

APPENDIX I

ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GIANTEC SEMICONDUCTOR CORPORATION AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Giantec Semiconductor Corporation (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[●] to I-[●], 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 three months ended 31 March 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 March 2026, and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information sets out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [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* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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

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

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Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 31 March 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 three months ended 31 March 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.

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-[●] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants
Hong Kong

[DATE]

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I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<i>Notes</i>	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
REVENUE	5	703,477	1,028,277	1,221,284	261,066	279,994
Cost of sales		(375,738)	(464,688)	(521,612)	(103,665)	(142,980)
Gross profit		327,739	563,589	699,672	157,401	137,014
Other income and gains	6	31,373	53,095	58,872	22,852	7,823
Selling and marketing expenses . .		(49,368)	(55,527)	(46,972)	(9,776)	(12,977)
Administrative expenses		(51,888)	(63,847)	(76,685)	(15,622)	(25,471)
Research and development expenses		(160,807)	(175,610)	(207,815)	(41,041)	(66,732)
Other expenses	8	(11,128)	(21,024)	(42,630)	(9,047)	(6,897)
Finance costs	9	(383)	(344)	(255)	(73)	(45)
Reversal of impairment losses/ (impairment losses) on financial assets, net		729	(40)	(759)	(171)	136
Share of losses of associates		(1,603)	(1,721)	(3,649)	(591)	(604)
PROFIT BEFORE TAX	7	84,664	298,571	379,779	103,932	32,247
Income tax (expense)/credit	12	(1,969)	(22,531)	(23,941)	(6,493)	283
PROFIT FOR THE YEAR/PERIOD		<u>82,695</u>	<u>276,040</u>	<u>355,838</u>	<u>97,439</u>	<u>32,530</u>
Attributable to:						
Owners of the parent		100,358	290,270	363,576	99,481	30,844
Non-controlling interests		(17,663)	(14,230)	(7,738)	(2,042)	1,686
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic (RMB per share)	14	<u>0.64</u>	<u>1.84</u>	<u>2.30</u>	<u>0.63</u>	<u>0.19</u>
Diluted (RMB per share)	14	<u>0.63</u>	<u>1.82</u>	<u>2.28</u>	<u>0.63</u>	<u>0.19</u>

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR/PERIOD . .	<u>82,695</u>	<u>276,040</u>	<u>355,838</u>	<u>97,439</u>	<u>32,530</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income that may not be reclassified to profit or loss in subsequent periods:					
Equity investments at fair value through other comprehensive income:					
Changes in fair value	–	6,634	58,297	–	–
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences:					
Exchange differences on translation of foreign operations	<u>309</u>	<u>(603)</u>	<u>(206)</u>	<u>6</u>	<u>(242)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX . . .	<u>309</u>	<u>6,031</u>	<u>58,091</u>	<u>6</u>	<u>(242)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>83,004</u>	<u>282,071</u>	<u>413,929</u>	<u>97,445</u>	<u>32,288</u>
Attributable to:					
Owners of the parent	100,667	296,301	421,667	99,487	30,602
Non-controlling interests	<u>(17,663)</u>	<u>(14,230)</u>	<u>(7,738)</u>	<u>(2,042)</u>	<u>1,686</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 March
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	213,229	230,974	252,075	254,448
Right-of-use assets	16(a)	8,313	9,943	7,309	5,598
Intangible assets	17	9,823	7,517	12,580	10,102
Financial assets at fair value through profit or loss	18	34,240	44,590	69,444	70,077
Other non-current assets	19	1,226	5,692	9,492	7,604
Deferred tax assets	31	13,470	13,806	13,402	15,499
Investment in associates	21	6,156	4,435	25,428	23,426
Equity investments designated at fair value through other comprehensive income	20	35,493	70,881	132,895	134,284
Total non-current assets		321,950	387,838	522,625	521,038
CURRENT ASSETS					
Inventories	23	225,180	243,376	282,410	303,384
Trade and bills receivables	24	143,977	140,910	161,055	160,352
Prepayments, other receivables and other assets	25	48,428	77,123	46,912	57,560
Prepaid income tax		1,575	–	2,235	2,076
Financial assets at fair value through profit or loss	18	716,280	878,369	782,179	691,466
Time deposits	26(b)	–	–	239,077	337,162
Cash and bank balances	26(a)	592,822	577,701	711,171	694,752
Total current assets		1,728,262	1,917,479	2,225,039	2,246,752

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		As at 31 December			As at 31 March
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
CURRENT LIABILITIES					
Trade payables	27	64,797	63,742	94,062	94,325
Contract liabilities	28	736	2,152	491	1,539
Other payables and accruals . .	29	28,054	52,066	59,286	28,938
Lease liabilities	16(b)	3,167	4,798	3,788	3,089
Tax payable		–	10,208	7,631	2,762
Total current liabilities		96,754	132,966	165,258	130,653
NET CURRENT ASSETS . . .		1,631,508	1,784,513	2,059,781	2,116,099
TOTAL ASSETS LESS					
CURRENT LIABILITIES .		1,953,458	2,172,351	2,582,406	2,637,137
NON-CURRENT					
LIABILITIES					
Deferred income	30	4,477	4,891	3,875	3,500
Lease liabilities	16(b)	5,093	4,939	3,330	2,333
Deferred tax liabilities	31	45	20	28	38
Other payables	29	1,232	455	3,043	2,996
Total non-current liabilities .		10,847	10,305	10,276	8,867
Net assets		1,942,611	2,162,046	2,572,130	2,628,270
EQUITY					
Equity attributable to owners					
of the parent					
Share capital	32	158,173	157,719	158,271	158,271
Reserves	34	1,813,134	2,047,253	2,464,523	2,518,977
Subtotal		1,971,307	2,204,972	2,622,794	2,677,248
Non-controlling interests		(28,696)	(42,926)	(50,664)	(48,978)
Total equity		1,942,611	2,162,046	2,572,130	2,628,270

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Capital reserve*	Statutory surplus reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total		
	RMB'000 (note 32)	RMB'000 (note 34(a))	RMB'000 (note 34(b))	RMB'000 (note 34(c))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	120,906	1,131,150	80,248	51,444	1,854	530,099	1,915,701	(12,151)	1,903,550
Profit for the year	—	—	—	—	—	100,358	100,358	(17,663)	82,695
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	—	—	—	—	309	—	309	—	309
Total comprehensive income for the year	—	—	—	—	309	100,358	100,667	(17,663)	83,004
Capital injection from a non-controlling shareholder	—	—	—	—	—	—	—	1,920	1,920
Equity-settled share-based payment arrangements	875	54,401	—	6,415	—	—	61,691	—	61,691
Dividend	—	—	—	—	—	(106,752)	(106,752)	—	(106,752)
Conversion of capital reserve into share capital	36,392	(36,392)	—	—	—	—	—	—	—
Liquidation of a subsidiary	—	—	—	—	—	—	—	(802)	(802)
At 31 December 2023	158,173	1,149,159	80,248	57,859	2,163	523,705	1,971,307	(28,696)	1,942,611

	Attributable to owners of the parent						
	Share capital	Capital reserve*	Statutory surplus reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	
						Retained profits*	Total
	RMB'000 (note 32)	RMB'000 (note 34(a))	RMB'000 (note 34(b))	RMB'000 (note 34(c))	RMB'000	RMB'000	RMB'000
At 1 January 2024	158,173	1,149,159	80,248	57,859	2,163	—	1,971,307
Profit for the year	—	—	—	—	—	—	(28,696)
Other comprehensive income for the year:							(14,230)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	—	6,634	6,634
Exchange differences on translation of foreign operations	—	—	—	—	(603)	—	(603)
Total comprehensive income for the year	—	—	—	—	(603)	290,270	(14,230)
Repurchase and cancellation of A shares	(1,587)	(80,230)	—	—	—	—	(81,817)
Equity-settled share-based payment arrangements	1,133	60,308	—	(10,792)	—	—	50,649
Dividend	—	—	—	—	—	(31,468)	(31,468)
At 31 December 2024	157,719	1,129,237	80,248	47,067	1,560	782,507	2,204,972
						6,634	2,162,046

Attributable to owners of the parent

	Share capital	Capital reserve*	Statutory surplus reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 32)	RMB'000 (note 34(a))	RMB'000 (note 34(b))	RMB'000 (note 34(c))	RMB'000	RMB'000 (note 34(d))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	157,719	1,129,237	80,248	47,067	1,560	6,634	782,507	2,204,972	(42,926)	2,162,046
Profit for the year	—	—	—	—	—	—	363,576	363,576	(7,738)	355,838
Other comprehensive income for the year:										
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	—	58,297	—	58,297	—	58,297
Exchange differences on translation of foreign operations	—	—	—	—	(206)	—	—	(206)	—	(206)
Total comprehensive income for the year	—	—	—	—	(206)	58,297	363,576	421,667	(7,738)	413,929
Equity-settled share-based payment arrangements . .	552	32,250	—	9,646	—	—	—	42,448	—	42,448
Dividend	—	—	—	—	—	—	(47,435)	(47,435)	—	(47,435)
Transfer of fair value reserve upon the transfer of equity investments at fair value through other comprehensive income to investment in associates .	—	—	—	—	—	6,528	(6,528)	—	—	—
Others**	—	1,142	—	—	—	—	—	1,142	—	1,142
At 31 December 2025	158,271	1,162,629	80,248	56,713	1,354	71,459	1,092,120	2,622,794	(50,664)	2,572,130

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Three months ended 31 March 2025 (unaudited)

Attributable to owners of the parent										
	Share capital	Capital reserve	Statutory surplus reserve	Share-based payment reserve	Exchange fluctuation reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (note 32)	RMB'000 (note 34(a))	RMB'000 (note 34(b))	RMB'000 (note 34(c))	RMB'000	RMB'000 (note 34(d))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	157,719	1,129,237	80,248	47,067	1,560	6,634	782,507	2,204,972	(42,926)	2,162,046
Profit for the period	–	–	–	–	–	–	99,481	99,481	(2,042)	97,439
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	–	–	–	–	6	–	–	6	–	6
Total comprehensive income for the period . . .	–	–	–	–	6	–	99,481	99,487	(2,042)	97,445
Equity-settled share-based payment arrangements . .	390	22,791	–	(13,109)	–	–	–	10,072	–	10,072
At 31 March 2025	158,109	1,152,028	80,248	33,958	1,566	6,634	881,988	2,314,531	(44,968)	2,269,563

Attributable to owners of the parent

** The others mainly comprise a shareholder donation of RMB1,113,000.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Three months ended 31 March	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		84,664	298,571	379,779	103,932	32,247
Adjustments for:						
Share of losses of associates		1,603	1,721	3,649	591	604
Gain on disposal of equity in an associate		(602)	—	—	—	—
Depreciation of items of property, plant and equipment	7	9,222	12,879	17,069	3,923	5,212
Depreciation of right-of-use assets . .	7	4,283	4,554	5,155	1,232	1,127
Amortisation of intangible assets . .	7	6,818	8,765	8,648	2,387	2,749
Loss/(gain) on disposal of items of property, plant and equipment . . .		55	18	(38)	—	—
Gain on termination and revision of leases		(210)	(291)	—	—	—
Gain on financial assets at fair value through profit or loss	6	(4,698)	(23,192)	(33,241)	(19,526)	(4,016)
Interest income from time deposits .	6	—	—	(4,133)	(348)	(817)
Write-down/(reversal of write-down) of inventories to net realisable value	7	7,640	17,017	30,972	8,804	(1,311)
(Reversal of impairment)/impairment of financial assets	7	(729)	40	759	171	(136)
Foreign exchange differences, net . .		1,424	(5,340)	8,141	166	5,800
Finance costs	9	383	344	255	73	45
Equity-settled share-based payment arrangements.		44,643	29,292	32,329	3,637	23,852
Increase in inventories		(20,875)	(35,213)	(70,006)	(28,602)	(19,663)
Decrease/(increase) in trade and bills receivables		14,938	3,021	(20,716)	(6,523)	848
Decrease/(increase) in prepayments, other receivables and other assets . .		343	(28,712)	39,946	17,845	779
Increase/(decrease) in trade payables .		11,200	(1,055)	30,320	2,340	263
(Decrease)/increase in other payables and accruals		(13,564)	29,790	6,665	(7,982)	(25,542)
(Decrease)/increase in contract liabilities		(4,076)	1,416	(1,661)	(1,464)	1,048
(Decrease)/increase in deferred income		(2,289)	414	(1,016)	(541)	(375)
Cash generated from operations		140,173	314,039	432,876	80,115	22,714
Income tax paid		(37,464)	(11,946)	(33,779)	(8,858)	(6,514)
Net cash flows generated from operating activities		102,709	302,093	399,097	71,257	16,200

