)						
(Note (i))	—	726	242	—	148	1,116
Mr. Yu Hao (Note (ii))	—	621	207	2,450	148	3,426
Mr. Zhang Song (Note (iii))	—	549	183	816	148	1,696
Mr. Zhu Jun (Note (v))	—	726	242	1,078	148	2,194
Sub-total	—	2,622	874	4,344	592	8,432
	—	=	=	=	=	=
Non-executive directors:						
Mr. Fan Qihui (Note (iv))	—	—	—	—	—	—
Mr. Zhou Zichao (Note (vi))	—	—	—	—	—	—
Mr. Chen Jianwan (Note (vii))	—	—	—	—	—	—
Mr. Jiang Hang (Note (viii))	—	—	—	—	—	—
Ms. Zhao Xingshuo (Note (ix))	—	—	—	—	—	—
Sub-total	—	—	—	—	—	—
	—	=	=	=	=	=
Supervisors:						
Mr. Wei Yufa (Note (x))	—	—	—	—	—	—
Mr. Ren Kangle (Note (xi))	—	552	184	983	148	1,867
Mr. Li Chao (Note (xii))	—	120	20	—	40	180
Mr. Ma Yuan (Note (xiii))	—	—	—	—	—	—
Ms. Li Fanyuan (Note (xiv))	—	693	231	956	148	2,028
Mr. Zhang Jingtian (Note (xv))	—	—	—	—	—	—
Mr. Dong Wei (Note (xvi))	—	—	—	—	—	—
Sub-total	—	1,365	435	1,939	336	4,075
	—	=	=	=	=	=
Total	—	3,987	1,309	6,283	928	12,507
	=	=	=	=	=	=

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	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024						
Executive directors:						
Dr. Shen (<i>Note (i)</i>)	–	726	242	–	145	1,113
Mr. Yu Hao (<i>Note (ii)</i>)	–	668	223	2,892	145	3,928
Mr. Zhang Song (<i>Note (iii)</i>)	–	582	194	728	145	1,649
Mr. Zhu Jun (<i>Note (v)</i>)	–	762	254	1,051	145	2,212
Sub-total	–	2,738	913	4,671	580	8,902
Non-executive directors:						
Mr. Fan Qihui (<i>Note (iv)</i>)	–	–	–	–	–	–
Mr. Jiang Hang (<i>Note (viii)</i>)	–	–	–	–	–	–
Ms. Zhao Xingshuo (<i>Note (ix)</i>)	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–
Supervisors:						
Mr. Ren Kangle (<i>Note (xi)</i>)	–	585	195	850	145	1,775
Mr. Ma Yuan (<i>Note (xiii)</i>)	–	–	–	–	–	–
Ms. Li Fanyuan (<i>Note (xiv)</i>)	–	728	243	947	145	2,063
Mr. Zhang Jingtian (<i>Note (xv)</i>)	–	–	–	–	–	–
Mr. Dong Wei (<i>Note (xvi)</i>)	–	–	–	–	–	–
Ms. Han Na (<i>Note (xvii)</i>)	–	637	212	1,193	145	2,187
Sub-total	–	1,950	650	2,990	435	6,025
Total	–	4,688	1,563	7,661	1,015	14,927

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025						
Executive directors:						
Dr. Shen (<i>Note (i)</i>)	–	726	242	604	146	1,718
Mr. Yu Hao (<i>Note (ii)</i>)	–	528	176	1,684	116	2,504
Mr. Zhang Song (<i>Note (iii)</i>)	–	582	194	666	146	1,588
Ms. Han Na (<i>Note (xvii)</i>)	–	637	212	849	146	1,844
Mr. Zhu Jun (<i>Note (v)</i>)	–	762	254	921	146	2,083
Sub-total	–	3,235	1,078	4,724	700	9,737
Non-executive directors:						
Mr. Fan Qihui (<i>Note (iv)</i>)	–	–	–	–	–	–
Mr. Jiang Hang (<i>Note (viii)</i>)	–	–	–	–	–	–
Ms. Zhao Xingshuo (<i>Note (ix)</i>)	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–
Supervisors:						
Mr. Ren Kangle (<i>Note (xi)</i>)	–	505	168	599	116	1,388
Mr. Ma Yuan (<i>Note (xiii)</i>)	–	–	–	–	–	–
Ms. Li Fanyuan (<i>Note (xiv)</i>)	–	470	157	568	116	1,311
Mr. Zhang Jingtian (<i>Note (xv)</i>)	–	–	–	–	–	–
Mr. Li Yisu (<i>Note (xviii)</i>)	–	452	151	615	116	1,334
Sub-total	–	1,427	476	1,782	348	4,033
Total	–	4,662	1,554	6,506	1,048	13,770

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	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Five months ended 31 May 2025 (unaudited)						
Executive directors:						
Dr. Shen (<i>Note (i)</i>)	–	303	101	–	60	464
Mr. Yu Hao (<i>Note (ii)</i>)	–	278	93	848	60	1,279
Mr. Zhang Song (<i>Note (iii)</i>)	–	243	81	281	60	665
Ms. Han Na (<i>Note (xvii)</i>)	–	265	88	389	60	802
Mr. Zhu Jun (<i>Note (v)</i>)	–	318	106	397	60	881
Sub-total	–	1,407	469	1,915	300	4,091
Non-executive directors:						
Mr. Fan Qihui (<i>Note (iv)</i>)	–	–	–	–	–	–
Mr. Jiang Hang (<i>Note (viii)</i>)	–	–	–	–	–	–
Ms. Zhao Xingshuo (<i>Note (ix)</i>)	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–
Supervisors:						
Mr. Ren Kangle (<i>Note (xi)</i>)	–	266	89	321	60	736
Mr. Ma Yuan (<i>Note (xiii)</i>)	–	–	–	–	–	–
Ms. Li Fanyuan (<i>Note (xiv)</i>)	–	247	82	322	60	711
Mr. Zhang Jingtian (<i>Note (xv)</i>)	–	–	–	–	–	–
Mr. Li Yisu (<i>Note (xviii)</i>)	–	238	79	163	60	540
Sub-total	–	751	250	806	180	1,987
Total	–	2,158	719	2,721	480	6,078

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Five months ended 31 May 2026						
Executive directors:						
Dr. Shen (<i>Note (i)</i>)	–	303	101	3,019	61	3,484
Mr. Zhang Song (<i>Note (iii)</i>)	–	250	83	267	61	661
Ms. Han Na (<i>Note (xvii)</i>)	–	278	93	293	61	725
Mr. Zhu Jun (<i>Note (v)</i>)	–	318	106	361	61	846
Sub-total	–	1,149	383	3,940	244	5,716
Non-executive directors:						
Mr. Fan Qihui (<i>Note (iv)</i>)	–	–	–	–	–	–
Mr. Wu Jianfeng (<i>Note (xix)</i>)	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–
Total	–	1,149	383	3,940	244	5,716

As the Company had dissolved the supervisory committee from October 2025, there's no supervisors' remuneration included in the above disclosures for the period of five months ended 31 May 2026.

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- (i) Dr. Shen was appointed as the chief executive officer of the Company and the chairman of the Board with effect from October 2018.
- (ii) Mr. Yu Hao was appointed as executive director of the Company in December 2019 and resigned in October 2025.
- (iii) Mr. Zhang Song was appointed as executive director of the Company in June 2019.
- (iv) Mr. Fan Qihui was appointed by Suzhou Junlian Xiangdao Equity Investment Partnership (L.P.)* (蘇州君聯相道股權投資合夥企業(有限合夥)), Shanghai Junlian Shenghao Venture Capital Partnership (L.P.)* (上海君聯晟灝創業投資合夥企業(有限合夥)), Beijing Junlian Shengyuan Equity Investment Partnership (L.P.)* (北京君聯晟源股權投資合夥企業(有限合夥)) and Xi'an Junlian Haiying Equity Investment Partnership (L.P.)* (西安君聯海盈股權投資合夥企業(有限合夥)) as non-executive director of the Company in May 2020.
- (v) Mr. Zhu Jun was appointed as executive director of the Company in May 2020.
- (vi) Mr. Zhou Zichao was appointed by CICC Generation (Suzhou) Emerging Industry Equity Investment Fund Partnership (L.P.)* (中金啟辰(蘇州)新興產業股權投資基金合夥企業(有限合夥)), CICC Generation (Suzhou) Emerging Industry Equity Investment Fund Partnership II (L.P.)* (中金啟辰貳期(蘇州)新興產業股權投資基金合夥企業(有限合夥)) and CICC Generation (Wuxi) Emerging Industry Equity Investment Fund Partnership II (L.P.)* (中金啟辰貳期(無錫)新興產業股權投資基金合夥企業(有限合夥)) as non-executive director of the Company in July 2022 and resigned in August 2023.
- (vii) Mr. Chen Jianwan was appointed by Shanghai Zhangjiang Science and Technology Venture Capital Co., Ltd.* (上海張江科技創業投資有限公司) as non-executive director of the Company in July 2022 and resigned in November 2023.
- (viii) Mr. Jiang Hang was appointed by CICC Generation (Suzhou) Emerging Industry Equity Investment Fund Partnership (L.P.)* (中金啟辰(蘇州)新興產業股權投資基金合夥企業(有限合夥)), CICC Generation (Suzhou) Emerging Industry Equity Investment Fund Partnership II (L.P.)* (中金啟辰貳期(蘇州)新興產業股權投資基金合夥企業(有限合夥)) and CICC Generation (Wuxi) Emerging Industry Equity Investment Fund Partnership II (L.P.)* (中金啟辰貳期(無錫)新興產業股權投資基金合夥企業(有限合夥)) as non-executive director of the Company in August 2023 and resigned in October 2025.
- (ix) Ms. Zhao Xingshuo was appointed by Suzhou Industrial Park Yuanhe Dinghe Jichang Venture Capital Partnership (L.P.)* (蘇州工業園區元禾鼎和吉昌創業投資合夥企業(有限合夥)) as non-executive director of the Company in November 2023 and resigned in October 2025.
- (x) Mr. Wei Yufa was appointed by Shenzhen Zhongnan He Duo Venture Capital Partnership (L.P.)* (深圳中南荷多創業投資合夥企業(有限合夥)) as a supervisor of the Company in May 2020 and resigned in August 2023.
- (xi) Mr. Ren Kangle was appointed as a supervisor of the Company in August 2019 and resigned in October 2025.
- (xii) Mr. Li Chao was appointed by Shenzhen Tuojin Venture Capital Fund Partnership (L.P.)* (深圳拓金創業投資基金合夥企業(有限合夥)) as a supervisor of the Company in July 2022 and resigned in August 2023.
- (xiii) Mr. Ma Yuan was appointed by Shanghai Ruihe Xinxin Venture Capital Center (L.P.)* (上海銳合新信創業投資中心(有限合夥)) and Ningbo Ruihe Yingfu Venture Capital Partnership (L.P.)* (寧波銳合盈孚創業投資合夥企業(有限合夥)) as a supervisor of the Company in June 2019 and resigned in October 2025.
- (xiv) Ms. Li Fanyuan was appointed by Shenzhen Tuojin Venture Capital Fund Partnership (L.P.)* (深圳拓金創業投資基金合夥企業(有限合夥)) as a supervisor of the Company in July 2022 and resigned in October 2025.