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		Year ended 31 December			Three months ended 31 March	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of items of property, plant and equipment		(24,966)	(38,648)	(47,251)	(23,659)	(7,130)
Proceeds from disposal of items of property, plant and equipment		1	–	90	–	–
Purchase of intangible assets		(8,089)	(9,474)	(9,340)	(1,895)	(372)
Purchase of time deposits		–	–	(743,000)	(220,000)	(505,000)
Maturity of time deposits		–	–	508,056	220,348	407,732
Proceeds from disposal of financial assets at fair value through profit or loss		1,879,725	2,012,753	2,662,677	1,185,371	1,234,066
Purchase of financial assets at fair value through profit or loss		(1,935,000)	(2,162,000)	(2,558,100)	(920,000)	(1,140,000)
Investment in associates		(9,000)	–	(21,897)	–	–
Purchase of equity investments designated at fair value through other comprehensive income		(35,493)	(28,000)	–	–	–
Net cash flows (used in)/generated from investing activities		(132,822)	(225,369)	(208,765)	240,165	(10,704)
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital contribution by non-controlling shareholders		1,920	–	–	–	–
Proceeds from exercise of restricted shares scheme		16,677	21,436	9,080	6,437	–
Lease payments		(4,440)	(4,760)	(5,395)	(1,301)	(1,157)
Repurchase and cancellation of A shares		–	(81,817)	–	–	–
Deregistration and liquidation of a subsidiary		(802)	–	–	–	–
Share issue expenses		–	–	(5,892)	–	(14,537)
Dividends paid		(106,752)	(31,468)	(47,435)	–	–
Others		–	–	1,142	(5)	(167)
Net cash flows (used in)/generated from financing activities		(93,397)	(96,609)	(48,500)	5,131	(15,861)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS						
Cash and cash equivalents at beginning of year/period		(123,510)	(19,885)	141,832	316,553	(10,365)
Effect of foreign exchange rate changes, net		(992)	4,764	(8,362)	(163)	(6,054)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		592,822	577,701	711,171	894,091	694,752
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	26	592,822	577,701	711,171	894,091	694,752
Cash and cash equivalents as stated in the statements of cash flows . . .	26	592,822	577,701	711,171	894,091	694,752

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 31 March
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	210,912	228,262	248,741	251,383
Right-of-use assets	16(a)	4,220	5,062	5,172	4,062
Intangible assets	17	15,028	38,305	29,160	23,515
Financial assets at fair value through profit or loss	18	34,240	44,590	69,444	70,077
Other non-current assets	19	62,076	70,809	81,809	79,921
Deferred tax assets	31	12,148	11,888	8,767	11,162
Investment in associates	21	6,156	4,435	25,428	23,426
Investments in subsidiaries	22	69,568	77,779	83,150	83,657
Equity investments designated at fair value through other comprehensive income	20	35,000	70,259	132,287	133,685
Total non-current assets		449,348	551,389	683,958	680,888
CURRENT ASSETS					
Inventories	23	180,025	166,908	217,654	251,463
Trade and bills receivables	24	86,826	65,989	97,266	94,437
Prepayments, other receivables and other assets	25	76,798	133,346	114,049	112,853
Prepaid income tax		867	—	—	—
Financial assets at fair value through profit or loss	18	716,280	878,369	782,179	691,466
Amounts due from subsidiaries		155,345	175,988	114,890	116,769
Time deposits	26(b)	—	—	239,077	337,162
Cash and bank balances	26(a)	489,871	441,567	636,850	619,621
Total current assets		1,706,012	1,862,167	2,201,965	2,223,771

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		As at 31 December			As at 31 March
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
CURRENT LIABILITIES					
Trade payables	27	61,232	58,620	90,257	88,365
Contract liabilities	28	613	932	427	1,351
Other payables and accruals . .	29	22,256	38,490	47,705	21,891
Lease liabilities	16(b)	1,398	2,090	2,236	2,027
Tax payable		—	6,249	7,744	2,729
Amounts due to subsidiaries . .		8,008	14,461	20,972	23,599
Total current liabilities		93,507	120,842	169,341	139,962
NET CURRENT ASSETS . . .		1,612,505	1,741,325	2,032,624	2,083,809
TOTAL ASSETS LESS					
CURRENT LIABILITIES .		2,061,853	2,292,714	2,716,582	2,764,697
NON-CURRENT					
LIABILITIES					
Deferred income	30	4,477	4,891	3,875	3,500
Lease liabilities	16(b)	2,993	2,809	2,873	2,048
Other payables	29	1,232	455	3,043	2,996
Total non-current liabilities .		8,702	8,155	9,791	8,544
Net assets		2,053,151	2,284,559	2,706,791	2,756,153
EQUITY					
Share capital	32	158,173	157,719	158,271	158,271
Reserves	34	1,894,978	2,126,840	2,548,520	2,597,882
Total equity		2,053,151	2,284,559	2,706,791	2,756,153

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was registered as a limited liability company in the People’s Republic of China (“PRC”) on 13 November 2009, and was converted into a joint stock company on 26 September 2018. The registered office of the Company is located at Building 10, No. 1761, Zhangdong Road, China (Shanghai) Pilot Free Trade Zone. The Company’s A shares have been listed on the Shanghai Stock Exchange since 23 December 2019.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “Group”) were principally involved in the research on and the sale of non-volatile memory chips, lens driver chips and NFC chips.

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

Name	Notes	Place and date of registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
GIANTEC-SEMI IMPORT & EXPORT (HONG KONG) LIMITED* (聚辰半導體進出口(香港)有限公司)	(ii)	Hong Kong 11 December 2009	HKD100	100%	–	Sales of integrated circuits
Shanghai Judong Semiconductor Co., Ltd.* (上海聚棟半導體有限公司)	(i)	Chinese Mainland 22 October 2020	RMB2,000,000	51%	–	Integrated circuit research and development
Giantec Semiconductor (Suzhou) Co., Ltd.* (聚辰半導體(蘇州)有限公司)	(i)	Chinese Mainland 9 September 2021	RMB7,000,000	100%	–	Integrated circuit research and development
Giantec Semiconductor (Nanjing) Co., Ltd.* (聚辰半導體(南京)有限公司)	(i)	Chinese Mainland 16 September 2021	RMB10,000,000	100%	–	Integrated circuit research and development and sales
Giantec Semiconductor (Chengdu) Co., Ltd.* (聚辰半導體(成都)有限公司)	(i)	Chinese Mainland 29 January 2024	RMB20,000,000	100%	–	Integrated circuit research and development
Giantec Semiconductor Corporation	(iii)	United States 17 June 2010	USD200,000	–	100%	Provision of support services
Giantec Semiconductor (Singapore) PTE. LTD.	(iii)	Singapore 13 August 2024	SGD1	–	100%	Integrated circuit research and development

Notes:

- * The English names of the above companies registered in Chinese Mainland represent the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.
- (i) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by BDO LLP Shanghai Branch (立信會計師事務所(特殊普通合夥)上海分所), certified public accountants registered in Chinese Mainland.
- (ii) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and properly prepared in compliance with the Hong Kong Companies Ordinance was audited by PKF Hong Kong, certified public accountants registered in Hong Kong. As at the date of this report, no audited financial statements have been prepared for this entity for the year ended 31 December 2025.
- (iii) No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024, and 2025.

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2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board (“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 financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

Basis of consolidation

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

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

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

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

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

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

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.

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.

IFRS 18	<i>Presentation and Disclosure in Financial Statements¹</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency¹</i>

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

2 No mandatory effective date yet determined but available for adoption

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IFRS 18 replaces IAS 1 Presentation of Financial Statements, while a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statements of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statements of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards, IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and statements of cash flows and additional disclosure will be included in the financial statements. Except for IFRS18, the directors of the Company anticipate that the application of these new and amended IFRS Accounting Standards will have no material impact on the Group’s financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investment in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group’s investment in associates is stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

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

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

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

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

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

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, 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

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disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to 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 reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to 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;
 - (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	2.71% to 9.50%
Motor vehicles	19.00%
Machinery	9.50% to 19.00%
Electronic equipment	19.00%
Other equipment	19.00%
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives

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An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the reporting period 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.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

Categories	Estimated useful lives
Software	1 to 10 years
Patents	2 to 10 years
Non-patent technology	2 to 3 years

Research and development costs

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

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

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	22 to 74 months
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

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

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

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(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 buildings (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 is 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.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial investments at fair value through profit or loss

Financial investments 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.

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Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated 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 each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 which apply the simplified approach as detailed below.

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

Simplified approach

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

APPENDIX I

ACCOUNTANTS’ REPORT

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables.

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

The Group’s financial liabilities include trade payables, other payables and accruals.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables 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 cost basis and, in the case of work in progress and finished goods, comprises direct materials, processing costs and other costs. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and bank balances

Cash and bank balances 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 bank balances comprise cash on hand and at banks as defined above.

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 and an associate, 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.

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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 and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Government grants

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

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

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.

Sales contracts between the Group and its customers include performance obligations to transfer chips, which are satisfied at a point in time.

The Group generates revenue from the sale of chips, including sales from direct selling model and sales from distribution arrangements, which is recognised at the point in time when control of the assets is transferred to the customers, which is the point of acceptance by the customers according to the contract.

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).

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Share-based payments

The Company operates restricted A share incentive schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of restricted A shares for employees is determined by an external valuer using the Black-Scholes formula. Since there are no cash settlement alternatives, the Group accounts for the restricted A-share incentive schemes as equity-settled share-based schemes, further details of which are given in note 33 to the Historical Financial Information.

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

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

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

The dilutive effect of outstanding awards is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their 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.

Housing fund and other social insurances

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

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information.

Foreign currencies

The Historical Financial Information are presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the beginning of the month in which the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each 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 beginning of the month in which the transaction occurs. 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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The functional currencies of certain overseas subsidiaries are currencies other than 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.

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

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 deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences 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 level of future taxable profits together with future tax planning strategies. Further details are contained in note 31 to the Historical Financial Information.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade and bills receivables and prepayments, other receivables and other assets is disclosed in note 24 and note 25 to the Historical Financial Information, respectively.

Write-down of inventories to net realisable value

In accordance with the inventory accounting policy, the Group measures inventories at the lower of cost and net realisable value, and accrues inventory price falling reserves for inventories whose costs are higher than net realisable value. The write-down of inventories to net realisable value is based on the assessment of the marketability of inventories and their net realisable value. Identifying write-down of inventories to net realisable value requires management to make judgements and estimates based on the availability of conclusive evidence and taking into account factors such as the purpose for which the inventory is held and the impact of events after the reporting period. The difference between the actual result and the original estimate will affect the book value of the inventory and the accrual or reversal of the inventory depreciation reserves in the period in which the estimate is changed.

Estimated fair value of unlisted financial investments

The fair value of financial investments that are not traded in an active market, such as unlisted investments measured at fair value is determined using valuation techniques. The Group uses its judgement to select methods and make assumptions that are consistent with the characteristics of the assets considered by market participants in the transactions of related assets. The Group uses the relevant observable inputs as much as possible and uses unobservable input values if the relevant observable inputs cannot be obtained or are not feasible. The key assumptions adopted in the valuation methodologies are set out in note 40 to the Historical Financial Information.