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- (xv) Mr. Zhang Jingtian was appointed by Jiaying Jingkai Juxing Equity Investment Partnership (L.P.)* (嘉興晶凱聚行股權投資合夥企業(有限合夥)), Jiaying Jingkai Zhanyuan Equity Investment Partnership (L.P.)* (嘉興晶凱瞻遠股權投資合夥企業(有限合夥)), Jiaying Jingkai Heyu Equity Investment Partnership (L.P.)* (嘉興晶凱合裕股權投資合夥企業(有限合夥)), Jiaying Jingkai Shihou Venture Capital Partnership (L.P.)* (嘉興晶凱時厚創業投資合夥企業(有限合夥)) and Jiaying Jingkai Hongkun Equity Investment Partnership (L.P.)* (嘉興晶凱弘鯤股權投資合夥企業(有限合夥)) as a supervisor of the Company in August 2023 and resigned in October 2025.
- (xvi) Mr. Dong Wei was appointed by Shenzhen Tuojin Venture Capital Fund Partnership (L.P.)* (深圳拓金創業投資基金合夥企業(有限合夥)) as a supervisor of the Company in August 2023 and resigned in October 2024.
- (xvii) Ms. Han Na was appointed as supervisor of the Company in October 2024 and resigned in January 2025 as supervisor of the Company and was appointed as executive director of the Company in January 2025.
- (xviii) Mr. Li Yisu was appointed as a supervisor of the Company in January 2025 and resigned in October 2025.
- (xix) Mr. Wu Jianfeng was appointed by Advanced Manufacturing Industry Investment Fund Phase II (L.P.)* (先進製造產業投資基金二期(有限合夥)) as non-executive director of the Company in April 2026.
- * The English name of these entities above represents the best effort made by the management of the Company to directly translate the Chinese name as they do not register any official English name.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026 included 3, 3, 2, 3 and 1 directors and supervisors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining 2, 2, 3, 2 and 4 highest paid employees who are neither a director nor supervisor of the Company during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026 are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	1,828	1,926	2,726	803	1,389
Performance related bonuses	609	642	909	268	463
Equity-settled share-based payment expense	3,350	3,098	3,502	928	6,446
Pension scheme contributions and social welfare	296	290	468	120	244
Total	<u>6,083</u>	<u>5,956</u>	<u>7,605</u>	<u>2,119</u>	<u>8,542</u>

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

	Number of employees				
	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
				<i>(unaudited)</i>	
Nil to HK\$1,000,000	–	–	–	–	–
HK\$1,000,001 to HK\$1,500,000	–	–	–	2	–
HK\$1,500,001 to HK\$2,000,000	–	–	–	–	2
HK\$2,000,001 to HK\$2,500,000	–	–	1	–	–
HK\$2,500,001 to HK\$3,000,000	–	1	2	–	1
HK\$3,000,001 to HK\$3,500,000	1	–	–	–	1
HK\$3,500,001 to HK\$4,000,000	1	1	–	–	–
Total	2	2	3	2	4
	=	=	=	=	=

11. INCOME TAX

PRC corporate income tax

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25%, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

Leadrive Technology (SHANGHAI) Co., Ltd. and Shanghai Lingang Power Electronics Research Co., Ltd. were recognized as a “High and New Technology Enterprise” (“HNTE”), therefore enjoyed a preferential income tax rate of 15% during the Relevant Periods. Liuzhou Leadrive Electric Control Technology Co., Ltd. was a HNTE for a period of three years up to 18 October 2025.

Pursuant to Cai Shui [2022] Circular No. 13 issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2022 to 31 December 2024, the annual taxable income of a small micro-enterprise that is not more than RMB1,000,000 shall be included in its taxable income, with the applicable enterprise income tax rate of 5%; and the annual taxable income that is not less than RMB1,000,000 nor more than RMB3,000,000 shall be included in its taxable income, with the applicable enterprise income tax rate of 5%. Pursuant to Cai Shui [2023] Circular No. 12 issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2023 to 31 December 2027, the annual taxable income of a small micro-enterprise that is not more than RMB1,000,000 shall be included in its taxable income, with the applicable enterprise income tax rate of 5%; and the annual taxable income that is not less than RMB1,000,000 nor more than RMB3,000,000 shall be included in its taxable income, with the applicable enterprise income tax rate of 5%. The preferential income tax rate under small micro-enterprises applicable to Leadrive New Energy (Shanghai) Co., Ltd. and Leadrive Technology (Hangzhou) Co., Ltd..

Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions of Leadrive Technology Germany GmbH has been calculated on the estimated taxable profit for the Relevant Periods and the five months ended 31 May 2025 at the respective rates prevailing in the relevant jurisdiction, which is 32.45%; Leadrive Japan Co., Ltd. has been calculated on the estimated taxable profit for the Relevant Periods and the five months ended 31 May 2025 at the respective rates prevailing in the relevant jurisdiction, which is 23.2%; Leadrive Technology (Hong Kong) Co., Ltd. has been calculated on the estimated taxable profit for the Relevant Periods and the five months ended 31 May 2025 at the respective rates prevailing in the relevant jurisdiction, which is 8.25% for the first HKD2,000,000 and 16.5% for any estimated assessable profits exceeding HKD2,000,000 arising in Hong Kong.

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

The income tax expense of the Group is analyzed as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current income tax	—	—	—	—	—
	=	=	=	=	=

A reconciliation of income tax expense applicable to loss before tax at applicable tax for the jurisdiction in which the Company and its subsidiary are domiciled to the income tax expense at the effective income tax rate for each of the Relevant Periods and the five months ended 31 May 2025 is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss before tax	(237,180)	(335,015)	(331,006)	(160,067)	(127,526)
Tax at PRC statutory tax rate of 25%	(59,295)	(83,754)	(82,752)	(40,017)	(31,882)
Effect of preferential or different tax rates	20,630	25,832	27,605	11,800	16,152
Additional deductible allowance for qualified research and development expenses .	(16,436)	(27,061)	(31,503)	(14,585)	(14,914)
Expenses not deductible for tax	180	263	373	143	150
Unrecognised temporary differences and tax losses	54,921	84,720	86,277	42,659	30,494
Tax charge at the Group’s effective rate	—	—	—	—	—
	=	=	=	=	=

The Group has tax losses arising in Chinese Mainland of RMB794,138,000, RMB1,164,832,000, RMB1,643,223,000 and RMB1,809,234,000 on 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and its subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

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

The calculation of the basic loss per share amounts is based on the loss for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during each of the Relevant Periods and the five months ended 31 May 2025.

In determining the weighted average number of ordinary shares outstanding prior to the Company’s conversion into a joint stock company, it was assumed that: (i) paid-in capital was converted into share capital at the same ratio as applied upon the conversion in October 2024; and (ii) reserves were capitalised into share capital in the same proportion as effected in October 2024 (note 35).

The calculations of basic and diluted loss per share are based on:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	(unaudited)				
Loss					
Loss attributable to ordinary equity holders of the parent (RMB’000)	(229,028)	(329,765)	(333,962)	(160,456)	(126,955)
Shares					
Weighted average number of ordinary shares in issue during the year/period (’000)	24,610	29,422	33,040	31,691	34,703

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods and the five months ended 31 May 2025.

For the details of Pre-[REDACTED] Investments, please refer to note 35 to this report.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Electronic devices	Furniture and fixtures	Construction in progress	Leasehold improvements	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2023						
At 1 January 2023:						
Cost	40,376	7,155	371	9,787	9,863	67,552
Accumulated depreciation and impairment.	(6,562)	(4,900)	(119)	–	(6,583)	(18,164)
Net carrying amount	33,814	2,255	252	9,787	3,280	49,388
At 1 January 2023, net of accumulated depreciation and impairment.	33,814	2,255	252	9,787	3,280	49,388
Additions	13,710	687	–	89,257	12,706	116,360
Disposals	(395)	(160)	–	–	–	(555)
Transfers	26,049	1,420	9	(27,610)	132	–
Depreciation provided during the year	(13,660)	(1,100)	(72)	–	(6,554)	(21,386)

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	Machinery	Electronic devices	Furniture and fixtures	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023, net of accumulated depreciation and impairment	59,518	3,102	189	71,434	9,564	143,807
At 31 December 2023:						
Cost	79,658	9,072	380	71,434	22,701	183,245
Accumulated depreciation and impairment	(20,140)	(5,970)	(191)	–	(13,137)	(39,438)
Net carrying amount	59,518	3,102	189	71,434	9,564	143,807

	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	79,658	9,072	380	–	71,434	22,701	183,245
Accumulated depreciation and impairment	(20,140)	(5,970)	(191)	–	–	(13,137)	(39,438)
Net carrying amount	59,518	3,102	189	–	71,434	9,564	143,807
At 1 January 2024, net of accumulated depreciation and impairment	59,518	3,102	189	–	71,434	9,564	143,807
Additions	14,253	6	–	–	277,861	990	293,110
Disposals	(612)	(10)	–	–	–	–	(622)
Transfers	150,339	5,181	32	569	(166,402)	10,281	–
Depreciation provided during the year	(29,893)	(1,861)	(70)	(36)	–	(9,181)	(41,041)
At 31 December 2024, net of accumulated depreciation and impairment	193,605	6,418	151	533	182,893	11,654	395,254
At 31 December 2024:							
Cost	243,189	14,063	412	569	182,893	33,972	475,098
Accumulated depreciation and impairment	(49,584)	(7,645)	(261)	(36)	–	(22,318)	(79,844)
Net carrying amount	193,605	6,418	151	533	182,893	11,654	395,254

As at 31 December 2024, certain of the Group’s construction in progress with aggregate net carrying values of approximately RMB90,647,000 was mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

	Buildings	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025								
At 1 January 2025:								
Cost	–	243,189	14,063	412	569	182,893	33,972	475,098
Accumulated depreciation and impairment	–	(49,584)	(7,645)	(261)	(36)	–	(22,318)	(79,844)
Net carrying amount	–	193,605	6,418	151	533	182,893	11,654	395,254

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	Buildings	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025, net of accumulated depreciation and impairment	–	193,605	6,418	151	533	182,893	11,654	395,254
Additions	–	3,646	–	–	–	419,755	456	423,857
Disposals	–	(1,924)	(5)	–	–	–	–	(1,929)
Transfers	205,784	232,631	37,414	75	–	(503,965)	28,061	–
Depreciation provided during the year	(6,651)	(51,005)	(4,207)	(68)	(110)	–	(10,341)	(72,382)
At 31 December 2025, net of accumulated depreciation and impairment	199,133	376,953	39,620	158	423	98,683	29,830	744,800
At 31 December 2025:								
Cost	205,784	472,808	51,398	487	569	98,683	48,507	878,236
Accumulated depreciation and impairment	(6,651)	(95,855)	(11,778)	(329)	(146)	–	(18,677)	(133,436)
Net carrying amount	199,133	376,953	39,620	158	423	98,683	29,830	744,800
	Buildings	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 May 2026								
At 1 January 2026:								
Cost	205,784	472,808	51,398	487	569	98,683	48,507	878,236
Accumulated depreciation and impairment	(6,651)	(95,855)	(11,778)	(329)	(146)	–	(18,677)	(133,436)
Net carrying amount	199,133	376,953	39,620	158	423	98,683	29,830	744,800
At 1 January 2026, net of accumulated depreciation and impairment	199,133	376,953	39,620	158	423	98,683	29,830	744,800
Additions	–	–	–	–	–	201,621	–	201,621
Disposals	–	(563)	–	–	–	–	–	(563)
Transfers	–	121,382	3,591	34	–	(144,979)	19,972	–
Depreciation provided during the period	(4,219)	(26,006)	(3,988)	(32)	(46)	–	(3,801)	(38,092)
At 31 May 2026, net of accumulated depreciation and impairment	194,914	471,766	39,223	160	377	155,325	46,001	907,766
At 31 May 2026:								
Cost	205,784	593,601	54,989	521	569	155,325	68,479	1,079,268
Accumulated depreciation and impairment	(10,870)	(121,835)	(15,766)	(361)	(192)	–	(22,478)	(171,502)
Net carrying amount	194,914	471,766	39,223	160	377	155,325	46,001	907,766

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As at 31 May 2026, certain of the Group’s Buildings with aggregate net carrying values of approximately RMB166,295,000 were mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

The Company

	Machinery	Electronic devices	Furniture and fixtures	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
At 1 January 2023:						
Cost	6,437	5,008	120	5,101	1,564	18,230
Accumulated depreciation and impairment	(332)	(3,630)	(44)	–	(1,148)	(5,154)
Net carrying amount	<u>6,105</u>	<u>1,378</u>	<u>76</u>	<u>5,101</u>	<u>416</u>	<u>13,076</u>
At 1 January 2023, net of accumulated depreciation and impairment	6,105	1,378	76	5,101	416	13,076
Additions	8,438	346	–	2,189	793	11,766
Disposals	(304)	(160)	–	–	–	(464)
Transfers	3,285	666	–	(3,951)	–	–
Depreciation provided during the year	<u>(2,146)</u>	<u>(722)</u>	<u>(23)</u>	<u>–</u>	<u>(332)</u>	<u>(3,223)</u>
At 31 December 2023, net of accumulated depreciation and impairment	<u>15,378</u>	<u>1,508</u>	<u>53</u>	<u>3,339</u>	<u>877</u>	<u>21,155</u>
At 31 December 2023:						
Cost	17,806	5,829	120	3,339	2,357	29,451
Accumulated depreciation and impairment	(2,428)	(4,321)	(67)	–	(1,480)	(8,296)
Net carrying amount	<u>15,378</u>	<u>1,508</u>	<u>53</u>	<u>3,339</u>	<u>877</u>	<u>21,155</u>