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Share-based payments

Restricted A-share incentive schemes are operated for the purpose of providing incentives to the Group’s employees. The grant date fair values of the shares of the employee incentive schemes are determined based on valuation. The cumulative expense recognized 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. 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 33 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group manages its business as a whole for the purpose of making decision on resource allocation and performance assessment, therefore, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Chinese Mainland	379,027	468,877	567,605	107,988	151,716
Macau, Hong Kong and Taiwan	260,674	465,170	579,046	132,849	110,582
South Korea	40,486	66,655	48,362	14,359	9,390
Other countries/regions . . .	23,290	27,575	26,271	5,870	8,306
Total	703,477	1,028,277	1,221,284	261,066	279,994

The revenue information above is based on the locations where the customers are incorporated.

(b) Non-current assets

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Chinese Mainland	238,437	258,206	306,656	301,038
Other countries/regions	310	355	228	140
Total	238,747	258,561	306,884	301,178

The non-current asset information above is based on the locations of reporting entities and excludes investments in financial instruments and deferred tax assets.

Information about major customers

Revenue from each of the major customers, which accounted for 10% or more of the Group’s revenue during the Relevant Periods is set out below:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Customer A	161,356	353,698	453,947	103,806	74,793
Customer B	132,793	121,544	*	*	*

* 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.

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ACCOUNTANTS’ REPORT

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers . .	703,477	1,028,277	1,221,284	261,066	279,994

Revenue from contracts with customers

(a) Disaggregated revenue information

Types of goods

Non-volatile memory chips	561,688	885,989	1,069,499	232,069	247,512
Lens driver chips	87,163	105,010	113,922	21,345	16,619
NFC chips and others	54,626	37,278	37,863	7,652	15,863
Total	703,477	1,028,277	1,221,284	261,066	279,994

Locations where the customers are incorporated

Chinese Mainland	379,027	468,877	567,605	107,988	151,716
Macau, Hong Kong and Taiwan	260,674	465,170	579,046	132,849	110,582
South Korea	40,486	66,655	48,362	14,359	9,390
Other countries/regions	23,290	27,575	26,271	5,870	8,306
Total	703,477	1,028,277	1,221,284	261,066	279,994

Timing of revenue recognition

Goods transferred at a point in time	703,477	1,028,277	1,221,284	261,066	279,994
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The following table shows the amounts of revenue recognised in each reporting period that were included in the contract liabilities at the beginning of each reporting period:

	Year ended 31 December			Three months ended 31 March	
	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 period:	4,812	736	2,152	2,152	483

(b) Performance obligations

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

Sale of non-volatile memory chips, lens driver chips, NFC chips and others

The performance obligation is satisfied upon delivery of chips to the customer and payment is generally due within 30 to 90 days.

For the performance obligations, they are generally satisfied within less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations.

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ACCOUNTANTS’ REPORT

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other income					
Government grants*	14,522	9,550	3,130	547	381
Bank interest income	11,170	10,383	16,291	1,749	857
Interest income from time deposits	–	–	4,133	348	817
Additional VAT deduction**	–	2,472	1,079	411	–
Reversal of write-down of inventories to net realisable value	–	–	–	–	1,311
Others	162	299	233	208	441
Total other income	25,854	22,704	24,866	3,263	3,807
Other gains					
Foreign exchange differences, net	–	6,816	–	–	–
Gain on financial assets at fair value through profit or loss	4,698	23,192	33,241	19,526	4,016
Others	821	383	765	63	–
Total other gains	5,519	30,391	34,006	19,589	4,016
Total other income and gains	31,373	53,095	58,872	22,852	7,823

* Government grants related to income that is received as compensation for expenses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period upon actual receipt. There are no unfulfilled conditions or contingencies relating to these grants. And the Group has received certain government grants related to purchases of items of property, plant and equipment. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

** According to the regulations of the Ministry of Finance and the State Administration of Taxation, certain entities within the Group can enjoy an additional 15% deduction calculated based on the input value-added tax (“VAT”) from the VAT payable. The amount of additional deduction is recognised in profit or loss when the entities apply the preferential tax treatment.

7. PROFIT BEFORE TAX

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

Notes	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of inventories sold*	375,738	464,688	521,612	103,665	142,980
Depreciation of property, plant and equipment	15 9,222	12,879	17,069	3,923	5,212
Depreciation of right-of-use assets	16 4,283	4,554	5,155	1,232	1,127
Amortisation of intangible assets	17 6,818	8,765	8,648	2,387	2,749
Research and development costs*	160,807	175,610	207,815	41,041	66,732
Gain on financial assets at fair value through profit or loss	6 (4,698)	(23,192)	(33,241)	(19,526)	(4,016)
Foreign exchange differences, net	6,8 925	(6,816)	10,910	222	6,860
(Reversal of impairment)/impairment of financial assets	(729)	40	759	171	(136)
Write-down/(reversal of write-down) of inventories to net realisable value	6,8 7,640	17,017	30,972	8,804	(1,311)
Bank interest income	6 (11,170)	(10,383)	(16,291)	(1,749)	(857)
Interest income from time deposits	6 –	–	(4,133)	(348)	(817)
Donations	8 2,000	3,800	100	–	–

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration (<i>note 10</i>)):						
Wages and salaries		98,729	132,470	155,880	33,325	38,789
Pension scheme contributions		9,652	11,194	13,515	3,331	3,787
Equity-settled share-based payment expense	33	44,643	27,393	31,375	3,398	23,727

* Cost of inventories sold and research and development costs include expenses relating to depreciation of property, plant and equipment, 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.

8. OTHER EXPENSES

An analysis of other expenses is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Foreign exchange differences, net.	925	–	10,910	222	6,860
Donations	2,000	3,800	100	–	–
Write-down of inventories to net realisable value	7,640	17,017	30,972	8,804	–
Others	563	207	648	21	37
Total	<u>11,128</u>	<u>21,024</u>	<u>42,630</u>	<u>9,047</u>	<u>6,897</u>

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities	<u>383</u>	<u>344</u>	<u>255</u>	<u>73</u>	<u>45</u>

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

The remuneration paid or payable to directors and supervisors of the Company during the Relevant Periods are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	<u>300</u>	<u>300</u>	<u>480</u>	<u>–</u>	<u>180</u>
Other emoluments:					
Salaries, allowances and benefits in kind	4,248	9,024	10,626	1,805	1,670
Pension scheme contributions	239	295	240	62	36
Equity-settled share-based payment expense	–	1,899	954	239	125
Total	<u>4,787</u>	<u>11,518</u>	<u>12,300</u>	<u>2,106</u>	<u>2,011</u>

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(a) Independent non-executive directors

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Mr. Pan Min (i)	100	72	–	–	–
Mr. Rao Yao (ii)	100	72	–	–	–
Mr. Huang Yijian (iii)	78	–	–	–	–
Ms. Chen Dong (iv)	22	100	120	–	45
Mr. Qin Tianbao (v)	–	28	120	–	–
Ms. Luo Zhi (vi)	–	28	120	–	45
Mr. Mao Zhenhua (vii)	–	–	–	–	45
Mr. Sun Kai (viii)	–	–	–	–	45
Total	300	300	360	–	180

- (i) Mr. Pan Min was appointed as an independent non-executive director of the Company with effect from 26 October 2018 and resigned on 20 September 2024.
- (ii) Mr. Rao Yao was appointed as an independent non-executive director of the Company with effect from 26 October 2018 and resigned on 20 September 2024.
- (iii) Mr. Huang Yijian was appointed as an independent non-executive director of the Company with effect from 5 September 2018 and resigned on 10 October 2023.
- (iv) Ms. Chen Dong was appointed as an independent non-executive director of the Company with effect from 13 October 2023.
- (v) Mr. Qin Tianbao was appointed as an independent non-executive director of the Company with effect from 20 September 2024 and resigned on 16 January 2026.
- (vi) Ms. Luo Zhi was appointed as an independent non-executive director of the Company with effect from 20 September 2024.
- (vii) Mr. Mao Zhenhua was appointed as an independent non-executive director of the Company with effect from 16 January 2026.
- (viii) Mr. Sun Kai was appointed as an independent non-executive director of the Company with effect from 16 January 2026.

There were no other emoluments payable to the independent non-executive directors during the reporting periods.

(b) Executive directors and supervisors

Year ended 31 December 2023

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment expense	Total remuneration
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:					
Mr. Chen Zuotao (i)	–	–	–	–	–
Mr. Zhang Jianchen (ii)	–	1,800	68	–	1,868
Mr. Yuan Chongwei (iii)	–	884	68	–	952
Mr. Fu Zhijun (iv)	–	1,262	68	–	1,330
Subtotal	–	3,946	204	–	4,150
Supervisors:					
Mr. Ding Sui (v)	–	–	–	–	–
Mr. Yan Huaike (vi)	–	–	–	–	–
Ms. Zhou Jiexian (vii)	–	203	25	–	228
Ms. Qiu Jing (viii)	–	99	10	–	109
Subtotal	–	302	35	–	337
Total	–	4,248	239	–	4,487

APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment expense	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Chen Zuotao (i)	—	3,000	—	—	3,000
Mr. Zhang Jianchen (ii)	—	2,360	70	—	2,430
Mr. Yuan Chongwei (iii)	—	968	53	—	1,021
Mr. Fu Zhijun (iv)	—	1,604	71	—	1,675
Mr. Weng Huaqiang (ix)	—	776	68	1,899	2,743
Subtotal	—	8,708	262	1,899	10,869
Supervisors:					
Mr. Ding Sui (v)	—	—	—	—	—
Mr. Yan Huaike (vi)	—	—	—	—	—
Ms. Zhou Jiexian (vii)	—	316	33	—	349
Mr. Ye Yonggang (x)	—	—	—	—	—
Subtotal	—	316	33	—	349
Total	—	9,024	295	1,899	11,218

Year ended 31 December 2025

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment expense	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Chen Zuotao (i)	—	3,000	—	—	3,000
Mr. Zhang Jianchen (ii)	—	4,595	71	—	4,666
Mr. Fu Zhijun (iv)	—	1,535	71	—	1,606
Mr. Weng Huaqiang (ix)	—	1,174	71	954	2,199
Subtotal	—	10,304	213	954	11,471
Supervisors:					
Mr. Yan Huaike (vi)	—	—	—	—	—
Ms. Zhou Jiexian (vii)	—	322	27	—	349
Mr. Ye Yonggang (x)	120	—	—	—	120
Subtotal	120	322	27	—	469
Total	120	10,626	240	954	11,940

Three months ended 31 March 2025 (unaudited)

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment expense	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Chen Zuotao (i)	—	750	—	—	750
Mr. Zhang Jianchen (ii)	—	450	18	—	468
Mr. Fu Zhijun (iv)	—	329	18	—	347
Mr. Weng Huaqiang (ix)	—	192	18	239	449
Subtotal	—	1,721	54	239	2,014
Supervisors:					
Mr. Yan Huaike (vi)	—	—	—	—	—
Ms. Zhou Jiexian (vii)	—	84	8	—	92
Mr. Ye Yonggang (x)	—	—	—	—	—
Subtotal	—	84	8	—	92
Total	—	1,805	62	239	2,106

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ACCOUNTANTS’ REPORT

Three months ended 31 March 2026

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Equity-settled share-based payment expense	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Chen Zuotao (i)	–	750	–	–	750
Mr. Zhang Jianchen (ii)	–	705	18	–	723
Mr. Weng Huaqiang (ix)	–	215	18	125	358
Total	–	1,670	36	125	1,831