	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	17,806	5,829	120	–	3,339	2,357	29,451
Accumulated depreciation and impairment	(2,428)	(4,321)	(67)	–	–	(1,480)	(8,296)
Net carrying amount	<u>15,378</u>	<u>1,508</u>	<u>53</u>	<u>–</u>	<u>3,339</u>	<u>877</u>	<u>21,155</u>
At 1 January 2024, net of accumulated depreciation and impairment	15,378	1,508	53	–	3,339	877	21,155
Additions	13,085	4	–	–	50,115	–	63,204
Disposals	(381)	(10)	–	–	–	–	(391)
Transfers	38,201	2,865	32	569	(42,841)	1,174	–
Depreciation provided during the year	<u>(19,939)</u>	<u>(1,155)</u>	<u>(26)</u>	<u>(36)</u>	<u>–</u>	<u>(772)</u>	<u>(21,928)</u>
At 31 December 2024, net of accumulated depreciation and impairment	<u>46,344</u>	<u>3,212</u>	<u>59</u>	<u>533</u>	<u>10,613</u>	<u>1,279</u>	<u>62,040</u>

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	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024:							
Cost	68,592	8,502	152	569	10,613	3,531	91,959
Accumulated depreciation and impairment	(22,248)	(5,290)	(93)	(36)	—	(2,252)	(29,919)
Net carrying amount	<u>46,344</u>	<u>3,212</u>	<u>59</u>	<u>533</u>	<u>10,613</u>	<u>1,279</u>	<u>62,040</u>

	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025							
At 1 January 2025:							
Cost	68,592	8,502	152	569	10,613	3,531	91,959
Accumulated depreciation and impairment	(22,248)	(5,290)	(93)	(36)	—	(2,252)	(29,919)
Net carrying amount	<u>46,344</u>	<u>3,212</u>	<u>59</u>	<u>533</u>	<u>10,613</u>	<u>1,279</u>	<u>62,040</u>

At 1 January 2025, net of accumulated depreciation and impairment	46,344	3,212	59	533	10,613	1,279	62,040
Additions	2,289	—	—	—	43,388	174	45,851
Disposals	(45)	(4)	—	—	—	—	(49)
Transfers	32,114	746	—	—	(33,054)	194	—
Depreciation provided during the year	<u>(21,847)</u>	<u>(1,304)</u>	<u>(19)</u>	<u>(110)</u>	<u>—</u>	<u>(927)</u>	<u>(24,207)</u>

At 31 December 2025, net of accumulated depreciation and impairment	<u>58,855</u>	<u>2,650</u>	<u>40</u>	<u>423</u>	<u>20,947</u>	<u>720</u>	<u>83,635</u>
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At 31 December 2025:							
Cost	100,667	9,176	152	569	20,947	3,899	135,410
Accumulated depreciation and impairment	(41,812)	(6,526)	(112)	(146)	—	(3,179)	(51,775)
Net carrying amount	<u>58,855</u>	<u>2,650</u>	<u>40</u>	<u>423</u>	<u>20,947</u>	<u>720</u>	<u>83,635</u>

	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000

31 May 2026							
At 1 January 2026:							
Cost	100,667	9,176	152	569	20,947	3,899	135,410
Accumulated depreciation and impairment	(41,812)	(6,526)	(112)	(146)	—	(3,179)	(51,775)
Net carrying amount	<u>58,855</u>	<u>2,650</u>	<u>40</u>	<u>423</u>	<u>20,947</u>	<u>720</u>	<u>83,635</u>

At 1 January 2026, net of accumulated depreciation and impairment	58,855	2,650	40	423	20,947	720	83,635
Additions	—	—	—	—	21,795	—	21,795
Transfers	13,360	740	—	—	(14,550)	450	—
Depreciation provided during the period	<u>(8,020)</u>	<u>(562)</u>	<u>(8)</u>	<u>(46)</u>	<u>—</u>	<u>(292)</u>	<u>(8,928)</u>

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	Machinery	Electronic devices	Furniture and fixtures	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 May 2026, net of accumulated depreciation and impairment	64,195	2,828	32	377	28,192	878	96,502
At 31 May 2026:							
Cost	114,027	9,916	152	569	28,192	4,349	157,205
Accumulated depreciation and impairment	(49,832)	(7,088)	(120)	(192)	–	(3,471)	(60,703)
Net carrying amount	64,195	2,828	32	377	28,192	878	96,502

Non-financial assets (including property, plant and equipment, right-of-use assets and intangible assets) are reviewed by the management of the Group periodically to determine whether there were any indication of impairment throughout the Relevant Periods according to IAS 36 and tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable at the end of each of the Relevant Periods.

Although the Group had operating losses during the Relevant Periods, this was mainly due to the fact that the Group carried out strategic investments such as R&D, which had inherent time lag in expanding the market and gaining market recognition. The Group’s operating performance during the Relevant Periods met the budget and expectations of the Group’s management. In addition, there were no other event or change in circumstances (such as adverse changes in the technological or market environment etc.) that indicates that the recorded carrying amounts may not be recoverable as at the end of each of the Relevant Periods.

The management concluded that no impairment indication of the non-financial assets existed as at the end of each of the Relevant Periods.

15. LEASES

The Group and the Company as the lessee

The Group and the Company have lease contracts for various items of building used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1.58 and 6 years.

(a) Right-of-use assets

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

The Group

	Buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
At 1 January 2023:			
Cost	20,731	–	20,731
Accumulated depreciation	(6,957)	–	(6,957)
Net carrying amount	13,774	–	13,774
At 1 January 2023, net of accumulated depreciation	13,774	–	13,774
Additions	10,628	19,663	30,291
Depreciation provided during the year	(6,568)	(295)	(6,863)

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	Buildings	Leasehold land	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2023, net of accumulated depreciation	17,834	19,368	37,202
31 December 2024			
At 1 January 2024:			
Cost	31,359	19,663	51,022
Accumulated depreciation	(13,525)	(295)	(13,820)
Net carrying amount	17,834	19,368	37,202
At 1 January 2024, net of accumulated depreciation	17,834	19,368	37,202
Additions	11,084	–	11,084
Depreciation provided during the year	(8,891)	(393)	(9,284)
At 31 December 2024, net of accumulated depreciation	20,027	18,975	39,002
31 December 2025			
At 1 January 2025:			
Cost	42,133	19,663	61,796
Accumulated depreciation	(22,106)	(688)	(22,794)
Net carrying amount	20,027	18,975	39,002
At 1 January 2025, net of accumulated depreciation	20,027	18,975	39,002
Additions	43,062	–	43,062
Early cancellation of leases	(618)	–	(618)
Lease modification	1,137	–	1,137
Depreciation provided during the year	(10,354)	(393)	(10,747)
At 31 December 2025, net of accumulated depreciation	53,254	18,582	71,836
31 May 2026			
At 1 January 2026:			
Cost	77,000	19,663	96,663
Accumulated depreciation	(23,746)	(1,081)	(24,827)
Net carrying amount	53,254	18,582	71,836
At 1 January 2026, net of accumulated depreciation	53,254	18,582	71,836
Additions	8,460	–	8,460
Depreciation provided during the period	(6,591)	(164)	(6,755)
Exchange realignment	(33)	–	(33)
At 31 May 2026, net of accumulated depreciation	55,090	18,418	73,508

As at 31 December 2024, certain of the Group’s leasehold land with aggregate net carrying values of approximately RMB18,975,000 were pledged as collateral for bank loans.

As at 31 May 2026, certain of the Group’s leasehold land with aggregate net carrying values of approximately RMB18,418,000 were pledged as collateral for bank loans.

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The Company

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

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Buildings				
As at beginning of the year/period	1,284	4,764	4,041	39,282
Additions	4,769	1,644	39,427	409
Depreciation charge	(1,289)	(2,367)	(4,186)	(3,862)
As at end of the year/period	<u>4,764</u>	<u>4,041</u>	<u>39,282</u>	<u>35,829</u>

No impairment indication of right-of-use assets existed as at the end of each of the Relevant Periods.

(b) Lease liabilities

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

The Group

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period	13,448	18,078	19,858	54,769
New leases	10,628	11,084	43,062	8,460
Accretion of interest recognised during the year/period	697	911	1,063	1,152
Payments	(6,695)	(10,215)	(9,697)	(4,636)
Early cancellation of leases	–	–	(654)	–
Lease modification	–	–	1,137	–
Exchange realignment	–	–	–	(35)
Carrying amount at the end of the year/period	<u>18,078</u>	<u>19,858</u>	<u>54,769</u>	<u>59,710</u>
Analysed into:				
Current portion	7,844	9,400	11,889	14,126
Non-current portion	<u>10,234</u>	<u>10,458</u>	<u>42,880</u>	<u>45,584</u>

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The Company

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period	1,178	4,859	4,016	40,671
New leases	4,769	1,644	39,427	409
Accretion of interest recognised during the year/period	129	202	438	805
Payments	(1,217)	(2,689)	(3,210)	(1,301)
Carrying amount at the end of the year/period	<u>4,859</u>	<u>4,016</u>	<u>40,671</u>	<u>40,584</u>
Analysed into:				
Current portion	1,989	2,757	7,579	6,832
Non-current portion	<u>2,870</u>	<u>1,259</u>	<u>33,092</u>	<u>33,752</u>

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

The Group

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities	697	911	1,063	356	1,152
Depreciation charge of right-of-use assets	6,863	9,284	10,747	4,386	6,755
Expense relating to short-term leases	<u>532</u>	<u>374</u>	<u>799</u>	<u>390</u>	<u>98</u>
Total	<u>8,092</u>	<u>10,569</u>	<u>12,609</u>	<u>5,132</u>	<u>8,005</u>

The Company

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities	129	202	438	70	805
Depreciation charge of right-of-use assets	1,289	2,367	4,186	1,291	3,862
Expense relating to short-term leases	<u>132</u>	<u>122</u>	<u>330</u>	<u>67</u>	<u>9</u>
Total	<u>1,550</u>	<u>2,691</u>	<u>4,954</u>	<u>1,428</u>	<u>4,676</u>

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(d) The total cash outflow for leases are disclosed in note 39(c) to the Historical Financial Information.

16. INTANGIBLE ASSETS

The Group

	Patent use rights	Know-how	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023				
At 1 January 2023:				
Cost	5,779	12,175	9,631	27,585
Accumulated amortisation	(5,625)	(12,145)	(2,909)	(20,679)
Net carrying amount	<u>154</u>	<u>30</u>	<u>6,722</u>	<u>6,906</u>
Cost at 1 January 2023, net of accumulated amortisation	154	30	6,722	6,906
Additions	–	–	2,349	2,349
Amortisation provided during the year	(22)	(12)	(3,337)	(3,371)
At 31 December 2023	<u>132</u>	<u>18</u>	<u>5,734</u>	<u>5,884</u>
At 31 December 2023				
Cost	5,779	12,175	11,980	29,934
Accumulated amortisation	(5,647)	(12,157)	(6,246)	(24,050)
Net carrying amount	<u>132</u>	<u>18</u>	<u>5,734</u>	<u>5,884</u>
	Patent use rights	Know-how	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024				
At 1 January 2024:				
Cost	5,779	12,175	11,980	29,934
Accumulated amortisation	(5,647)	(12,157)	(6,246)	(24,050)
Net carrying amount	<u>132</u>	<u>18</u>	<u>5,734</u>	<u>5,884</u>
Cost at 1 January 2024, net of accumulated amortisation	132	18	5,734	5,884
Additions	–	–	1,985	1,985
Disposals	(13)	–	–	(13)
Amortisation provided during the year	(119)	(10)	(3,556)	(3,685)
At 31 December 2024	<u>–</u>	<u>8</u>	<u>4,163</u>	<u>4,171</u>
At 31 December 2024				
Cost	5,766	12,175	13,965	31,906
Accumulated amortisation	(5,766)	(12,167)	(9,802)	(27,735)
Net carrying amount	<u>–</u>	<u>8</u>	<u>4,163</u>	<u>4,171</u>

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	Patent use rights	Know-how	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025				
At 1 January 2025:				
Cost	5,766	12,175	13,965	31,906
Accumulated amortisation	(5,766)	(12,167)	(9,802)	(27,735)
Net carrying amount	<u>–</u>	<u>8</u>	<u>4,163</u>	<u>4,171</u>
Cost at 1 January 2025, net of accumulated amortisation	–	8	4,163	4,171
Additions	–	–	8,380	8,380
Amortisation provided during the year	–	(5)	(3,322)	(3,327)
At 31 December 2025	<u>–</u>	<u>3</u>	<u>9,221</u>	<u>9,224</u>
At 31 December 2025				
Cost	5,766	12,175	22,345	40,286
Accumulated amortisation	(5,766)	(12,172)	(13,124)	(31,062)
Net carrying amount	<u>–</u>	<u>3</u>	<u>9,221</u>	<u>9,224</u>
	Patent use rights	Know-how	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 May 2026				
At 1 January 2026:				
Cost	5,766	12,175	22,345	40,286
Accumulated amortisation	(5,766)	(12,172)	(13,124)	(31,062)
Net carrying amount	<u>–</u>	<u>3</u>	<u>9,221</u>	<u>9,224</u>
Cost at 1 January 2026, net of accumulated amortisation	–	3	9,221	9,224
Additions	–	–	2,000	2,000
Amortisation provided during the period	–	–	(1,458)	(1,458)
At 31 May 2026	<u>–</u>	<u>3</u>	<u>9,763</u>	<u>9,766</u>
At 31 May 2026				
Cost	5,766	12,175	24,345	42,286
Accumulated amortisation	(5,766)	(12,172)	(14,582)	(32,520)
Net carrying amount	<u>–</u>	<u>3</u>	<u>9,763</u>	<u>9,766</u>

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The Company

	Patent use rights	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023			
At 1 January 2023:			
Cost	223	8,616	8,839
Accumulated amortisation	(69)	(2,253)	(2,322)
Net carrying amount	<u>154</u>	<u>6,363</u>	<u>6,517</u>
Cost at 1 January 2023, net of accumulated amortisation	154	6,363	6,517
Additions	–	2,304	2,304
Amortisation provided during the year	(22)	(3,106)	(3,128)
At 31 December 2023	<u>132</u>	<u>5,561</u>	<u>5,693</u>
At 31 December 2023			
Cost	223	10,920	11,143
Accumulated amortisation	(91)	(5,359)	(5,450)
Net carrying amount	<u>132</u>	<u>5,561</u>	<u>5,693</u>
	Patent use rights	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024			
At 1 January 2024:			
Cost	223	10,920	11,143
Accumulated amortisation	(91)	(5,359)	(5,450)
Net carrying amount	<u>132</u>	<u>5,561</u>	<u>5,693</u>
Cost at 1 January 2024, net of accumulated amortisation	132	5,561	5,693
Additions	–	1,984	1,984
Disposals	(13)	–	(13)
Amortisation provided during the year	(119)	(3,440)	(3,559)
At 31 December 2024	<u>–</u>	<u>4,105</u>	<u>4,105</u>
At 31 December 2024			
Cost	210	12,904	13,114
Accumulated amortisation	(210)	(8,799)	(9,009)
Net carrying amount	<u>–</u>	<u>4,105</u>	<u>4,105</u>

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	Patent use rights	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025			
At 1 January 2025:			
Cost	210	12,904	13,114
Accumulated amortisation	(210)	(8,799)	(9,009)
Net carrying amount	<u>–</u>	<u>4,105</u>	<u>4,105</u>
Cost at 1 January 2025, net of accumulated amortisation	–	4,105	4,105
Additions	–	6,210	6,210
Amortisation provided during the year	–	(3,183)	(3,183)
At 31 December 2025	<u>–</u>	<u>7,132</u>	<u>7,132</u>
At 31 December 2025			
Cost	210	19,114	19,324
Accumulated amortisation	(210)	(11,982)	(12,192)
Net carrying amount	<u>–</u>	<u>7,132</u>	<u>7,132</u>
	Patent use rights	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 May 2026			
At 1 January 2026:			
Cost	210	19,114	19,324
Accumulated amortisation	(210)	(11,982)	(12,192)
Net carrying amount	<u>–</u>	<u>7,132</u>	<u>7,132</u>
Cost at 1 January 2026, net of accumulated amortisation	–	7,132	7,132
Additions	–	1,211	1,211
Amortisation provided during the period	–	(1,087)	(1,087)
At 31 May 2026	<u>–</u>	<u>7,256</u>	<u>7,256</u>
At 31 May 2026			
Cost	210	20,325	20,535
Accumulated amortisation	(210)	(13,069)	(13,279)
Net carrying amount	<u>–</u>	<u>7,256</u>	<u>7,256</u>

No impairment indication of intangible assets existed as at the end of each of the Relevant Periods.

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17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	190,025	391,945	516,166	536,848
Provision for impairment	(23,072)	(23,072)	(23,072)	(23,072)
	166,953	368,873	493,094	513,776
Equity-settled share-based payments to employees of subsidiaries	15,185	22,259	28,838	31,560
Total	182,138	391,132	521,932	545,336

18. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Certificate of transferable deposit . .	20,087	–	–	10,066
	==	=	=	==

19. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	17,963	16,788	37,430	16,178
Rental deposit	–	–	1,800	1,800
Total	17,963	16,788	39,230	17,978
	==	==	==	==

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	7,583	2,448	841	439
Rental deposit	–	–	1,800	1,800
Total	7,583	2,448	2,641	2,239
	==	==	==	==

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20. INVENTORIES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	143,106	287,834	318,611	441,539
Work in progress	219	1,064	1,545	2,215
Goods dispatched	13,949	158,508	100,408	123,557
Finished goods	37,170	53,079	122,450	116,027
Contract fulfilment costs	10,976	23,272	63,911	90,431
Impairment	(14,438)	(53,288)	(44,738)	(46,308)
Total	<u>190,982</u>	<u>470,469</u>	<u>562,187</u>	<u>727,461</u>

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	99,439	84,716	67,865	121,316
Goods dispatched	8	128,575	87,419	97,101
Finished goods	14,925	4,000	1,555	1,776
Contract fulfilment costs	10,685	16,724	62,870	87,570
Impairment	(7,932)	(28,650)	(16,243)	(15,822)
Total	<u>117,125</u>	<u>205,365</u>	<u>203,466</u>	<u>291,941</u>

21. TRADE RECEIVABLES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	132,875	529,389	666,882	614,187
Impairment	(3,149)	(10,653)	(15,058)	(14,093)
Total	<u>129,726</u>	<u>518,736</u>	<u>651,824</u>	<u>600,094</u>

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at the end of each of the Relevant Periods, the Group had certain concentration of credit risk as 41%, 55%, 47%, 47% and 96%, 93%, 94%, 93% of the Group’s trade receivables were due from the Group’s largest debtor and five largest debtors, respectively.

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An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 6 months	129,726	518,736	648,772	600,094
6-12 months	—	—	3,052	—
Total	<u>129,726</u>	<u>518,736</u>	<u>651,824</u>	<u>600,094</u>

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

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period . . .	486	3,149	10,653	15,058
Impairment losses/(reversals) of trade receivables, net	2,731	7,504	4,405	(965)
Written off	<u>(68)</u>	<u>—</u>	<u>—</u>	<u>—</u>
At end of the year/period	<u>3,149</u>	<u>10,653</u>	<u>15,058</u>	<u>14,093</u>

An impairment analysis was performed at the end of relevant periods using an expected credit loss model to assess the impairment of trade receivables. The provision rates are based on invoice date for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that was available at the end of Relevant Periods about past events, current conditions and forecasts of future economic conditions.

The Group

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

As at 31 December 2023

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.37%	—	—	2.37%
Gross carrying amount (RMB'000) .	132,875	—	—	132,875
Expected credit losses (RMB'000) .	3,149	—	—	3,149

As at 31 December 2024

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.01%	—	—	2.01%
Gross carrying amount (RMB'000) .	529,389	—	—	529,389
Expected credit losses (RMB'000) .	10,653	—	—	10,653

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As at 31 December 2025

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.25%	3.36%	–	2.26%
Gross carrying amount (RMB’000) .	663,724	3,158	–	666,882
Expected credit losses (RMB’000) .	14,952	106	–	15,058

As at 31 May 2026

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.25%	–	100.00%	2.29%
Gross carrying amount (RMB’000) .	613,924	–	263	614,187
Expected credit losses (RMB’000) .	13,830	–	263	14,093

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables-third parties	62,374	429,832	559,164	495,740
Trade receivables-due from subsidiaries	249,095	768,129	668,767	956,461
	311,469	1,197,961	1,227,931	1,452,201
Impairment	(1,478)	(8,649)	(12,629)	(11,425)
Total	309,991	1,189,312	1,215,302	1,440,776

An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 6 months	309,991	1,189,312	1,212,250	1,440,776
6-12 months	–	–	3,052	–
Total	309,991	1,189,312	1,215,302	1,440,776

The Company

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

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
At beginning of the year/period . . .	46	1,478	8,649	12,629
Impairment losses/(reversals) of trade receivables, net	1,432	7,171	3,980	(1,204)
At end of the year/period	1,478	8,649	12,629	11,425

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

As at 31 December 2023

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	0.47%	–	–	0.47%
Gross carrying amount (RMB’000) .	311,469	–	–	311,469
Expected credit losses (RMB’000) .	1,478	–	–	1,478

As at 31 December 2024

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	0.72%	–	–	0.72%
Gross carrying amount (RMB’000) .	1,197,961	–	–	1,197,961
Expected credit losses (RMB’000) .	8,649	–	–	8,649

As at 31 December 2025

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	1.02%	3.36%	–	1.03%
Gross carrying amount (RMB’000) .	1,224,773	3,158	–	1,227,931
Expected credit losses (RMB’000) .	12,523	106	–	12,629

As at 31 May 2026

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	0.77%	–	100.00%	0.79%
Gross carrying amount (RMB’000) .	1,451,938	–	263	1,452,201
Expected credit losses (RMB’000) .	11,162	–	263	11,425

22. BILLS RECEIVABLE

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Bank acceptance bills	332	22,104	40,817	42,916
Commercial acceptance bills	–	357	–	2,000
Impairment	(8)	(453)	(920)	(1,012)
Total	<u>324</u>	<u>22,008</u>	<u>39,897</u>	<u>43,904</u>

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An ageing analysis of the bills receivable as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the issuance date and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 6 months	324	22,008	39,897	43,904

The movements in the loss allowance for impairment of bills receivable are as follows:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period . . .	—	8	453	920
Impairment losses of bills receivable, net	8	445	467	92
At end of the year/period	8	453	920	1,012

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank acceptance bills	332	5,029	30,408	12,845
Commercial acceptance bills	—	30,357	—	2,000
Impairment	(8)	(108)	(685)	(334)
Total	324	35,278	29,723	14,511

An ageing analysis of the bills receivable as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the issuance date and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 6 months	324	35,278	29,723	14,511

The movements in the loss allowance for impairment of bills receivable are as follows:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period . . .	—	8	108	685
Impairment losses/(reversals) of bills receivable, net	8	100	577	(351)
At end of the year/period	8	108	685	334

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivable, at fair value	10,263	141,692	347,712	320,340

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivable, at fair value	4,477	45,970	254,622	277,561

The Group and the Company has classified bills receivable that are held both to collect cash flows and to sell as financial assets at fair value through other comprehensive income under IFRS 9. All these receivables at fair value through other comprehensive income are aged within 6 months. The Group considers that there is no material credit risk in the bank acceptance bills held by the Group.

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	19,028	13,152	12,185	15,191
Other receivables	4,509	15,172	8,259	8,393
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other current assets	44,187	64,833	72,704	63,628
Total	67,724	93,157	94,531	90,399

The movements in the provision for impairment of other receivables are as follows:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning and end of year/period	4	4	4	4

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The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	15,094	9,867	7,668	9,723
Other receivables	1,257	7,783	4,328	3,549
Due from subsidiaries	54,417	219,780	378,647	201,136
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other current assets	29,302	23,034	23,857	15,830
Total	<u>100,070</u>	<u>260,464</u>	<u>415,883</u>	<u>233,425</u>

The movements in the provision for impairment of other receivables are as follows:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning and end of year/period	3 =	3 =	3 =	3 =

Prepayments mainly represent advanced payments to suppliers.

As there was no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). As at 31 December 2023, 2024 and 2025 and 31 May 2026, the credit rating of other receivables was performing. The Group assessed that the expected credit losses for these receivables were not material under the 12-month expected credit loss method. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the outstanding other receivable balances of the Group is not significant.

25. CONTRACT ASSETS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Sale of products	—	860	6,190	18,899
Impairment	—	(17)	(139)	(425)
Total	<u>—</u>	<u>843</u>	<u>6,051</u>	<u>18,474</u>

Contract assets are initially recognised for revenue earned from the sale of products as the receipt of consideration is conditional on successful completion of contractual obligations. Included in contract assets for sale of products are retention receivables. Upon completion of contractual obligations, the amounts recognised as contract assets are reclassified to trade receivables.