- (i) Mr. Chen Zuotao was appointed as an executive director of the Company and the chairman of the board of directors with effect from 6 April 2017.
- (ii) Mr. Zhang Jianchen was appointed as an executive director of the Company with effect from 13 April 2020.
- (iii) Mr. Yuan Chongwei was appointed as an executive director of the Company with effect from 3 September 2021 and resigned on 20 September 2024.
- (iv) Mr. Fu Zhijun was appointed as an executive director of the Company with effect from 3 September 2021 and resigned on 31 December 2025.
- (v) Mr. Ding Sui was appointed as a supervisor of the Company with effect from 3 September 2021 and resigned on 20 September 2024.
- (vi) Mr. Yan Huaikang was appointed as a supervisor of the Company with effect from 3 September 2021 and resigned on 13 October 2025.
- (vii) Ms. Zhou Jiexian was appointed as a supervisor of the Company with effect from 27 July 2023 and resigned on 13 October 2025.
- (viii) Ms. Qiu Jing was appointed as a supervisor of the Company with effect from 3 September 2021 and resigned on 27 July 2023.
- (ix) Mr. Weng Huaqiang was appointed as an executive director of the Company with effect from 20 September 2024.
- (x) Mr. Ye Yonggang was appointed as a supervisor of the Company with effect from 20 September 2024 and resigned on 13 October 2025.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2025 and 2026 included nil, 2, 2, 2 and nil directors, respectively, details of whose remuneration are set out in note 10 above. Details of the remuneration of the remaining 5, 3, 3, 3 and 5 highest paid employees who are neither a director nor chief executive of the Company for the year ended 31 December 2023, 2024, 2025 and three months ended 31 March 2025 and 2026 are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	3,925	4,093	5,065	2,026	1,228
Pension scheme contributions	324	213	213	72	90
Equity-settled share-based payment expense	8,083	5,132	6,918	450	8,922
Total	12,332	9,438	12,196	2,548	10,240

APPENDIX I

ACCOUNTANTS’ REPORT

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to HKD2,000,000	2	–	–	3	4
HKD2,000,001 to HKD2,500,000	2	1	–	–	–
HKD2,500,001 to HKD3,000,000	–	1	1	–	–
HKD3,000,001 to HKD3,500,000	1	–	–	–	–
HKD3,500,001 to HKD4,000,000	–	1	1	–	–
HKD4,000,001 to HKD4,500,000	–	–	–	–	–
HKD4,500,001 to HKD5,000,000	–	–	1	–	1
Total	5	3	3	3	5
	=	=	=	=	=

During the reporting periods, restricted shares were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of the share-based compensation, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above non-director and non-chief executive highest paid employees’ remuneration disclosures.

12. INCOME TAX

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

Chinese Mainland

The Company and its subsidiaries registered in Chinese Mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for following subsidiaries which are entitled to tax preferential treatment set out below:

According to the announcement on preferential corporate income tax policies for integrated circuit and software industries, the Company was entitled to a preferential tax rate of 10% during the Relevant Periods.

Shanghai Judong Semiconductor Co., Ltd. was accredited as a “High and New Technology Enterprise” and therefore entitled to a preferential corporate income tax rate of 15% during the Relevant Periods. Such qualification is subject to review by the relevant PRC governmental authorities every three years.

Hong Kong

Pursuant to the relevant tax laws, the subsidiary located in Hong Kong which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary were taxed at 8.25% and the remaining assessable profits were taxed at 16.5% during the Relevant Periods.

The United States

Pursuant to the relevant tax laws, the subsidiary incorporated in the United States was subject to federal and state corporate income taxes at the rates of 21% and 8.84% of taxable income, respectively, for the Relevant Periods.

Singapore

Pursuant to the relevant tax laws, the subsidiary located in Singapore was subject to corporate income tax at a tax rate of 17% during the Relevant Periods.

The income tax of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current income tax	4,681	23,619	29,004	7,926	1,788
Deferred income tax	(2,712)	(1,088)	(5,063)	(1,433)	(2,071)
Total	1,969	22,531	23,941	6,493	(283)
	=	=	=	=	=

APPENDIX I

ACCOUNTANTS’ REPORT

A reconciliation of the tax expense applicable to profit before tax at the applicable rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before tax	84,664	298,571	379,779	103,932	32,247
Tax at the applicable tax rate of 10% . . .	8,466	29,857	37,978	10,393	3,225
Effect of different tax rates of subsidiaries	(1,161)	350	64	176	67
Adjustments in respect of current tax of previous periods	97	(396)	595	–	–
Expenses not deductible for tax	1,162	682	738	64	119
Utilisation of tax losses not recognised from previous periods	(1,395)	(1,621)	(1,190)	(541)	(522)
Unrecognised temporary differences and tax losses	6,733	6,026	3,127	1,012	–
Effect of super deduction for research and development costs and others	(11,933)	(12,367)	(17,371)	(4,611)	(3,172)
Tax charge at the Group’s effective rate . .	1,969	22,531	23,941	6,493	(283)

13. DIVIDENDS

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Final dividends in respect of the previous year, declared or paid during the year/period (tax inclusive)	106,752	31,468	47,435	–	–

The final dividends of RMB0.88, RMB0.20 and RMB0.30 (inclusive of tax) for each ordinary share in respect of the years ended 31 December 2022, 2023 and 2024 were approved by the Annual General Meeting of the Company, of which RMB106,752,000, RMB31,468,000 and RMB47,435,000 were paid during the years ended 31 December 2023, 2024 and 2025.

Pursuant to the resolution of the 2025 Annual General Meeting, a dividend of RMB0.70 (inclusive of tax) for each ordinary share in respect of the years ended 31 December 2025, with total amounting to RMB110,790,000, was approved. Further details of which are included in the disclosures in note 42 to the Historical Financial Information.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods.

The restricted shares granted by the Company have a potential dilutive effect on the earnings per share. The calculation of the diluted earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at adjusted consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Earnings					
Profit attributable to ordinary equity holders of the parent (RMB'000)	100,358	290,270	363,576	99,481	30,844
Shares					
Weighted average number of ordinary shares outstanding during the year/period, used in the basic earnings per share calculation ('000)	157,684	157,590	158,072	157,844	158,271
Effect of dilution – weighted average number of ordinary shares ('000):					
Restricted shares	2,155	1,588	1,303	1,111	2,106
Weighted average number of ordinary shares used in the diluted earnings per share calculation ('000)	159,839	159,178	159,375	158,955	160,377

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ACCOUNTANTS’ REPORT

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023								
At 1 January 2023:								
Cost	–	648	22,986	14,220	153	372	165,561	203,940
Accumulated depreciation . . .	–	(188)	(1,350)	(10,072)	(72)	(31)	–	(11,713)
Net carrying amount	–	460	21,636	4,148	81	341	165,561	192,227
At 1 January 2023, net of accumulated depreciation	–	460	21,636	4,148	81	341	165,561	192,227
Additions	443	–	13,152	2,270	1,907	651	11,857	30,280
Disposals	–	–	–	(56)	–	–	–	(56)
Depreciation provided during the year . . .	(4,485)	(123)	(2,966)	(1,192)	(320)	(136)	–	(9,222)
Transfers	162,693	–	7,086	–	–	–	(169,779)	–
At 31 December 2023, net of accumulated depreciation	158,651	337	38,908	5,170	1,668	856	7,639	213,229
At 31 December 2023:								
Cost	163,136	648	43,224	16,430	2,060	1,023	7,639	234,160
Accumulated depreciation . . .	(4,485)	(311)	(4,316)	(11,260)	(392)	(167)	–	(20,931)
Net carrying amount	158,651	337	38,908	5,170	1,668	856	7,639	213,229
	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024								
At 1 January 2024:								
Cost	163,136	648	43,224	16,430	2,060	1,023	7,639	234,160
Accumulated depreciation . . .	(4,485)	(311)	(4,316)	(11,260)	(392)	(167)	–	(20,931)
Net carrying amount	158,651	337	38,908	5,170	1,668	856	7,639	213,229
At 1 January 2024, net of accumulated depreciation	158,651	337	38,908	5,170	1,668	856	7,639	213,229
Additions	311	419	23,948	2,170	41	406	3,347	30,642
Disposals	–	–	(18)	–	–	–	–	(18)
Depreciation provided during the year . . .	(5,441)	(176)	(5,250)	(1,324)	(384)	(304)	–	(12,879)
Transfers	–	–	4,497	–	–	–	(4,497)	–
At 31 December 2024, net of accumulated depreciation	153,521	580	62,085	6,016	1,325	958	6,489	230,974
At 31 December 2024:								
Cost	163,447	1,067	71,642	18,600	2,101	1,430	6,489	264,776
Accumulated depreciation . . .	(9,926)	(487)	(9,557)	(12,584)	(776)	(472)	–	(33,802)
Net carrying amount	153,521	580	62,085	6,016	1,325	958	6,489	230,974

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ACCOUNTANTS’ REPORT

	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	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	163,447	1,067	71,642	18,600	2,101	1,430	6,489	264,776
Accumulated depreciation . . .	(9,926)	(487)	(9,557)	(12,584)	(776)	(472)	—	(33,802)
Net carrying amount	<u>153,521</u>	<u>580</u>	<u>62,085</u>	<u>6,016</u>	<u>1,325</u>	<u>958</u>	<u>6,489</u>	<u>230,974</u>
At 1 January 2025, net of accumulated depreciation	153,521	580	62,085	6,016	1,325	958	6,489	230,974
Additions	—	489	34,523	2,602	9	840	—	38,463
Disposals	—	(18)	—	(23)	—	(1)	(251)	(293)
Depreciation provided during the year . . .	(5,444)	(199)	(8,524)	(1,891)	(387)	(624)	—	(17,069)
Transfers	—	—	6,238	—	—	—	(6,238)	—
At 31 December 2025, net of accumulated depreciation	<u>148,077</u>	<u>852</u>	<u>94,322</u>	<u>6,704</u>	<u>947</u>	<u>1,173</u>	<u>—</u>	<u>252,075</u>
At 31 December 2025:								
Cost	163,447	1,189	112,403	20,800	2,110	2,268	—	302,217
Accumulated depreciation . . .	(15,370)	(337)	(18,081)	(14,096)	(1,163)	(1,095)	—	(50,142)
Net carrying amount	<u>148,077</u>	<u>852</u>	<u>94,322</u>	<u>6,704</u>	<u>947</u>	<u>1,173</u>	<u>—</u>	<u>252,075</u>
	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
31 March 2026								
At 1 January 2026:								
Cost	163,447	1,189	112,403	20,800	2,110	2,268	302,217	
Accumulated depreciation	(15,370)	(337)	(18,081)	(14,096)	(1,163)	(1,095)	(50,142)	
Net carrying amount	<u>148,077</u>	<u>852</u>	<u>94,322</u>	<u>6,704</u>	<u>947</u>	<u>1,173</u>	<u>252,075</u>	
At 1 January 2026, net of accumulated depreciation	148,077	852	94,322	6,704	947	1,173	252,075	
Additions	—	—	5,907	1,604	—	74	7,585	
Depreciation provided during the period	(1,361)	(57)	(2,884)	(491)	(97)	(322)	(5,212)	
At 31 March 2026, net of accumulated depreciation	<u>146,716</u>	<u>795</u>	<u>97,345</u>	<u>7,817</u>	<u>850</u>	<u>925</u>	<u>254,448</u>	
At 31 March 2026:								
Cost	163,447	1,189	118,310	22,404	2,110	2,342	309,802	
Accumulated depreciation	(16,731)	(394)	(20,965)	(14,587)	(1,260)	(1,417)	(55,354)	
Net carrying amount	<u>146,716</u>	<u>795</u>	<u>97,345</u>	<u>7,817</u>	<u>850</u>	<u>925</u>	<u>254,448</u>	