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The expected timing of recovery or settlement for contract assets as at 31 December 2023, 2024 and 2025 and 31 May 2026, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	–	843	6,051	18,474
	=	=	=	=

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

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period . . .	–	–	17	139
Impairment losses of contract assets, net.	–	17	122	286
At end of the year/period	–	17	139	425
	=	=	=	=

An impairment analysis was performed at the end of relevant periods using a provision matrix to measure expected credit losses. The provision rates are based on invoice date for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that was available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

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

As at 31 December 2023

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate.	–	–	–	–
Gross carrying amount (RMB'000) .	–	–	–	–
Expected credit losses (RMB'000) .	–	–	–	–

As at 31 December 2024

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate.	1.98%	–	–	1.98%
Gross carrying amount (RMB'000) .	860	–	–	860
Expected credit losses (RMB'000) .	17	–	–	17

As at 31 December 2025

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate.	2.25%	–	–	2.25%
Gross carrying amount (RMB'000) .	6,190	–	–	6,190
Expected credit losses (RMB'000) .	139	–	–	139

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As at 31 May 2026

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.25%	–	–	2.25%
Gross carrying amount (RMB’000) .	18,899	–	–	18,899
Expected credit losses (RMB’000) .	425	–	–	425

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Sale of products	–	560	5,890	16,866
Impairment	–	(11)	(133)	(380)
Total	–	549	5,757	16,486
	=	=	=	=

The expected timing of recovery or settlement for contract assets as at 31 December 2023, 2024 and 2025 and 31 May 2026, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	–	549	5,757	16,486
	=	=	=	=

The Company

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

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
At beginning of the year/period . . .	–	–	11	133
Impairment losses of contract assets, net	–	11	122	247
At end of the year/period	–	11	133	380
	=	=	=	=

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

As at 31 December 2023

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	–	–	–	–
Gross carrying amount (RMB’000) .	–	–	–	–
Expected credit losses (RMB’000) .	–	–	–	–

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As at 31 December 2024

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	1.96%	—	—	1.96%
Gross carrying amount (RMB’000) .	560	—	—	560
Expected credit losses (RMB’000) .	11	—	—	11

As at 31 December 2025

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.26%	—	—	2.26%
Gross carrying amount (RMB’000) .	5,890	—	—	5,890
Expected credit losses (RMB’000) .	133	—	—	133

As at 31 May 2026

	Less than 6 months	6 to 12 months	1 to 2 years	Total
Expected credit loss rate	2.25%	—	—	2.25%
Gross carrying amount (RMB’000) .	16,866	—	—	16,866
Expected credit losses (RMB’000) .	380	—	—	380

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Unlisted equity investments, at fair value	6,725	14,822	20,478	25,478
Wealth management products and structured deposits, at fair value .	180,910	—	—	250,785
Total	<u>187,635</u>	<u>14,822</u>	<u>20,478</u>	<u>276,263</u>

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Wealth management products and structured deposits, at fair value .	<u>180,910</u>	<u>—</u>	<u>—</u>	<u>250,785</u>

The above wealth management products and structured deposits were issued by banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

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27. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances:	231,334	203,847	800,234	658,812
Less: Restricted bank deposits	—	—	42,631	30,396
Cash and cash equivalents	231,334	203,847	757,603	628,416
Denominated in RMB	202,009	194,692	733,109	582,957
Denominated in USD	20,709	1,308	1,320	17,905
Denominated in EUR	8,616	7,847	19,111	24,197
Denominated in JPY	—	—	4,063	3,357
Total	231,334	203,847	757,603	628,416

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	191,000	111,808	607,921	544,657
Less: Restricted bank deposits	—	—	20,000	30,000
Cash and cash equivalents	191,000	111,808	587,921	514,657
Denominated in RMB	170,291	110,500	586,601	513,332
Denominated in USD	20,709	1,308	1,320	1,325
Total	191,000	111,808	587,921	514,657

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. Restricted bank deposits include amounts required to be placed in banks for securing notes payable and letters of guarantee, and the blocked amounts during the subscription period of structured deposits.

28. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bills payables	—	—	2,631	—
Trade payables	103,095	481,703	844,866	797,063
Total	103,095	481,703	847,497	797,063

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An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	101,639	481,254	846,839	796,732
Over one year	1,456	449	658	331
Total	<u>103,095</u>	<u>481,703</u>	<u>847,497</u>	<u>797,063</u>

The trade and bills payables are non-interest-bearing and are normally settled on around 90 day terms.

Certain group entities issued commercial acceptance bills and letter of credit to other group entities for inter-group purchase/sale transactions. The seller entities endorsed such acceptance bills and letter of credit to banks and the cash received was recognized as a loan in the consolidated financial statements. Such loan will be settled upon the maturity of such bills within usually 180-360 days. All such financial liabilities are included in interest-bearing bank borrowings in the statement of financial position and the current portion of unsecured bank loans.

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of bills endorsed to bank	–	70,950	130,000	241,000
	=	<u> </u>	<u> </u>	<u> </u>

The Company

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date, is as follows:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables – third parties	87,405	223,195	366,424	373,546
Trade payables – due to subsidiaries	138,650	754,393	746,145	933,758
	226,055	977,588	1,112,569	1,307,304
Bills payable	–	40,950	120,000	281,000
Total	<u>226,055</u>	<u>1,018,538</u>	<u>1,232,569</u>	<u>1,588,304</u>

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	226,055	1,018,538	1,232,459	1,588,267
Over one year	–	–	110	37
Total	<u>226,055</u>	<u>1,018,538</u>	<u>1,232,569</u>	<u>1,588,304</u>

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29. OTHER PAYABLES AND ACCRUALS

The Group

	Note	As at 31 December			As at 31 May
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Employee benefit payables		23,832	34,226	38,308	28,953
Other payables	(a)	15,180	24,961	31,470	23,236
Payables for property, plant and equipment		20,573	39,132	141,688	153,082
Sales rebate		–	19,619	20,291	–
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax payables		1,794	3,084	7,067	3,157
Total		<u>61,379</u>	<u>121,022</u>	<u>239,631</u>	<u>212,350</u>

Note:

- (a) Other payables are non-interest-bearing and have no fixed terms.

The Company

	Note	As at 31 December			As at 31 May
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Employee benefit payables		13,781	20,058	22,048	13,873
Other payables	(a)	5,491	11,744	27,332	13,873
Payables for property, plant and equipment		715	6,715	30,478	23,528
Sales rebate		–	8,936	18,871	–
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax payables		787	1,412	1,893	977
Total		<u>20,774</u>	<u>48,865</u>	<u>101,429</u>	<u>56,173</u>

Note:

- (a) Other payables are non-interest-bearing and have no fixed terms.

30. LIABILITIES TO OTHER INVESTORS

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Liabilities to other investors	–	91,585	158,644	163,147
	<u>–</u>	<u>91,585</u>	<u>158,644</u>	<u>163,147</u>

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The movements of the liabilities to other investors during the Relevant Periods and are set out below:

	Liabilities to other investors
	RMB'000
As at 1 January 2024	–
Addition	89,670
Accretion of interest recognised during the year	1,915
As at 31 December 2024 and 1 January 2025	91,585
Addition	57,330
Accretion of interest recognised during the year	9,729
As at 31 December 2025 and 1 January 2026	158,644
Accretion of interest recognised during the period	4,503
As at 31 May 2026	163,147

Leadrive Technology (Wuhu) Co., Ltd. (the Company’s subsidiary) received several investments from certain investors, which shall be redeemable by Leadrive Technology (Wuhu) Co., Ltd. upon occurrence of specified triggering events which are out of the entity’s control, such as no qualified [REDACTED], resignation of ultimate controlling shareholder, etc, at the redemption amount of investment amount plus annual simple interest at a rate of 7%. Such investments with redemption feature were classified as liabilities, which were initially recognised at the present value of the redemption amounts payable upon exercise of the redemption rights, and subsequently measured at amortised cost with interests included in “Finance Cost” in profit or loss. These liabilities are classified as current liabilities because the timing of the occurrence of certain redemption events are out of the entity and the Group’s control.

31. CONTRACT LIABILITIES

The Group

	As at 1 January	As at 31 December			As at 31 May
	2023	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Advances received from customers	1,577	5,775	31,766	71,894	90,540

The Company

	As at 1 January	As at 31 December			As at 31 May
	2023	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Advances received from customers	1,577	2,512	22,961	70,718	89,637

Contract liabilities include advances received to deliver R&D services. The increase in contract liabilities was mainly due to the increase in advances received from customers in relation to the provision of R&D services at the end of each of the Relevant Periods.

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32. INTEREST-BEARING BANK BORROWINGS

The Group

As at 31 December								
2023			2024			2025		
<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current								
Bank loans – Secured . . .	2.90-3.85	2024	20,451	2.60-3.95	2025	76,771	– –	–
Bank loans – Unsecured . .	3.55-4.00	2024	101,366	2.60-4.00	2025	582,929	0.90-3.95	2026-2031 1,135,705
Total-current			121,817			659,700		1,135,705
Non-current								
Bank loans – Secured . . .	2.95	2025	34,600	3.95	2026-2034	77,746	– –	–
Bank loans – Unsecured . .	4.20	2025	7,466	3.70	2026	15,000	2.35-3.95	2027-2034 161,675
Total-non-current			42,066			92,746		161,675
Total			163,883			752,446		1,297,380

	As at 31 May		
	2026		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – Unsecured	0.90-3.40	2026-2027	1,326,823
Total-current			1,326,823
Non-current			
Bank loans – Secured	2.85	2027-2041	328,017
Bank loans – Unsecured	2.35-3.20	2027-2032	146,076
Total-non-current			474,093
Total			1,800,916

An alternative approach of disclosing relevant information is illustrated below:

As at 31 December				As at 31 May
2023	2024	2025	2026	
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Analysed into:				
Bank loans repayable				
Within one year	121,817	659,700	1,135,705	1,326,823
In the second year	42,066	26,290	45,580	98,332
In the third to fifth years	–	26,940	66,540	103,964
Beyond five years	–	39,516	49,555	271,797
Total	163,883	752,446	1,297,380	1,800,916

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Notes:

- (a) The Group’s bank borrowings are all denominated in RMB.
- (b) As at 31 December 2023 and 2024, the Group’s interest-bearing bank borrowings amounting to RMB55,051,000, RMB154,517,000 were guaranteed by the ultimate controller Dr. Shen.
- (c) As at 31 December 2025, the guarantee provided by the ultimate controller Dr. Shen was fully released.
- (d) As at 31 December 2024, the Group’s interest-bearing bank borrowings amounting to RMB154,517,000 were secured by construction in progress and leasehold land by Leadrive Semiconductor (Jiaxing) Co., Ltd..
- (e) As at 31 May 2026, the Group’s interest-bearing bank borrowings amounting to RMB328,017,000 were secured by buildings and leasehold land by Leadrive Semiconductor (Jiaxing) Co., Ltd..

The Company

	As at 31 December								
	2023			2024			2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans – Secured . . .	2.90-3.85	2024	20,451	2.60-3.85	2025	64,663	–	–	–
Bank loans – Unsecured . .	3.55-4.00	2024	95,068	2.60-4.00	2025	539,127	2.15-3.40	2026-2027	923,930
Total-current			115,519			603,790			923,930
Non-current									
Bank loans – Secured . . .	2.95	2025	34,600	–	–	–	–	–	–
Bank loans – Unsecured . .	4.20	2025	4,617	3.70	2026	15,000	2.35-3.40	2027-2028	45,880
Total-non-current			39,217			15,000			45,880
Total			154,736			618,790			969,810

	As at 31 May		
	2026		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – Unsecured	2.15-3.40	2026-2027	1,025,855
Total-current			1,025,855
Non-current			
Bank loans – Unsecured	2.35-2.95	2027-2028	88,120
Total-non-current			88,120
Total			1,113,975

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An alternative approach of disclosing relevant information is illustrated below:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Analysed into:				
Bank loans repayable				
Within one year	115,519	603,790	923,930	1,025,855
In the second year	39,217	15,000	30,920	78,320
In the third to fifth years	—	—	14,960	9,800
Total	<u>154,736</u>	<u>618,790</u>	<u>969,810</u>	<u>1,113,975</u>

Notes:

- (a) The Company’s bank borrowings are all denominated in RMB.
- (b) As at 31 December 2023, 2024 and 2025 and 31 May 2026, the Company’s interest-bearing bank borrowings amounting to RMB55,051,000, RMB64,663,000, nil and nil were guaranteed by the ultimate controller Dr. Shen.