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ACCOUNTANTS’ REPORT

The Company

	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023								
At 1 January 2023:								
Cost	–	648	22,986	12,622	100	372	165,561	202,289
Accumulated depreciation . . .	–	(188)	(1,350)	(9,665)	(63)	(31)	–	(11,297)
Net carrying amount	–	460	21,636	2,957	37	341	165,561	190,992
At 1 January 2023, net of accumulated depreciation	–	460	21,636	2,957	37	341	165,561	190,992
Additions	443	–	13,152	1,118	1,862	284	11,857	28,716
Depreciation provided during the year . . .	(4,485)	(123)	(2,966)	(835)	(308)	(79)	–	(8,796)
Transfers	162,693	–	7,086	–	–	–	(169,779)	–
At 31 December 2023, net of accumulated depreciation	158,651	337	38,908	3,240	1,591	546	7,639	210,912
At 31 December 2023:								
Cost	163,136	648	43,224	13,740	1,962	656	7,639	231,005
Accumulated depreciation . . .	(4,485)	(311)	(4,316)	(10,500)	(371)	(110)	–	(20,093)
Net carrying amount	158,651	337	38,908	3,240	1,591	546	7,639	210,912
	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024								
At 1 January 2024:								
Cost	163,136	648	43,224	13,740	1,962	656	7,639	231,005
Accumulated depreciation . . .	(4,485)	(311)	(4,316)	(10,500)	(371)	(110)	–	(20,093)
Net carrying amount	158,651	337	38,908	3,240	1,591	546	7,639	210,912
At 1 January 2024, net of accumulated depreciation	158,651	337	38,908	3,240	1,591	546	7,639	210,912
Additions	311	419	23,948	1,258	23	301	3,347	29,607
Disposals	–	–	(18)	–	–	–	–	(18)
Depreciation provided during the year . . .	(5,441)	(176)	(5,250)	(849)	(365)	(158)	–	(12,239)
Transfers	–	–	4,497	–	–	–	(4,497)	–
At 31 December 2024, net of accumulated depreciation	153,521	580	62,085	3,649	1,249	689	6,489	228,262
At 31 December 2024:								
Cost	163,447	1,067	71,642	14,998	1,985	957	6,489	260,585
Accumulated depreciation . . .	(9,926)	(487)	(9,557)	(11,349)	(736)	(268)	–	(32,323)
Net carrying amount	153,521	580	62,085	3,649	1,249	689	6,489	228,262

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ACCOUNTANTS’ REPORT

	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	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	163,447	1,067	71,642	14,998	1,985	957	6,489	260,585
Accumulated depreciation . . .	(9,926)	(487)	(9,557)	(11,349)	(736)	(268)	—	(32,323)
Net carrying amount	<u>153,521</u>	<u>580</u>	<u>62,085</u>	<u>3,649</u>	<u>1,249</u>	<u>689</u>	<u>6,489</u>	<u>228,262</u>
At 1 January 2025, net of accumulated depreciation	153,521	580	62,085	3,649	1,249	689	6,489	228,262
Additions	—	489	34,523	1,786	6	—	—	36,804
Disposals	—	(18)	—	(23)	—	—	(251)	(292)
Depreciation provided during the year . . .	(5,444)	(199)	(8,524)	(1,287)	(365)	(214)	—	(16,033)
Transfers	—	—	6,238	—	—	—	(6,238)	—
At 31 December 2025, net of accumulated depreciation	<u>148,077</u>	<u>852</u>	<u>94,322</u>	<u>4,125</u>	<u>890</u>	<u>475</u>	<u>—</u>	<u>248,741</u>
At 31 December 2025:								
Cost	163,447	1,189	112,403	16,384	1,991	957	—	296,371
Accumulated depreciation . . .	(15,370)	(337)	(18,081)	(12,259)	(1,101)	(482)	—	(47,630)
Net carrying amount	<u>148,077</u>	<u>852</u>	<u>94,322</u>	<u>4,125</u>	<u>890</u>	<u>475</u>	<u>—</u>	<u>248,741</u>
	Buildings	Motor vehicles	Machinery	Electronic equipment	Other equipment	Leasehold improvements	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 March 2026								
At 1 January 2026:								
Cost	163,447	1,189	112,403	16,384	1,991	957	296,371	
Accumulated depreciation	(15,370)	(337)	(18,081)	(12,259)	(1,101)	(482)	(47,630)	
Net carrying amount	<u>148,077</u>	<u>852</u>	<u>94,322</u>	<u>4,125</u>	<u>890</u>	<u>475</u>	<u>248,741</u>	
At 1 January 2026, net of accumulated depreciation	148,077	852	94,322	4,125	890	475	248,741	
Additions	—	—	5,907	1,604	—	74	7,585	
Depreciation provided during the period	(1,361)	(57)	(2,884)	(340)	(90)	(211)	(4,943)	
At 31 March 2026, net of accumulated depreciation	<u>146,716</u>	<u>795</u>	<u>97,345</u>	<u>5,389</u>	<u>800</u>	<u>338</u>	<u>251,383</u>	
At 31 March 2026:								
Cost	163,447	1,189	118,310	17,988	1,991	1,031	303,956	
Accumulated depreciation	(16,731)	(394)	(20,965)	(12,599)	(1,191)	(693)	(52,573)	
Net carrying amount	<u>146,716</u>	<u>795</u>	<u>97,345</u>	<u>5,389</u>	<u>800</u>	<u>338</u>	<u>251,383</u>	

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16. LEASES

The Group as a lessee

During the reporting period, the Group entered into certain long-term lease contracts for buildings which have lease terms of 22 to 74 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

The Group

	Buildings
	<i>RMB’000</i>
As at 1 January 2023	8,966
Additions	6,053
Termination and revision of leases	(2,430)
Exchange realignment	7
Depreciation provided during the year	(4,283)
As at 31 December 2023 and 1 January 2024	8,313
Additions	8,428
Termination and revision of leases	(2,248)
Exchange realignment	4
Depreciation provided during the year	(4,554)
As at 31 December 2024 and 1 January 2025	9,943
Additions	2,680
Termination and revision of leases	(154)
Exchange realignment	(5)
Depreciation provided during the year	(5,155)
As at 31 December 2025 and 1 January 2026	7,309
Revision of leases	(582)
Exchange realignment	(2)
Depreciation provided during the period	(1,127)
As at 31 March 2026	5,598

The Company

	Buildings
	<i>RMB’000</i>
As at 1 January 2023	6,639
Additions	1,801
Termination and revision of leases	(2,076)
Depreciation provided during the year	(2,144)
As at 31 December 2023 and 1 January 2024	4,220
Additions	4,905
Termination and revision of leases	(2,248)
Depreciation provided during the year	(1,815)
As at 31 December 2024 and 1 January 2025	5,062
Additions	2,680
Depreciation provided during the year	(2,570)
As at 31 December 2025 and 1 January 2026	5,172
Revision of leases	(582)
Depreciation provided during the period	(528)
As at 31 March 2026	4,062

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(b) *Lease liabilities*

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

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period	8,900	8,260	9,737	7,118
New leases	6,053	8,428	2,680	–
Accretion of interest recognised during the year/period	383	344	255	45
Exchange realignment	4	4	(5)	(2)
Payments	(4,440)	(4,760)	(5,395)	(1,157)
Termination and revision of leases	(2,640)	(2,539)	(154)	(582)
Carrying amount at the end of the year/period	<u>8,260</u>	<u>9,737</u>	<u>7,118</u>	<u>5,422</u>
Analysed into:				
Current portion	<u>3,167</u>	<u>4,798</u>	<u>3,788</u>	<u>3,089</u>
Non-current portion	<u>5,093</u>	<u>4,939</u>	<u>3,330</u>	<u>2,333</u>

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period	6,791	4,391	4,899	5,109
New leases	1,801	4,905	2,680	–
Accretion of interest recognised during the year/period	236	195	151	32
Payments	(2,165)	(2,053)	(2,621)	(484)
Termination and revision of leases	(2,272)	(2,539)	–	(582)
Carrying amount at the end of the year/period	<u>4,391</u>	<u>4,899</u>	<u>5,109</u>	<u>4,075</u>
Analysed into:				
Current portion	<u>1,398</u>	<u>2,090</u>	<u>2,236</u>	<u>2,027</u>
Non-current portion	<u>2,993</u>	<u>2,809</u>	<u>2,873</u>	<u>2,048</u>

The maturity analysis of lease liabilities is disclosed in note 41 to the Historical Financial Information.

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

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	383	344	255	45
Depreciation charge of right-of-use assets	4,283	4,554	5,155	1,127
Expense relating to short-term leases and low-value assets	<u>89</u>	<u>267</u>	<u>1,043</u>	<u>275</u>
Total amount recognised in profit or loss	<u>4,755</u>	<u>5,165</u>	<u>6,453</u>	<u>1,447</u>

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The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on lease liabilities . . .	236	195	151	32
Depreciation charge of right-of-use assets	2,144	1,815	2,570	528
Total amount recognised in profit or loss	2,380	2,010	2,721	560

The total cash outflows for leases are disclosed in note 36(c) to the Historical Financial Information.

17. INTANGIBLE ASSETS

The Group

	Software	Patents	Non-patent technology	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
Cost at 1 January 2023, net of accumulated amortisation	8,276	—	781	9,057
Additions	7,348	—	236	7,584
Amortisation during the year	(6,027)	—	(791)	(6,818)
At 31 December 2023	9,597	—	226	9,823
At 31 December 2023:				
Cost	25,811	4,653	5,730	36,194
Accumulated amortisation	(16,214)	(4,653)	(5,504)	(26,371)
Net carrying amount.	9,597	—	226	9,823
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	9,597	—	226	9,823
Additions	6,459	—	—	6,459
Amortisation during the year	(8,539)	—	(226)	(8,765)
At 31 December 2024	7,517	—	—	7,517
At 31 December 2024:				
Cost	32,270	4,653	5,730	42,653
Accumulated amortisation	(24,753)	(4,653)	(5,730)	(35,136)
Net carrying amount.	7,517	—	—	7,517
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation	7,517	—	—	7,517
Additions	11,997	—	1,714	13,711
Amortisation during the year	(8,258)	—	(390)	(8,648)
At 31 December 2025	11,256	—	1,324	12,580
At 31 December 2025:				
Cost	44,267	4,653	7,444	56,364
Accumulated amortisation	(33,011)	(4,653)	(6,120)	(43,784)
Net carrying amount.	11,256	—	1,324	12,580
31 March 2026				
Cost at 1 January 2026, net of accumulated amortisation	11,256	—	1,324	12,580
Additions	271	—	—	271
Amortisation during the period	(1,985)	—	(764)	(2,749)
At 31 March 2026	9,542	—	560	10,102
At 31 March 2026:				
Cost	44,538	4,653	7,444	56,635
Accumulated amortisation	(34,996)	(4,653)	(6,884)	(46,533)
Net carrying amount.	9,542	—	560	10,102

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The Company

	Software	Patents	Non-patent technology	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
Cost at 1 January 2023, net of accumulated amortisation	8,276	–	6,721	14,997
Additions	7,264	–	2,264	9,528
Amortisation during the year	(6,011)	–	(3,486)	(9,497)
At 31 December 2023	9,529	–	5,499	15,028
At 31 December 2023:				
Cost	25,727	4,653	14,810	45,190
Accumulated amortisation	(16,198)	(4,653)	(9,311)	(30,162)
Net carrying amount	9,529	–	5,499	15,028
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	9,529	–	5,499	15,028
Additions	6,409	–	37,956	44,365
Amortisation during the year	(8,469)	–	(12,619)	(21,088)
At 31 December 2024	7,469	–	30,836	38,305
At 31 December 2024:				
Cost	32,136	4,653	52,766	89,555
Accumulated amortisation	(24,667)	(4,653)	(21,930)	(51,250)
Net carrying amount	7,469	–	30,836	38,305
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation	7,469	–	30,836	38,305
Additions	11,948	–	1,714	13,662
Amortisation during the year	(8,145)	–	(14,662)	(22,807)
At 31 December 2025	11,272	–	17,888	29,160
At 31 December 2025:				
Cost	44,084	4,653	54,480	103,217
Accumulated amortisation	(32,812)	(4,653)	(36,592)	(74,057)
Net carrying amount	11,272	–	17,888	29,160
31 March 2026				
Cost at 1 January 2026, net of accumulated amortisation	11,272	–	17,888	29,160
Additions	220	–	–	220
Amortisation during the period	(1,966)	–	(3,899)	(5,865)
At 31 March 2026	9,526	–	13,989	23,515
At 31 March 2026:				
Cost	44,304	4,653	54,480	103,437
Accumulated amortisation	(34,778)	(4,653)	(40,491)	(79,922)
Net carrying amount	9,526	–	13,989	23,515

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Structured deposits	634,030	789,004	782,179	691,466
Listed equity investment	82,250	89,365	–	–
Subtotal	716,280	878,369	782,179	691,466
Non-current				
Private equity fund	34,240	44,590	69,444	70,077
Total	750,520	922,959	851,623	761,543