33. DEFERRED INCOME

The Group

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	<u>7,697</u>	<u>18,820</u>	<u>43,050</u>	<u>63,068</u>

The Company

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	<u>—</u>	<u>—</u>	<u>3,450</u>	<u>8,200</u>

34. PROVISION

The Group

	Warranties
	RMB'000
At 1 January 2023	—
Additions	<u>799</u>
At 31 December 2023 and 1 January 2024	<u>799</u>
Additions	<u>5,802</u>
Amounts utilised during the year	<u>(2,224)</u>

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	Warranties
	<i>RMB’000</i>
At 31 December 2024 and 1 January 2025	4,377
Additions	13,994
Amounts utilised during the year	<u>(5,333)</u>
At 31 December 2025 and 1 January 2026	13,038
Additions	6,693
Amounts utilised during the period	<u>(3,991)</u>
At 31 May 2026	<u>15,740</u>

The Group provides warranties to its customers for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

The Company

	Warranties
	<i>RMB’000</i>
At 1 January 2023	–
Additions	<u>395</u>
At 31 December 2023 and 1 January 2024	395
Additions	3,497
Amounts utilised during the year	<u>(1,119)</u>
At 31 December 2024 and 1 January 2025	2,773
Additions	11,740
Amounts utilised during the year	<u>(2,853)</u>
At 31 December 2025 and 1 January 2026	11,660
Additions	5,571
Amounts utilised during the period	<u>(2,532)</u>
At 31 May 2026	<u>14,699</u>

35. PAID IN CAPITAL/SHARE CAPITAL

The Group and the Company

	Numbers of ordinary shares	Paid in capital/ share capital
		<i>RMB’000</i>
At 1 January 2023	N/A	2,470
Rights fully paid	<u>N/A</u>	<u>472</u>
At 31 December 2023	N/A	2,942
Issue of new shares	N/A	204
Conversion into a joint stock company	3,146,309	–
Capital reserve converted into share capital	<u>26,853,691</u>	<u>26,854</u>
At 31 December 2024	30,000,000	30,000
Issue of new shares	<u>4,702,701</u>	<u>4,703</u>
At 31 December 2025 and 31 May 2026	<u>34,702,701</u>	<u>34,703</u>

The Company entered into respective shareholders’ agreements and share subscription agreements (collectively, the “Pre-[REDACTED] Investors Agreements”) with various Pre-[REDACTED] Investors before 30 April 2024 (collectively, the “Pre-[REDACTED] Investors”). The Pre-[REDACTED] Investors acquired ordinary

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shares of the Company through share subscription and transfer from the shareholders of the Company with a total consideration of approximately RMB1,207 million (collectively, the “Pre-[REDACTED] Investments”). Pursuant to the Pre-[REDACTED] Investors Agreements, the Pre-[REDACTED] Investors were granted by the Company with redemption rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

On 30 April 2024, the Company and the Pre-[REDACTED] Investors subsequently entered into supplemental agreements, agreeing that redemption rights granted by the Company to Pre-[REDACTED] Investors, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the Supplemental Agreements, the directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Relevant Periods.

Had the redemption rights granted by the Company to the Pre-[REDACTED] Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current assets and net assets would have been:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Redemption financial liabilities . . .	1,406,167	–	N/A	N/A
Total current liabilities	1,706,077	1,395,176	N/A	N/A
(Net current liabilities)/ net current assets	(894,814)	55,576	N/A	N/A
(Net liabilities)/ net assets	<u>(723,942)</u>	<u>399,212</u>	<u>N/A</u>	<u>N/A</u>

and (ii) the finance costs associated with the redemption financial liabilities, the net loss for the year, basic and dilutive loss per share would have been:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Finance costs associated with the redemption financial liabilities . . .	(95,707)	(47,929)	N/A	N/A	N/A
Total adjusted net loss* . .	(340,139)	(382,944)	N/A	N/A	N/A
Basic and diluted loss per share (RMB)	<u>(13.49)</u>	<u>(12.84)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

* The total adjusted net loss disclosed above was calculated based on the net loss after taking into account the finance costs associated with the redemption financial liabilities.

36. SHARE-BASED PAYMENT

Certain share incentive plans were established for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, including other employees of the Group, and the external consultants to the Group.

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SHARE INCENTIVE SCHEME 2017

A Share incentive scheme established on 5 December 2017 (“Scheme 2017”), unless otherwise cancelled or amended, will remain in force for 10 years from that date. The maximum number of share units currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 23.9167% of the shares of the Company in issue as at the date of adoption. Any further grant of share units in excess of this limit is subject to shareholders’ approval in a general meeting.

The offer of a grant of share units may be accepted from the date of offer, upon entering into the agreement of share incentive scheme. Pursuant to the adopted Scheme 2017, 374,561 units (equivalent to 3,571,433 shares after the shares conversion) of the Company were allocated to certain share incentive platforms. The shares units granted to each grantee shall vest and tradeable upon one year anniversary of the [REDACTED] of the Company. The eligible participants would be repaid with original subscription price plus single digit interest if employment were terminated before the vesting date. After taking into consideration of the best estimation of the [REDACTED], the management determined the vesting period of the relevant restricted shares based on the above performance conditions and service requirements. As such, the share-based payment expenses are amortised during the vesting period.

During the Relevant Periods, there were no share units granted under the share incentive scheme. The following share units were outstanding under Scheme 2017 during the year:

	Number of Shares			
	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
At the beginning of year/period . . .	3,571,433	3,571,433	3,571,433	3,571,433
Forfeited during the year/period . . .	—	—	—	(14,531)
At the end of year/period	<u>3,571,433</u>	<u>3,571,433</u>	<u>3,571,433</u>	<u>3,556,902</u>

The fair value of the share units granted was estimated as at the date of grant using recent transaction price, taking into account the terms and conditions upon which the share units were granted.

SHARE SCHEME 2021

A share-based payment plan was established on 4 March 2021 (“Scheme 2021”), which the restricted stock units (“RSUs”) of the Company will be granted to qualified external consultants through a share platform, Shanghai Jieli Enterprise Consulting (Limited Partnership) (“上海捷陸商務諮詢合夥企業(有限合夥)”). The number of share units granted to the eligible participants under this plan is 110,742 (equivalent to 1,055,923 shares after the shares conversion). The shares were granted at an exercise price of RMB67.93 and RMB75.64 per share (equivalent to RMB7.12 and RMB7.93 per share after the shares conversion), respectively, and shall not be exercised until the service requirements are fulfilled to the year ended 31 December 2023.

During the Relevant Periods, there were no shares granted under the share scheme. The following share units were outstanding under the Scheme 2021 during the year:

	Number of Shares			
	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
At the beginning of year/period . . .	1,055,923	—	—	—
Unlocked during the year/period . . .	<u>(1,055,923)</u>	—	—	—
At the end of year/period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The fair value of the share units granted was estimated as at the date of grant using recent transaction price, taking into account the terms and conditions upon which the share units were granted.

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SHARE INCENTIVE SCHEME 2022

A share-based incentive plan (“Scheme 2022”) was established under which the restricted stock units (“RSUs”) of the Company will be granted as share incentives to qualified directors and employees of the Company and its subsidiary through two employee shareholding platforms, Shanghai Xingqu Enterprise Consulting (Limited Partnership) (“上海興驅商務諮詢中心(有限合伙)”), Shanghai zhiyu Enterprise Consulting (Limited Partnership) (上海執驅商務諮詢中心(有限合伙)) and its limited partners, which are also employee shareholding platforms.

During the year ended 31 December 2023, 372,194 shares of the Company were granted to eligible participants at subscription price from RMB13.64 to RMB22.47 per share. The fair value of the shares on the grant date were RMB103.16 per share.

During the year ended 31 December 2024, 209,070 shares of the Company were granted to eligible participants at subscription price from RMB13.64 to RMB22.47 per share. The fair value of the shares on the grant date were ranging from RMB112.52 to RMB117.06 per share.

During the year ended 31 December 2025, 884,683 shares of the Company were granted to eligible participants at subscription price from RMB20.63 to RMB51.33 per share. The fair value of the shares on the grant date were ranging from RMB123.33 to RMB127.38 per share.

During the period ended 31 May 2026, there were no share units granted under the share incentive scheme.

The shares granted to the directors and employees are subject to a service condition and will unlock in three tranches which are 50% after 2 years, 25% after 3 years and the remaining 25% after 4 years from the grant date upon the fulfillments of the vesting conditions. The Group accounts for the scheme as an equity-settled plan.

	Number of Shares			
	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
At the beginning of year/period . . .	302,535	674,729	732,531	1,355,483
Granted during the year/period . . .	372,194	209,070	884,683	—
Forfeited during the year/period . . .	—	—	—	(33,942)
Unlocked during the year/period . . .	—	(151,268)	(261,731)	(129,439)
At the end of year/period	<u>674,729</u>	<u>732,531</u>	<u>1,355,483</u>	<u>1,192,102</u>

* The number of shares, subscription price per share and the fair value per share disclosed above were calculated based on the total shares after the shares conversion.

Expenses arising from the above share-based incentive plans were RMB28,627,000, RMB27,821,000, RMB26,954,000 and RMB18,222,000 during the Relevant Periods, respectively.

The fair value of the restricted stocks granted was estimated as at the date of grant using recent transaction price, taking into account the terms and conditions upon which the RSUs were granted.

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37. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods and the five months ended 31 May 2025 are presented in the consolidated statements of changes in equity on pages I-8 to I-12 of the financial statements.

(a) Capital reserve/Share premium

The capital reserve/share premium comprises (i) the capital reserve and share premium contributed by the shareholders of the Company; (ii) the differences between cost of acquisition of minority interest of the Company’s subsidiaries and the book value of net assets acquired. In 2024, the Group acquired the remaining 40% interest in Liuzhou Leadrive Electric Control Technology Co., Ltd.. In 2025, the Group acquired the remaining 40% interest in Leadrive Technology Germany GmbH. The impacts of the transfers were debited to other reserves accordingly.

(b) Equity-settled share-based payment reserves

The equity-settled share-based payment reserves represent the equity-settled share awards as set out in note 36 to the Historical Financial Information.

(c) Fair value reserve of financial assets at fair value through other comprehensive income

The fair value reserve of financial assets at fair value through other comprehensive income represents changes in fair value of debt investments at fair value through other comprehensive income, net of tax.

(d) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences on translation of foreign operations.

The Company

	Equity-settled share-based payment expenses	Capital and Other reserves	Accumulated loss	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023	43,803	675,154	(298,654)	420,303
Loss for the year	–	–	(209,001)	(209,001)
Other comprehensive loss for the year:				
Changes in fair value of debt investments designated at fair value through other comprehensive income, net of tax	–	(208)	–	(208)
Total comprehensive loss for the year . . .	–	(208)	(209,001)	(209,209)
Capital injection	–	500,575	–	500,575
Share issue expenses	–	(7,252)	–	(7,252)
Equity-settled share-based payment expenses	28,627	–	–	28,627
At 31 December 2023	72,430	1,168,269	(507,655)	733,044

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	Equity-settled share-based payment expenses	Capital reserve/ Share premium and Other reserves	Accumulated loss	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	72,430	1,168,269	(507,655)	733,044
Loss for the year	–	–	(211,194)	(211,194)
Other comprehensive loss for the year:				
Changes in fair value of debt investments designated at fair value through other comprehensive income, net of tax	–	(87)	–	(87)
Total comprehensive loss for the year . . .	–	(87)	(211,194)	(211,281)
Capital injection	–	43,839	–	43,839
Capital reserve converted into share capital	–	(26,854)	–	(26,854)
Conversion into a joint stock company . . .	–	(651,509)	651,509	–
Equity-settled share-based payment expenses	27,821	–	–	27,821
At 31 December 2024	<u>100,251</u>	<u>533,658</u>	<u>(67,340)</u>	<u>566,569</u>

	Equity-settled share-based payment expenses	Share premium and Other reserves	Accumulated loss	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	100,251	533,658	(67,340)	566,569
Loss for the year	–	–	(239,419)	(239,419)
Total comprehensive loss for the year . . .	–	–	(239,419)	(239,419)
Capital injection	–	575,297	–	575,297
Share issue expenses	–	(7,115)	–	(7,115)
Equity-settled share-based payment expenses	26,954	–	–	26,954
At 31 December 2025	<u>127,205</u>	<u>1,101,840</u>	<u>(306,759)</u>	<u>922,286</u>

	Equity-settled share-based payment expenses	Share premium and Other reserves	Accumulated loss	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	<u>100,251</u>	<u>533,658</u>	<u>(67,340)</u>	<u>566,569</u>
Loss for the period (unaudited)	–	–	(101,699)	(101,699)
Total comprehensive loss for the period (unaudited)	–	–	(101,699)	(101,699)
Capital injection (unaudited)	–	367,000	–	367,000
Share issue expenses (unaudited)	–	(6,226)	–	(6,226)
Equity-settled share-based payment expenses (unaudited)	11,044	–	–	11,044
At 31 May 2025 (unaudited)	<u>111,295</u>	<u>894,432</u>	<u>(169,039)</u>	<u>836,688</u>

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	Equity-settled share-based payment expenses	Share premium and Other reserves	Accumulated loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026	127,205	1,101,840	(306,759)	922,286
Loss for the period	–	–	(119,479)	(119,479)
Other comprehensive loss for the period: .				
Changes in fair value of debt investments designated at fair value through other comprehensive income, net of tax	–	66	–	66
Total comprehensive loss for the period . .	–	66	(119,479)	(119,413)
Equity-settled share-based payment expenses	18,222	–	–	18,222
At 31 May 2026	145,427	1,101,906	(426,238)	821,095

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Groups subsidiaries that have material non-controlling interests are set out below:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
Percentage of equity interest held by non-controlling interests:				
Liuzhou Leadrive Electric Control Technology Co., Ltd.	40%	–	–	–
Shanghai Lingang Power Electronics Research Co., Ltd.	46%	46%	46%	46%
Profit/(loss) for the year/period allocated to non-controlling interests: (RMB'000)				
Liuzhou Leadrive Electric Control Technology Co., Ltd.	(9,247)	N/A	N/A	N/A
Shanghai Lingang Power Electronics Research Co., Ltd.	2,700	(511)	(646)	(571)
Accumulated balances of non- controlling interests at the reporting date: (RMB'000)				
Liuzhou Leadrive Electric Control Technology Co., Ltd.	7,930	N/A	N/A	N/A
Shanghai Lingang Power Electronics Research Co., Ltd.	6,566	6,054	5,754	5,183

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The following tables illustrate the summarized financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Liuzhou Leadrive Electric Control Technology Co., Ltd.*	Shanghai Lingang Power Electronics Research Co., Ltd.
	RMB'000	RMB'000
Year ended 31 December 2023		
Revenue	69,727	46,927
Total expenses	(93,099)	(45,833)
(Loss)/profit for the year	(23,372)	1,094
Total comprehensive (loss)/income for the year	(23,372)	1,094
Current assets	113,829	65,202
Non-current assets	24,076	18,096
Current liabilities	(118,081)	(60,573)
Non-current liabilities	–	(2,675)
Net cash flows (used in)/from operating activities	(2,048)	5,692
Net cash flows used in investing activities	(3,943)	(1,946)
Net cash flows used in financing activities	(904)	–
Net (decrease)/increase in cash and cash equivalents	(6,895)	3,746
Year ended 31 December 2024		
Revenue	N/A	58,112
Total expenses	N/A	(61,694)
Loss for the year	N/A	(3,582)
Total comprehensive loss for the year	N/A	(3,582)
Current assets	N/A	98,959
Non-current assets	N/A	24,667
Current liabilities	N/A	(100,938)
Non-current liabilities	N/A	(437)
Net cash flows from operating activities	N/A	2,295
Net cash flows used in investing activities	N/A	(4,838)
Net cash flows used in financing activities	N/A	–
Net decrease in cash and cash equivalents	N/A	(2,543)
Year ended 31 December 2025		
Revenue	N/A	43,543
Total expenses	N/A	(44,189)
Loss for the year	N/A	(646)
Total comprehensive loss for the year	N/A	(646)
Current assets	N/A	48,950
Non-current assets	N/A	26,878
Current liabilities	N/A	(50,883)
Non-current liabilities	N/A	(671)
Net cash flows used in operating activities	N/A	(16,644)
Net cash flows used in investing activities	N/A	(926)
Net cash flows from financing activities	N/A	9,519
Net decrease in cash and cash equivalents	N/A	(8,051)
Five months ended 31 May 2026		
Revenue	N/A	13,235
Total expenses	N/A	(14,466)
Loss for the period	N/A	(1,231)
Total comprehensive loss for the period	N/A	(1,231)

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	Liuzhou Leadrive Electric Control Technology Co., Ltd.*	Shanghai Lingang Power Electronics Research Co., Ltd.
	RMB'000	RMB'000
Current assets	N/A	60,483
Non-current assets	N/A	30,605
Current liabilities	N/A	(68,688)
Non-current liabilities	N/A	(228)
Net cash flows used in operating activities	N/A	(5,986)
Net cash flows used in investing activities	N/A	(6,036)
Net cash flows from financing activities	N/A	9,902
Net decrease in cash and cash equivalents	N/A	(2,120)

* In 2024, the Group acquired the remaining 40% interest in Liuzhou Leadrive Electric Control Technology Co., Ltd..

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the Group had non-cash additions to right-of-use assets RMB10,628,000, RMB11,084,000, RMB43,062,000 and RMB8,460,000 and lease liabilities RMB10,628,000, RMB11,084,000, RMB43,062,000 and RMB8,460,000, respectively, in respect of lease arrangements for office.

For the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the Group has endorsed certain bills receivable accepted by banks in Chinese Mainland to certain of its suppliers in order to settle the trade and other payables due to such suppliers with carrying amounts of Nil, RMB207,515,000, RMB719,366,000 and RMB507,565,000.

(b) Changes in liabilities arising from financing activities

31 December 2023

	Bank borrowings	Lease liabilities
	RMB'000	RMB'000
At 1 January 2023	30,000	13,448
New leases	–	10,628
Changes from financing cash flows	129,124	(6,695)
Interest expense	4,759	697
At 31 December 2023	163,883	18,078

31 December 2024

	Bank borrowings	Lease liabilities	Liabilities to other investors
	RMB'000	RMB'000	RMB'000
At 1 January 2024	163,883	18,078	–
New leases	–	11,084	–
Changes from financing cash flows	574,099	(10,215)	89,670
Interest expense	14,464	911	1,915
At 31 December 2024	752,446	19,858	91,585

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31 December 2025

	Bank borrowings	Lease liabilities	Liabilities to other investors	Accrued [REDACTED] capitalized in other payables and accruals
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	752,446	19,858	91,585	[REDACTED]
New leases	—	43,062	—	[REDACTED]
Changes from financing cash flows	501,175	(9,697)	57,330	[REDACTED]
Interest expense	43,759	1,063	9,729	[REDACTED]
Non-cash changes	—	483	—	[REDACTED]
At 31 December 2025	<u>1,297,380</u>	<u>54,769</u>	<u>158,644</u>	<u>[REDACTED]</u>

31 May 2026

	Bank borrowings	Lease liabilities	Liabilities to other investors	Accrued [REDACTED] capitalized in other payables and accruals
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2026	1,297,380	54,769	158,644	[REDACTED]
New leases	—	8,460	—	[REDACTED]
Changes from financing cash flows	479,847	(4,636)	—	[REDACTED]
Interest expense	23,689	1,152	4,503	[REDACTED]
Non-cash changes	—	(35)	—	[REDACTED]
At 31 May 2026	<u>1,800,916</u>	<u>59,710</u>	<u>163,147</u>	<u>[REDACTED]</u>

(c) The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Within operating activities	532	374	799	390	98
Within financing activities	6,695	10,215	9,697	5,549	4,636

40. COMMITMENTS

(a) The Group had the following contractual commitments as at 31 December 2023, 2024 and 2025 and 31 May 2026:

	As at 31 December			As at 31 May
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	<u>18,021</u>	<u>246,274</u>	<u>118,939</u>	<u>223,096</u>

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41. RELATED PARTY TRANSACTIONS

(a) Names of related parties and relationship with the Group:

Names of related parties	Relationship with the Company
Dr. Shen	Executive director, shareholder of the Company
Mr. Zhang Song	Executive director of the Company
Mr. Zhu Jun	Executive director of the Company
Mr. Yu Hao*	Executive director of the Company
Ms. Han Na*	Executive director of the Company
Mr. Shen Haoshun	Key management personnel of the Group
Ms. Chen Sixue	Key management personnel of the Group

* Mr. Yu Hao resigned as executive director of the Company and was no longer a related party in October 2025.

* Ms. Han Na was appointed as executive director of the Company and became a related party in January 2025

(b) Transactions with related parties:

Guarantor

Further details of the guarantees provided by Dr. Shen are included in note 32 to the Historical Financial Information.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	4,450	4,664	5,240	2,210	2,004
Performance related bonuses	1,483	1,555	1,746	737	668
Share-based payment expenses	7,694	7,769	7,341	2,843	5,604
Pension scheme contributions and social welfare	888	870	1,023	420	366
Total compensation paid to key management personnel	<u>14,515</u>	<u>14,858</u>	<u>15,350</u>	<u>6,210</u>	<u>8,642</u>

The compensation information above includes the directors’ remunerations. Further details of the directors remunerations are included in note 9 to the Historical Financial Information.

(d) Redemption rights of the Pre-[REDACTED] Investors granted by Dr. Shen

Prior to the Relevant Periods, the Pre-[REDACTED] Investors had been granted the redemption rights by Dr. Shen. There were no side arrangements between the Company and the Pre-[REDACTED] Investors or between the Company and Dr. Shen regarding redemption rights. Pursuant to another supplemental agreement entered into by the Company, Dr. Shen and the Shareholders in December 2025, the redemption rights granted by Dr. Shen automatically terminated prior to date of the first filing of [REDACTED] by the Company to the Stock Exchange and shall resume upon the rejection, return, withdraw or the lapse of the [REDACTED].

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The Company has not provided any form of guarantee in connection with any potential default or failure by Dr. Shen to fulfill the obligations relating to the redemption rights granted by Dr. Shen. Accordingly, no financial liability regarding the redemption rights granted by Dr. Shen was recorded by the Company during the Relevant Periods.

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2023, 31 December 2024, 31 December 2025 and 31 May 2026 are as follows:

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	Debt investments	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income	–	20,087	–	20,087
Trade receivables	–	–	129,726	129,726
Bills receivable	–	–	324	324
Financial assets at fair value through other comprehensive income	–	10,263	–	10,263
Financial assets included in prepayments, other receivables and other assets	–	–	4,509	4,509
Financial assets at fair value through profit or loss	187,635	–	–	187,635
Cash and cash equivalents	–	–	231,334	231,334
Total	<u>187,635</u>	<u>30,350</u>	<u>365,893</u>	<u>583,878</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	103,095
Financial liabilities included in other payables and accruals (<i>note 29</i>)	35,753
Interest-bearing bank borrowings	163,883
Total	<u>302,731</u>

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31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	Debt investments	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	–	–	518,736	518,736
Bills receivable	–	–	22,008	22,008
Financial assets at fair value through other comprehensive income	–	141,692	–	141,692
Financial assets included in prepayments, other receivables and other assets	–	–	15,172	15,172
Financial assets at fair value through profit or loss	14,822	–	–	14,822
Cash and cash equivalents	–	–	203,847	203,847
Total	<u>14,822</u>	<u>141,692</u>	<u>759,763</u>	<u>916,277</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	481,703
Financial liabilities included in other payables and accruals (<i>note 29</i>)	83,712
Interest-bearing bank borrowings	752,446
Liabilities to other investors	91,585
Total	<u>1,409,446</u>

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31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	Debt investments	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	—	—	651,824	651,824
Bills receivable	—	—	39,897	39,897
Financial assets at fair value through other comprehensive income	—	347,712	—	347,712
Financial assets included in prepayments, other receivables and other assets	—	—	8,259	8,259
Financial assets at fair value through profit or loss	20,478	—	—	20,478
Financial assets included in other non-current assets	—	—	1,800	1,800
Restricted bank deposits	—	—	42,631	42,631
Cash and cash equivalents	—	—	757,603	757,603
Total	<u>20,478</u>	<u>347,712</u>	<u>1,502,014</u>	<u>1,870,204</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	847,497
Financial liabilities included in other payables and accruals (<i>note 29</i>)	194,256
Interest-bearing bank borrowings	1,297,380
Liabilities to other investors	158,644
Total	<u>2,497,777</u>

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31 May 2026

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	Debt investments	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income	–	10,066	–	10,066
Trade receivables	–	–	600,094	600,094
Bills receivable	–	–	43,904	43,904
Financial assets at fair value through other comprehensive income	–	320,340	–	320,340
Financial assets included in prepayments, other receivables and other assets	–	–	8,393	8,393
Financial assets at fair value through profit or loss	276,263	–	–	276,263
Financial assets included in other non-current assets	–	–	1,800	1,800
Restricted bank deposits	–	–	30,396	30,396
Cash and cash equivalents	–	–	628,416	628,416
Total	<u>276,263</u>	<u>330,406</u>	<u>1,313,003</u>	<u>1,919,672</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	797,063
Financial liabilities included in other payables and accruals (<i>note 29</i>)	180,240
Interest-bearing bank borrowings	1,800,916
Liabilities to other investors	163,147
Total	<u>2,941,366</u>

For the details of Pre-[REDACTED] Investments, please refer to note 35 to this report.

43. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

The Group endorsed certain bills receivable included in bills receivable, which were all accepted by banks in the Chinese Mainland (the “Endorsed Bills”) to certain suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). The aggregate amounts of the Endorsed Bills that were not due were Nil, RMB5,472,000, RMB18,539,000 and RMB24,103,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade and bills payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

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Transferred financial assets that are derecognised in their entirety

The Group endorsed certain bills receivable included in financial assets at fair value through other comprehensive income, which were accepted by banks in the Chinese Mainland to certain suppliers in order to settle the trade payables due to such suppliers, and discounted certain bills receivable included in financial assets at fair value through other comprehensive income accepted by banks in the Chinese Mainland (the “Derecognised Bills”). The aggregate amounts of the Derecognised Bills that were not due were Nil, RMB445,211,000, RMB400,259,000 and RMB566,500,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. The Derecognised Bills had a maturity term from three to six months as at 31 December 2023, 2024 and 2025 and 31 May 2026. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade and bills payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the Relevant Periods, the Group has recognized losses of RMB903,000, RMB2,573,000, RMB1,466,000 and RMB668,000, respectively, on the date of discount of the Derecognised Bills.

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts				Fair values			
	As at 31 December			As at 31 May	As at 31 December			As at 31 May
	2023	2024	2025	2026	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets								
Debt investments at fair value								
through other comprehensive income	20,087	–	–	10,066	20,087	–	–	10,066
Financial assets at fair value								
through other comprehensive income	10,263	141,692	347,712	320,340	10,263	141,692	347,712	320,340
Financial assets at fair value								
through profit or loss	187,635	14,822	20,478	276,263	187,635	14,822	20,478	276,263
Total	<u>217,985</u>	<u>156,514</u>	<u>368,190</u>	<u>606,669</u>	<u>217,985</u>	<u>156,514</u>	<u>368,190</u>	<u>606,669</u>
Financial liabilities								
Non-current portion of interest-bearing bank borrowings	<u>42,066</u>	<u>92,746</u>	<u>161,675</u>	<u>474,093</u>	<u>41,933</u>	<u>93,113</u>	<u>162,928</u>	<u>451,455</u>

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

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk for interest-bearing bank borrowings and liabilities to other investors as at 31 December 2023, 2024, 2025 and 31 May 2026 were assessed to be insignificant.

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

The fair values of unlisted equity investments at fair value through profit or loss have been estimated based on the recent transaction prices and a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to sales (“EV/Sales”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an sales measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding sales measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit and loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025, 31 May 2026:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average EV/Sales multiple of peers	31 December 2025: 7.4	5% increase/decrease in multiple would result in increase/decrease in fair value by 3.9%
			31 May 2026: 8.0	5% increase/decrease in multiple would result in increase/decrease in fair value by 4.58%
		Discount for lack of Marketability (“DLOM”)	31 December 2025: 30.4%	5% increase/decrease in DLOM would result in decrease/increase in fair value by 2.4%

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Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
		31 May 2026: 35.5%	5% increase/decrease in DLOM would result in decrease/increase in fair value by 2.52%

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Debt investments at fair value through other comprehensive income	–	20,087	–	20,087
Financial assets at fair value through other comprehensive income	–	10,263	–	10,263
Financial assets at fair value through profit or loss	–	187,635	–	187,635
Total	–	217,985	–	217,985
	=	=	=	=

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through other comprehensive income	–	141,692	–	141,692
Financial assets at fair value through profit or loss	–	14,822	–	14,822
Total	–	156,514	–	156,514
	=	=	=	=

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As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through other comprehensive income	–	347,712	–	347,712
Financial assets at fair value through profit or loss	–	15,368	5,110	20,478
Total	–	363,080	5,110	368,190
	–	–	–	–

As at 31 May 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income	–	10,066	–	10,066
Financial assets at fair value through other comprehensive income	–	320,340	–	320,340
Financial assets at fair value through profit or loss	–	271,153	5,110	276,263
Total	–	601,559	5,110	606,669
	–	–	–	–

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2. There was a transfer of a financial asset at fair value through profit or loss at RMB5,110,000 from Level 2 to Level 3, as the investment had no directly or indirectly observable input for the asset or liability.

The movements in fair value measurements within Level 3 during the year/period are as follows:

	Year ended 31 December			Five months ended 31 May
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Equity investments at fair value through profit or loss				
At the beginning of year/period	N/A	N/A	–	5,110
Transfer in	N/A	N/A	5,110	–
At the end of year/period	N/A	N/A	5,110	5,110
	–	–	–	–

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Liabilities for which fair values are disclosed as below:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current portion of interest-bearing bank borrowings	–	41,933	–	41,933
	=	=	=	=

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current portion of interest-bearing bank borrowings	–	93,113	–	93,113
	=	=	=	=

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current portion of interest-bearing bank borrowings	–	162,928	–	162,928
	=	=	=	=

As at 31 May 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current portion of interest-bearing bank borrowings	–	451,455	–	451,455
	=	=	=	=

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

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45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Interest rate risk

The Group’s exposure to risk for changes in market interest rates relates primarily to the Group’s interest-bearing bank borrowings with a floating rate. The Group does not use derivative financial instruments to hedge interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group’s loss before tax and the Group’s equity.

	Increase/(decrease) in basis points	Increase/(decrease) in loss before tax <i>RMB’000</i>	Increase/(decrease) in equity <i>RMB’000</i>
31 December 2023			
If interest rates increases	5	(18)	(18)
If interest rates decreases	(5)	18	18
31 December 2024			
If interest rates increases	5	(17)	(17)
If interest rates decreases	(5)	17	17
31 December 2025			
If interest rates increases	5	(37)	(37)
If interest rates decreases	(5)	37	37
31 May 2026			
If interest rates increases	5	(236)	(236)
If interest rates decreases	(5)	236	236

Foreign currency risk

The Group principally conducted business in RMB and is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currencies that are not the functional currencies of the relevant group entities.

	Increase/(decrease) in USD/RMB rate %	Increase/(decrease) in loss before tax <i>RMB’000</i>	Increase/(decrease) in equity <i>RMB’000</i>
31 December 2023			
If the USD weakens against the RMB	(5)	(1,035)	(1,035)
If the USD strengthens against the RMB	5	1,035	1,035
If the EUR weakens against the RMB	(5)	(85)	(85)
If the EUR strengthens against the RMB	5	85	85

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	Increase/(decrease) in USD/RMB rate	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
	%	RMB'000	RMB'000
31 December 2024			
If the USD weakens against the RMB	(5)	(65)	(65)
If the USD strengthens against the RMB	5	65	65
If the EUR weakens against the RMB	(5)	177	177
If the EUR strengthens against the RMB	5	(177)	(177)
31 December 2025			
If the USD weakens against the RMB	(5)	(66)	(66)
If the USD strengthens against the RMB	5	66	66
If the EUR weakens against the RMB	(5)	351	351
If the EUR strengthens against the RMB	5	(351)	(351)
31 May 2026			
If the USD weakens against the RMB	(5)	(1,422)	(1,422)
If the USD strengthens against the RMB	5	1,422	1,422
If the EUR weakens against the RMB	(5)	(1,295)	(1,295)
If the EUR strengthens against the RMB	5	1,295	1,295

Credit risk

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

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

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value					
through other comprehensive					
income	20,087	—	—	—	20,087
Trade receivables*	—	—	—	132,875	132,875
Bills receivable*	—	—	—	332	332
Financial assets at fair value					
through other comprehensive					
income	—	—	—	10,263	10,263
Financial assets included in					
prepayments, other receivables					
and other assets**	4,513	—	—	—	4,513
Financial assets at fair value					
through profit or loss	180,910	—	—	—	180,910
Cash and cash equivalents	231,334	—	—	—	231,334
Total	<u>436,844</u>	<u>—</u>	<u>—</u>	<u>143,470</u>	<u>580,314</u>

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31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	529,389	529,389
Bills receivable*	—	—	—	22,461	22,461
Financial assets at fair value through other comprehensive income*	—	—	—	141,692	141,692
Financial assets included in prepayments, other receivables and other assets**	15,176	—	—	—	15,176
Contract assets*	—	—	—	860	860
Cash and cash equivalents	203,847	—	—	—	203,847
Total	<u>219,023</u>	<u>—</u>	<u>—</u>	<u>694,402</u>	<u>913,425</u>

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	666,882	666,882
Bills receivable*	—	—	—	40,817	40,817
Financial assets at fair value through other comprehensive income*	—	—	—	347,712	347,712
Financial assets included in prepayments, other receivables and other assets**	8,263	—	—	—	8,263
Financial assets included in other non-current assets	1,800	—	—	—	1,800
Contract assets*	—	—	—	6,190	6,190
Restricted bank deposits	42,631	—	—	—	42,631
Cash and cash equivalents	<u>757,603</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>757,603</u>
Total	<u>810,297</u>	<u>—</u>	<u>—</u>	<u>1,061,601</u>	<u>1,871,898</u>

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31 May 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income	10,066	—	—	—	10,066
Trade receivables*	—	—	—	614,187	614,187
Bills receivable*	—	—	—	44,916	44,916
Financial assets at fair value through other comprehensive income*	—	—	—	320,340	320,340
Financial assets included in prepayments, other receivables and other assets**	8,397	—	—	—	8,397
Financial assets included in other non-current assets	1,800	—	—	—	1,800
Contract assets*	—	—	—	18,899	18,899
Restricted bank deposits	30,396	—	—	—	30,396
Cash and cash equivalents	628,416	—	—	—	628,416
Total	<u>679,075</u>	<u>—</u>	<u>—</u>	<u>998,342</u>	<u>1,677,417</u>

* For trade receivables, bills receivable, financial assets at fair value through other comprehensive income and contract assets to which the Group applies the expected credit risk model for impairment, information based on the provision matrix is disclosed in note 21, note 22, note 23 and note 25 to the Historical Financial Information, respectively.

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

Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings. Cash flows are closely monitored on an ongoing basis.

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

The Group

31 December 2023					
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	103,095	–	–	–	103,095
Financial liabilities included in other payables and accruals . .	35,753	–	–	–	35,753
Interest-bearing bank borrowings .	125,733	42,576	–	–	168,309
Lease liabilities	8,207	6,997	3,712	–	18,916
Total	<u>272,788</u>	<u>49,573</u>	<u>3,712</u>	<u>–</u>	<u>326,073</u>

31 December 2024					
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	481,703	–	–	–	481,703
Financial liabilities included in payables and accruals	83,712	–	–	–	83,712
Liabilities to other investors . . .	91,585	–	–	–	91,585
Interest-bearing bank borrowings .	674,041	29,481	33,751	43,773	781,046
Lease liabilities	10,123	4,969	6,194	–	21,286
Total	<u>1,341,164</u>	<u>34,450</u>	<u>39,945</u>	<u>43,773</u>	<u>1,459,332</u>

31 December 2025					
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	847,497	–	–	–	847,497
Financial liabilities included in payables and accruals	194,256	–	–	–	194,256
Liabilities to other investors . . .	158,644	–	–	–	158,644
Interest-bearing bank borrowings .	1,173,770	51,310	77,153	53,680	1,355,913
Lease liabilities	15,074	11,566	32,201	4,874	63,715
Total	<u>2,389,241</u>	<u>62,876</u>	<u>109,354</u>	<u>58,554</u>	<u>2,620,025</u>

APPENDIX I

ACCOUNTANTS’ REPORT

31 May 2026					
	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	797,063	—	—	—	797,063
Financial liabilities included in payables and accruals	180,240	—	—	—	180,240
Liabilities to other investors . . .	163,147	—	—	—	163,147
Interest-bearing bank borrowings .	1,372,253	108,898	129,992	306,074	1,917,217
Lease liabilities	16,303	15,878	34,278	3,016	69,475
Total	<u>2,529,006</u>	<u>124,776</u>	<u>164,270</u>	<u>309,090</u>	<u>3,127,142</u>

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

46. EVENTS AFTER THE RELEVANT PERIODS

[There were no significant subsequent events undertaken by the Company or by the Group after the end of the Relevant Periods.]

47. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period.