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19. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	1,226	5,692	9,492	7,604

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	1,226	5,692	9,492	7,604
Prepayment for intangible assets	60,850	65,117	72,317	72,317
Total	62,076	70,809	81,809	79,921

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income				
Non-listed equity investments, at fair value	35,493	70,881	132,895	134,284

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income				
Non-listed equity investments, at fair value	35,000	70,259	132,287	133,685

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

21. INVESTMENT IN ASSOCIATES

The Group and the Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Jiangsu Xiqian Semiconductor Co., Ltd. (Jiangsu Xiqian)	6,156	4,435	1,398	—
Shenzhen Gencun Technology Co., Ltd. (Shenzhen Gencun)	—	—	24,030	23,426
Investment in associates	6,156	4,435	25,428	23,426

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Particulars of the associates as at the end of each reporting period are as follows:

Name	Place of incorporation	Registered share capital	Percentage of ownership interest attributable to the Company	Principal activity
Jiangsu Xiqian*	Chinese Mainland	RMB100,000,000	30.00	Integrated circuit research and development and sales
Shenzhen Gencun**	Chinese Mainland	RMB1,800,831	15.55	Integrated circuit research and development and sales

* In December 2022, the Group invested a 30% equity interest in Jiangsu Xiqian. As the Group can appoint one director of Jiangsu Xiqian under the articles of association, the Group has the power to participate in the financial and operating policy decisions of Jiangsu Xiqian, and therefore can exercise significant influence over Jiangsu Xiqian. In January 2026, due to a transfer of equity interest together with an amendment to the power of assigning directors, the Group’s equity interest in Jiangsu Xiqian was diluted to 7.5% and the Group lost significant influence over Jiangsu Xiqian. The investment was subsequently remeasured and classified as an equity investment designated at fair value through other comprehensive income.

** In October 2025, the Group invested a 15.55% equity interest in Shenzhen Gencun. As the Group can appoint one director of Shenzhen Gencun under the articles of association, the Group has the power to participate in the financial and operating policy decisions of Shenzhen Gencun, and therefore can exercise significant influence over Shenzhen Gencun.

As at 31 December 2023, 2024, 2025 and 31 March 2026, the carrying amount of Group’s investment in associates were RMB6,156,000, RMB4,435,000, RMB25,428,000 and RMB23,426,000, which are not considered material to the Group. The investment in associates is accounted for using the equity method.

The following table illustrates the aggregate financial information of the Group’s associates that is not individually material:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Share of the associates’ loss for the year/period	(1,603)	(1,721)	(3,649)	(604)
Share of the associates’ comprehensive loss for the year/period	(1,603)	(1,721)	(3,649)	(604)
Aggregate carrying amount of the Group’s investment in the associates	<u>6,156</u>	<u>4,435</u>	<u>25,428</u>	<u>23,426</u>

22. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Investments, at cost	69,568	77,779	83,150	83,657
Impairment losses on investments in subsidiaries	—	—	—	—
Investments in subsidiaries	<u>69,568</u>	<u>77,779</u>	<u>83,150</u>	<u>83,657</u>

23. INVENTORIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Raw materials	62,328	65,761	50,275	75,803
Finished goods	54,407	69,709	102,894	100,407
Materials consigned for processing	45,792	57,000	80,385	80,861
Semi-finished goods	62,653	50,582	47,114	44,528
Goods in transit	—	324	1,742	1,785
Total	<u>225,180</u>	<u>243,376</u>	<u>282,410</u>	<u>303,384</u>

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The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	40,153	10,034	8,370	42,312
Finished goods	51,137	61,992	91,431	89,649
Materials consigned for processing . .	41,334	55,095	72,623	75,456
Semi-finished goods	47,401	39,463	43,487	42,261
Goods in transit	–	324	1,743	1,785
Total	<u>180,025</u>	<u>166,908</u>	<u>217,654</u>	<u>251,463</u>

24. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	132,100	133,645	146,560	145,672
Bills receivables	15,840	11,274	19,075	19,114
Less: Allowance for credit losses . . .	(3,963)	(4,009)	(4,580)	(4,434)
Total	<u>143,977</u>	<u>140,910</u>	<u>161,055</u>	<u>160,352</u>

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	79,687	64,201	86,649	84,624
Bills receivables	9,530	3,714	13,399	12,416
Less: Allowance for credit losses . . .	(2,391)	(1,926)	(2,782)	(2,603)
Total	<u>86,826</u>	<u>65,989</u>	<u>97,266</u>	<u>94,437</u>

The Group’s trading terms with its certain customers are on credit, and the credit period is generally 30 to 90 days. 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 management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the goods acceptance date and net of allowance for expected credit losses, is as follows:

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	<u>143,977</u>	<u>140,910</u>	<u>161,055</u>	<u>160,352</u>

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	<u>86,826</u>	<u>65,989</u>	<u>97,266</u>	<u>94,437</u>

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

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	4,643	3,963	4,009	4,580
Impairment losses, net	(706)	23	601	(125)
Exchange realignment	43	23	(30)	(21)
Amount written off as uncollectible . .	(17)	—	—	—
At end of year/period	<u>3,963</u>	<u>4,009</u>	<u>4,580</u>	<u>4,434</u>

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	1,129	2,391	1,926	2,782
Impairment losses, net	1,279	(465)	856	(179)
Amount written off as uncollectible . .	(17)	—	—	—
At end of year/period	<u>2,391</u>	<u>1,926</u>	<u>2,782</u>	<u>2,603</u>

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance at an amount equal to lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on the ageing of the trade and bills receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The following table details the risk profile of trade and bills receivables:

The Group

	As at 31 December 2023		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	<u>147,940</u>	<u>2.68%</u>	<u>3,963</u>
	As at 31 December 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	<u>144,919</u>	<u>2.77%</u>	<u>4,009</u>
	As at 31 December 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	<u>165,635</u>	<u>2.77%</u>	<u>4,580</u>
	As at 31 March 2026		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	<u>164,786</u>	<u>2.69%</u>	<u>4,434</u>

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The Company

	As at 31 December 2023		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	89,217	2.68%	2,391
	<u> </u>	<u> </u>	<u> </u>
	As at 31 December 2024		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	67,915	2.84%	1,926
	<u> </u>	<u> </u>	<u> </u>
	As at 31 December 2025		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	100,048	2.78%	2,782
	<u> </u>	<u> </u>	<u> </u>
	As at 31 March 2026		
	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
Within 1 year	97,040	2.68%	2,603
	<u> </u>	<u> </u>	<u> </u>

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	32,331	57,552	17,851	21,144
Value-added tax recoverable	14,734	17,644	17,076	13,143
Listing expenditures	–	–	9,893	21,308
Deposits	1,435	1,718	1,895	1,629
Other receivables	1,113	1,411	444	571
Subtotal	49,613	78,325	47,159	57,795
Less: Impairment losses	(1,185)	(1,202)	(247)	(235)
Total	<u>48,428</u>	<u>77,123</u>	<u>46,912</u>	<u>57,560</u>

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	73,330	129,265	99,049	87,858
Listing expenditures	–	–	9,893	21,308
Value-added tax recoverable	2,863	3,416	4,185	2,845
Deposits	637	700	970	755
Other receivables	1,113	1,113	149	275
Subtotal	77,943	134,494	114,246	113,041
Less: Impairment losses	(1,145)	(1,148)	(197)	(188)
Total	<u>76,798</u>	<u>133,346</u>	<u>114,049</u>	<u>112,853</u>

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The balances of other receivables are interest-free and unsecured.

Deposits mainly represent deposits with suppliers. At the end of each reporting period, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each reporting period.

26. CASH AND BANK BALANCES AND TIME DEPOSITS

(a) Cash and bank balances

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	592,822	577,701	711,171	694,752
Denominated in:				
United States dollar (“USD”)	65,652	148,694	353,268	181,438
RMB	526,050	426,353	356,511	510,640
Hong Kong dollar (“HKD”)	1,049	910	827	825
Singapore dollar (“SGD”)	–	1,539	527	1,805
New Taiwan dollar (“TWD”)	71	205	38	44
Total	592,822	577,701	711,171	694,752

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	489,871	441,567	636,850	619,621
Denominated in:				
USD	45,490	85,372	296,459	131,515
RMB	444,381	356,195	340,391	488,106
Total	489,871	441,567	636,850	619,621

The RMB is not freely convertible into other currencies, however, under Chinese Mainland’s 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. The carrying amounts of the cash and bank balances approximated to their fair values.

(b) Time deposits

The Group and the Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term time deposits	–	–	239,077	337,162
	=	=	=	=

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27. TRADE PAYABLES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	64,797	63,742	94,062	94,325

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	61,232	58,620	90,257	88,365

Trade payables are non-interest bearing and normally settled on terms of 30 to 60 days. An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	64,797	63,459	94,004	94,276
Over 1 year	–	283	58	49
Total	64,797	63,742	94,062	94,325

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	61,232	58,337	90,199	88,342
Over 1 year	–	283	58	23
Total	61,232	58,620	90,257	88,365

28. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Advances received from customers Sales of products	736	2,152	491	1,539

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Advances received from customers Sales of products	613	932	427	1,351

Contract liabilities of the Group mainly arise from advance payments made by customers for goods yet to be delivered.

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29. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current portion				
Payroll and welfare payables	20,450	45,350	46,790	19,296
Other tax payables	1,812	2,702	1,829	2,813
Payables for purchase of property, plant and equipment	799	1,247	498	835
Payables for purchase of intangible assets	3,944	1,706	3,489	3,434
Others	1,049	1,061	6,680	2,560
Total current portion	28,054	52,066	59,286	28,938
Non-current portion				
Payables for purchase of intangible assets	1,232	455	3,043	2,996
Total non-current portion	1,232	455	3,043	2,996
Total	29,286	52,521	62,329	31,934

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current portion				
Payroll and welfare payables	15,702	32,316	36,335	13,565
Other tax payables	1,292	2,179	1,517	2,337
Payables for purchase of property, plant and equipment	336	1,247	498	829
Payables for purchase of intangible assets	3,944	1,706	3,489	3,434
Others	982	1,042	5,866	1,726
Total current portion	22,256	38,490	47,705	21,891
Non-current portion				
Payables for purchase of intangible assets	1,232	455	3,043	2,996
Total non-current portion	1,232	455	3,043	2,996
Total	23,488	38,945	50,748	24,887

30. DEFERRED INCOME

The Group and the Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	4,477	4,891	3,875	3,500

Movements in government grants of the Group during the Relevant Periods are as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	6,766	4,477	4,891	3,875
Government grants received	1,338	2,491	1,106	–
Recognised as income during the year/period	(3,627)	(2,077)	(2,122)	(375)
At end of year/period	4,477	4,891	3,875	3,500

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31. DEFERRED TAX

The Group

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

Deferred tax assets

	Impairment loss	Difference of intangible assets between accounting and tax basis	Share-based payments	Deferred income	Lease liabilities	Unrealized gain	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	5,237	495	4,861	677	1,070	–	12,340
Deferred tax credited/(charged) to profit or loss	540	190	708	(229)	(28)	–	1,181
Exchange realignment	30	–	–	–	–	–	30
As at 31 December 2023 and 1 January 2024	5,807	685	5,569	448	1,042	–	13,551
Deferred tax credited/(charged) to profit or loss	1,619	1,077	(897)	41	397	–	2,237
Exchange realignment	17	–	2	–	1	–	20
As at 31 December 2024 and 1 January 2025	7,443	1,762	4,674	489	1,440	–	15,808
Deferred tax credited/(charged) to profit or loss	2,311	1,371	(284)	(102)	(507)	2,710	5,499
Deferred tax credited to reserves	–	–	1,040	–	–	–	1,040
Exchange realignment	(37)	–	–	–	(1)	–	(38)
As at 31 December 2025 and 1 January 2026	9,717	3,133	5,430	387	932	2,710	22,309
Deferred tax credited/ (charged) to profit or loss	410	378	2,243	(37)	(224)	(912)	1,858
Exchange realignment	17	–	–	–	–	–	17
As at 31 March 2026	10,144	3,511	7,673	350	708	1,798	24,184

Deferred tax liabilities

	Right-of-use assets	Fair value adjustment	Difference of fixed assets between accounting and tax basis	Unrealised gains from equity investments designated at fair value through other comprehensive income	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,101	555	1	–	1,657
Deferred tax charged/(credited) to profit or loss	(29)	(1,503)	1	–	(1,531)
As at 31 December 2023 and 1 January 2024	1,072	(948)	2	–	126
Deferred tax charged/(credited) to profit or loss	393	757	(1)	–	1,149
Deferred tax charged to other comprehensive income	–	–	–	746	746
Exchange realignment	1	–	–	–	1
As at 31 December 2024 and 1 January 2025	1,466	(191)	1	746	2,022
Deferred tax charged/(credited) to profit or loss	(501)	937	–	–	436
Deferred tax charged to other comprehensive income	–	–	–	6,478	6,478
Exchange realignment	(1)	–	–	–	(1)
As at 31 December 2025 and 1 January 2026	964	746	1	7,224	8,935
Deferred tax charged/(credited) to profit or loss	(222)	8	1	–	(213)
Exchange realignment	1	–	–	–	1
As at 31 March 2026	743	754	2	7,224	8,723

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

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	13,470	13,806	13,402	15,499
Net deferred tax liabilities recognised in the consolidated statement of financial position	45	20	28	38

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

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	123,889	193,212	206,796	202,094
Deductible temporary differences	7,664	15,259	9,737	12,803
Total	131,553	208,471	216,533	214,897

The Group has tax losses of RMB123,889,000, RMB193,212,000, RMB206,796,000 and RMB202,094,000 as at 31 December 2023, 2024, 2025 and 31 March 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 the tax losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Company

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

Deferred tax assets

	Impairment loss	Difference of intangible assets between accounting and tax basis	Share-based payments	Deferred income	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	3,292	495	4,861	677	679	10,004
Deferred tax credited/(charged) to profit or loss	1,189	190	708	(229)	(240)	1,618
As at 31 December 2023 and 1 January 2024	4,481	685	5,569	448	439	11,622
Deferred tax credited/(charged) to profit or loss	1,238	1,077	(1,100)	41	51	1,307
As at 31 December 2024 and 1 January 2025	5,719	1,762	4,469	489	490	12,929
Deferred tax credited/(charged) to profit or loss	2,143	1,371	(169)	(102)	21	3,264
Deferred tax credited to reserves	–	–	1,040	–	–	1,040
As at 31 December 2025 and 1 January 2026	7,862	3,133	5,340	387	511	17,233
Deferred tax credited/(charged) to profit or loss	(279)	378	2,333	(37)	(103)	2,292
As at 31 March 2026	7,583	3,511	7,673	350	408	19,525

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Deferred tax liabilities

	Right-of-use assets	Fair value adjustment	Unrealised gains from equity investments designated at fair value through other comprehensive income	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	664	555	–	1,219
Deferred tax credited to profit or loss	(242)	(1,503)	–	(1,745)
As at 31 December 2023 and 1 January 2024	422	(948)	–	(526)
Deferred tax charged to profit or loss	84	757	–	841
Deferred tax charged to other comprehensive income	–	–	726	726
As at 31 December 2024 and 1 January 2025	506	(191)	726	1,041
Deferred tax charged/(credited) to profit or loss	11	937	–	948
Deferred tax charged to other comprehensive income	–	–	6,477	6,477
As at 31 December 2025 and 1 January 2026	517	746	7,203	8,466
Deferred tax charged/(credited) to profit or loss	(111)	8	–	(103)
As at 31 March 2026	406	754	7,203	8,363

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

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the statement of financial position	12,148	11,888	8,767	11,162
Net deferred tax liabilities recognised in the statement of financial position	–	–	–	–

32. SHARE CAPITAL

The Group and the Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid:				
Ordinary shares of RMB1.00 each	158,173	157,719	158,271	158,271

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

	Notes	Number of shares in issue	Share capital
			RMB'000
At 1 January 2023		120,905,867	120,906
Conversion of capital reserve into share capital	(1)	36,392,645	36,392
Equity-settled share-based payment arrangements	(2)	874,525	875
At 31 December 2023 and 1 January 2024		158,173,037	158,173
Equity-settled share-based payment arrangements	(3)	1,132,500	1,133
Shares repurchased and cancelled of A shares	(4)	(1,586,993)	(1,587)
At 31 December 2024 and 1 January 2025		157,718,544	157,719
Equity-settled share-based payment arrangements	(5)	552,500	552
At 31 December 2025 and 1 January 2026		158,271,044	158,271
At 31 March 2026		158,271,044	158,271

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Notes:

- (1) At the board meeting held on 13 April 2023, the resolution of “Profit distribution plan for the year of 2022” was reviewed and approved. According to the resolution, a conversion of capital reserve into share capital by 3 shares for every 10 existing shares would be distributed to all shareholders based on the number of shares they held on the record date determined by the implementation of annual profit distribution, resulting in a total increase of 36,392,645 shares.
- (2) In 2023, 874,525 shares were exercised under share-based payment arrangements.
- (3) In 2024, 1,132,500 shares were exercised under share-based payment arrangements.
- (4) In February 2024, according to a board resolution, the share repurchase scheme was approved. The Company repurchased and cancelled an aggregate of 1,586,993 shares in the market for a total consideration of approximately RMB81,817,000 during the year of 2024.
- (5) In 2025, 552,500 shares were exercised under share-based payment arrangements.

33. SHARE-BASED PAYMENTS

Restricted Stock Incentive Plan 2021

On 18 May 2021, the 2020 annual general meeting of the Company deliberated and adopted the proposal on the Restricted Stock Incentive Plan 2021. A total of 900,000 restricted shares were granted, of which 720,000 were granted for the first time and 180,000 were reserved. The exercise price of the plan is RMB22.64 per share. The incentive targets are the Group’s core technical personnel.

On 8 June 2021, the Company convened the 23rd meeting of the first board of directors of the Company, which deliberated and adopted the proposal on the initial grant of restricted shares to incentive recipients. The date of the initial grant of the restricted shares was 8 June 2021 and the number of incentive recipients was 10.

On 13 August 2021, the 24th meeting of the first board of directors of the Company reviewed and adopted the proposal on granting reserved shares to incentive recipients. The grant date of some of the reserved restricted shares was 13 August 2021 and the number of incentive recipients was 3.

On 27 December 2021, the 4th meeting of the second board of directors of the Company reviewed and adopted the proposal on granting reserved shares to incentive recipients. The grant date of some of the reserved restricted shares was 27 December 2021 and the number of incentive recipients was 3.

Under the Restricted Stock Incentive Plan 2021, some employees of the Group have the right to acquire shares in the Company with a vesting period of 1 to 4 years upon the fulfillment of performance requirements, and the proportion of restricted shares attributable each year from the date of vesting is 10%, 50% 30% and 10%.

Pursuant to the relevant provisions of the Restricted Stock Incentive Plan 2021, in the event of any capitalisation issue, bonus issue or share subdivision prior to the exercise of the restricted shares, the Company shall adjust the exercise price of the restricted shares accordingly. Due to the issuance of the bonus issue, the exercise price and number of restricted shares initially intended to be granted under the Restricted Stock Incentive Plan 2021 were adjusted. On 28 June 2022, pursuant to the relevant approvals of the 9th meeting of the second board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB22.64 per unit to RMB21.96 per unit. On 18 August 2023, pursuant to the relevant approvals of the 18th meeting of the second board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB21.96 per unit to RMB16.22 per unit. On 9 August 2024, pursuant to the relevant approvals of the 26th meeting of the second board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB16.22 per unit to RMB16.02 per unit. On 22 August 2025, pursuant to the relevant approvals of the 6th meeting of the third board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB16.02 per unit to RMB15.72 per unit.

Restricted Stock Incentive Plan 2022

On 21 February 2022, the 2022 first extraordinary general meeting of the Company deliberated and adopted the proposal on the Restricted Stock Incentive Plan 2022. A total of 1,800,000 restricted shares were granted, of which 1,584,000 were granted for the first time and 216,000 were reserved. The exercise price of the plan is RMB22.64 per share. The incentive targets are the Group’s middle-level management personnel and core technical personnel.

On 25 February 2022, the Company convened the 7th meeting of the second board of directors of the Company, which deliberated and adopted the proposal on the initial grant of restricted shares to incentive recipients. The date of the initial grant of the restricted shares was 25 February 2022 and the number of incentive recipients was 78.

On 24 August 2022, the 10th meeting of the second board of directors of the Company reviewed and adopted the proposal on granting reserved shares to incentive recipients. The grant date of some of the reserved restricted shares was 24 August 2022 and the number of incentive recipients was 21.

Under the Restricted Stock Incentive Plan 2022, some employees of the Group have the right to acquire shares in the Company with a vesting period of 1 to 4 years upon the fulfillment of performance requirements, and the proportion of restricted shares attributable each year from the date of vesting is 25%, 25%, 25% and 25%.

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Pursuant to the relevant provisions of the Restricted Stock Incentive Plan 2022, in the event of any capitalisation issue, bonus issue or share subdivision prior to the exercise of the restricted shares, the Company shall adjust the exercise price of the restricted shares accordingly. Due to the issuance of the bonus issue, the exercise price and number of restricted shares initially intended to be granted under the Restricted Stock Incentive Plan 2022 were adjusted. On 13 April 2023, pursuant to the relevant approvals of the 16th meeting of the second board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB22.64 per unit to RMB22.37 per unit. On 18 August 2023, pursuant to the relevant approvals of the 18th meeting of the second board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB22.37 per unit to RMB16.53 per unit. On 9 August 2024, pursuant to the relevant approvals of the 26th meeting of the second board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB16.53 per unit to RMB16.33 per unit. On 22 August 2025, pursuant to the relevant approvals of the 6th meeting of the third board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB16.33 per unit to RMB16.03 per unit.

Restricted Stock Incentive Plan 2023

On 13 October 2023, the 2023 second extraordinary general meeting of the Company deliberated and adopted the proposal on the Restricted Stock Incentive Plan 2023. A total of 1,200,000 restricted shares were granted, of which 1,138,200 were granted for the first time and 61,800 were reserved. The exercise price of the plan is RMB27.60 per share. The incentive targets are the Group’s middle-level management personnel and core technical personnel.

On 18 October 2023, the Company convened the 20th meeting of the second board of directors of the Company, which deliberated and adopted the proposal on the initial and reserved grant of restricted shares to incentive recipients. The date of the initial and reserved grant of the restricted shares was 18 October 2023 and the number of incentive recipients was 68 and 1,138,200 shares were granted. The number of incentive recipients of the reserved shares was 2 and 35,000 shares were granted.

On 29 April 2024, the 25th meeting of the second board of directors of the Company reviewed and adopted the proposal on granting reserved shares to incentive recipients. The grant date of some of the reserved restricted shares was 29 April 2024 and the number of incentive recipients was 5 and 26,800 shares were granted.

Under the Restricted Stock Incentive Plan 2023, some employees of the Group have the right to acquire shares in the Company with a vesting period of 1 to 4 years upon the fulfillment of performance requirements, and the proportion of restricted shares attributable each year from the date of vesting is 25%, 25%, 25% and 25%.

Pursuant to the relevant provisions of the Restricted Stock Incentive Plan 2023, in the event of any capitalisation issue, bonus issue or share subdivision prior to the exercise of the restricted shares, the Company shall adjust the exercise price of the restricted shares accordingly. Due to the issuance of the bonus issue, the exercise price and number of restricted shares initially intended to be granted under the Restricted Stock Incentive Plan 2023 were adjusted. On 23 December 2024, pursuant to the relevant approvals of the 3rd meeting of the third board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB27.60 per unit to RMB27.40 per unit. On 22 August 2025, pursuant to the relevant approvals of the 6th meeting of the third board of directors of the Company, the exercise price of the restricted shares was adjusted from RMB27.40 per unit to RMB27.10 per unit.

Restricted Stock Incentive Plan 2025

On 13 October 2025, the first extraordinary general meeting of the Company deliberated and adopted the proposal on the Restricted Stock Incentive Plan 2025. A total of 1,800,000 restricted shares were granted, of which 1,612,000 were granted for the first time and 188,000 were reserved. The exercise price of the plan is RMB48.00 per share. The incentive targets are the Group’s middle-level management personnel and core technical personnel.

On 22 October 2025, the Company convened the 8th meeting of the third board of directors of the Company, which deliberated and adopted the proposal on the initial and reserved grant of restricted shares to incentive recipients. The date of the initial and reserved grant of the restricted shares was 22 October 2025 and the number of incentive recipients was 56 and 1,612,000 shares were granted. The number of incentive recipients of the reserved shares was 16 and 135,000 shares were granted.

On 20 March 2026, the 14th meeting of the third board of directors of the Company reviewed and adopted the proposal on granting reserved shares to incentive recipients. The grant date of some of the reserved restricted shares was 20 March 2026 and the number of incentive recipients was 5 and 53,000 shares were granted.

Under the Restricted Stock Incentive Plan 2025, some employees of the Group have the right to acquire shares in the Company with a vesting period of 1 to 4 years upon the fulfillment of performance requirements, and the proportion of restricted shares attributable each year from the date of vesting is 25%, 25%, 25% and 25%.

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The following restricted A shares were outstanding under the Restricted Stock Incentive Plans during the Relevant Periods:

Restricted Stock Incentive Plan 2021

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025		As at 31 March 2026	
	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares
	<i>RMB per share</i>	<i>'000</i>	<i>RMB per share</i>	<i>'000</i>	<i>RMB per share</i>	<i>'000</i>	<i>RMB per share</i>	<i>'000</i>
At 1 January		648		416		91		10
Granted during the year/period* . . .	16.22	189	–	–	–	–	–	–
Forfeited during the year/period . . .	–	–	–	–	–	–	–	–
Exercised during the year/period . . .	16.47	(421)	16.02	(325)	15.72	(81)	–	–
At 31 December		<u>416</u>		<u>91</u>		<u>10</u>		<u>10</u>

* Due to the conversion of capital reserve into share capital such that 3 new shares were issued for every 10 existing shares in 2023, the exercise price and shares granted adjusted respectively.

Under the Restricted Stock Incentive Plan 2021, the exercise prices and exercise periods of the restricted shares outstanding as at the end of the reporting period are as follows:

As at 31 December 2023

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
202,800	16.22	8-6-24 to 7-6-25
67,600	16.22	8-6-25 to 7-6-26
39,000	16.22	13-8-24 to 12-8-25
13,000	16.22	13-8-25 to 12-8-26
52,000	16.22	27-12-23 to 26-12-24
31,200	16.22	27-12-24 to 26-12-25
10,400	16.22	27-12-25 to 26-12-26
<u>416,000</u>		

As at 31 December 2024

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
67,600	16.02	8-6-25 to 7-6-26
13,000	16.02	13-8-25 to 12-8-26
10,400	16.02	27-12-25 to 26-12-26
<u>91,000</u>		

As at 31 December 2025

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
<u>10,400</u>	15.72	27-12-25 to 26-12-26

As at 31 March 2026

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
<u>10,400</u>	15.72	27-12-25 to 26-12-26

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Restricted Stock Incentive Plan 2022

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025		As at 31 March 2026	
	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares
	<i>RMB per share</i>	<i>'000</i>	<i>RMB per share</i>	<i>'000</i>	<i>RMB per share</i>	<i>'000</i>	<i>RMB per share</i>	<i>'000</i>
At 1 January		1,757		1,630		935		460
Granted during the year/period* . . .	16.53	400	–	–	–	–	–	–
Forfeited during the year/period . . .	19.53	(73)	16.41	(153)	16.33	(15)	–	–
Exercised during the year/period . . .	21.49	(454)	16.50	(542)	16.29	(460)	–	–
At 31 December		<u>1,630</u>		<u>935</u>		<u>460</u>		<u>460</u>

* Due to the conversion of capital reserve into share capital such that 3 new shares were issued for every 10 existing shares in 2023, the exercise price and shares granted adjusted respectively.

Under the Restricted Stock Incentive Plan 2022, the exercise prices and exercise periods of the restricted A shares outstanding as at the end of the reporting period are as follows:

As at 31 December 2023

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
474,825	16.53	25-2-24 to 24-2-25
474,825	16.53	25-2-25 to 24-2-26
474,825	16.53	25-2-26 to 24-2-27
68,575	16.53	24-8-24 to 24-8-25
68,575	16.53	24-8-25 to 24-8-26
68,575	16.53	24-8-26 to 24-8-27
<u>1,630,200</u>		

As at 31 December 2024

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
398,775	16.33	25-2-25 to 24-2-26
398,775	16.33	25-2-26 to 24-2-27
68,575	16.33	24-8-25 to 24-8-26
68,575	16.33	24-8-26 to 24-8-27
<u>934,700</u>		

As at 31 December 2025

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
392,275	16.03	25-2-26 to 24-2-27
67,925	16.03	24-8-26 to 24-8-27
<u>460,200</u>		

As at 31 March 2026

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
392,275	16.03	25-2-26 to 24-2-27
67,925	16.03	24-8-26 to 24-8-27
<u>460,200</u>		

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Restricted Stock Incentive Plan 2023

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025		As at 31 March 2026	
	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares
	RMB per share	'000	RMB per share	'000	RMB per share	'000	RMB per share	'000
At 1 January		–		1,173		816		794
Granted during the year/period	27.60	1,173	27.40	27	–	–	–	–
Forfeited during the year/period	–	–	27.45	(119)	27.40	(10)	27.10	(24)
Exercised during the year/period	–	–	27.40	(265)	27.23	(12)	–	–
At 31 December		<u>1,173</u>		<u>816</u>		<u>794</u>		<u>770</u>

Under the Restricted Stock Incentive Plan 2023, the exercise prices and exercise periods of the restricted A shares outstanding as at the end of the reporting period are as follows:

As at 31 December 2023

Number of restricted A shares	Exercise price	Exercise period
	RMB per share	
293,300	27.60	18-10-24 to 17-10-25
293,300	27.60	18-10-25 to 17-10-26
293,300	27.60	18-10-26 to 17-10-27
293,300	27.60	18-10-27 to 17-10-28
<u>1,173,200</u>		

As at 31 December 2024

Number of restricted A shares	Exercise price	Exercise period
	RMB per share	
5,000	27.40	18-10-24 to 17-10-25
261,300	27.40	18-10-25 to 17-10-26
261,300	27.40	18-10-26 to 17-10-27
261,300	27.40	18-10-27 to 17-10-28
6,700	27.40	29-4-25 to 28-4-26
6,700	27.40	29-4-26 to 28-4-27
6,700	27.40	29-4-27 to 28-4-28
6,700	27.40	29-4-28 to 28-4-29
<u>815,700</u>		

As at 31 December 2025

Number of restricted A shares	Exercise price	Exercise period
	RMB per share	
258,050	27.10	18-10-25 to 17-10-26
258,050	27.10	18-10-26 to 17-10-27
258,050	27.10	18-10-27 to 17-10-28
6,700	27.10	29-4-26 to 28-4-27
6,700	27.10	29-4-27 to 28-4-28
6,700	27.10	29-4-28 to 28-4-29
<u>794,250</u>		

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As at 31 March 2026

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
250,050	27.10	18-10-25 to 17-10-26
250,050	27.10	18-10-26 to 17-10-27
250,050	27.10	18-10-27 to 17-10-28
6,700	27.10	29-4-26 to 28-4-27
6,700	27.10	29-4-27 to 28-4-28
6,700	27.10	29-4-28 to 28-4-29
<u>770,250</u>		

Restricted Stock Incentive Plan 2025

	As at 31 December 2025		As at 31 March 2026	
	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares
	<i>RMB per share</i>	<i>000</i>	<i>RMB per share</i>	<i>000</i>
At 1 January		—		1,747
Granted during the year/period	48.00	1,747	48.00	53
Forfeited during the year/period	—	—	—	—
Exercised during the year/period	—	—	—	—
At 31 December		<u>1,747</u>		<u>1,800</u>

As at 31 December 2025

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
436,750	48.00	22-10-26 to 21-10-27
436,750	48.00	22-10-27 to 21-10-28
436,750	48.00	22-10-28 to 21-10-29
436,750	48.00	22-10-29 to 21-10-30
<u>1,747,000</u>		

As at 31 March 2026

Number of restricted A shares	Exercise price	Exercise period
	<i>RMB per share</i>	
436,750	48.00	22-10-26 to 21-10-27
436,750	48.00	22-10-27 to 21-10-28
436,750	48.00	22-10-28 to 21-10-29
436,750	48.00	22-10-29 to 21-10-30
13,250	48.00	20-3-27 to 19-3-28
13,250	48.00	20-3-28 to 19-3-29
13,250	48.00	20-3-29 to 19-3-30
13,250	48.00	20-3-30 to 19-3-31
<u>1,800,000</u>		

For the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2025 and 2026, the Group recognised equity-settled share-based payment expenses of RMB44,643,000, RMB29,292,000, RMB32,329,000, RMB3,637,000 (unaudited) and RMB23,852,000, respectively.

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The fair value of the restricted A shares at the grant date, was determined using a Black-Scholes model. Key assumptions used in determining the fair value were as follows:

Restricted Stock Incentive Plan 2021

	The initial grant	The first reserved grant	The second reserved grant
Risk-free interest rate (%)	1.50-2.75	1.50-2.75	1.50-2.75
Expected volatility (%)	36.13-40.40	35.99-41.39	34.85-39.70
Dividend yield (%)	1.05	0.68	0.68
Weighted average share price (RMB per share)	46.75	59.34	62.70

Restricted Stock Incentive Plan 2022

	The initial grant	The reserved grant
Risk-free interest rate (%)	1.50-2.75	1.50-2.75
Expected volatility (%)	34.47-38.85	31.80-37.68
Dividend yield (%)	0.54	0.28
Weighted average share price (RMB per share)	76.80	97.72

Restricted Stock Incentive Plan 2023

	The initial grant and the first reserved grant	The second reserved grant
Risk-free interest rate (%)	1.50-2.75	1.50-2.75
Expected volatility (%)	12.53-16.19	13.49-15.30
Dividend yield (%)	—	—
Weighted average share price (RMB per share)	59.48	57.34

Restricted Stock Incentive Plan 2025

	The initial grant and the first reserved grant	The second reserved grant
Risk-free interest rate (%)	1.47-1.57	1.26-1.44
Expected volatility (%)	14.53-16.70	13.23-15.33
Dividend yield (%)	—	—
Weighted average share price (RMB per share)	153.24	124.62

34. RESERVES

The Group

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

(a) Capital reserve

The capital reserve of the Group included the excess of the consideration received for subscription of the registered capital of the Company and the effect of implementation of equity-settled transactions. Details of the movement in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

(b) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to allocate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus funds until the reserve balance reaches 50% of its registered capital.

(c) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions, details of which are set out in note 33 to the Historical Financial Information.

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(d) Fair value reserve of equity investments designated at fair value through other comprehensive income

The fair value reserve of equity investments designated at fair value through other comprehensive income comprises the cumulative loss of equity investments designated as fair value through other comprehensive income, as further explained in note 20.

The Company

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

	Capital reserve	Statutory reserve	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,131,150	80,248	51,444	–	602,000	1,864,842
Total comprehensive income for the year . . .	–	–	–	–	112,464	112,464
Equity-settled share-based payment arrangements . .	54,401	–	6,415	–	–	60,816
Conversion of capital reserve into share capital	(36,392)	–	–	–	–	(36,392)
Dividend	–	–	–	–	(106,752)	(106,752)
At 31 December 2023 and 1 January 2024	1,149,159	80,248	57,859	–	607,712	1,894,978
Total comprehensive income for the year . . .	–	–	–	6,533	287,511	294,044
Shares repurchased and cancelled of A shares . .	(80,230)	–	–	–	–	(80,230)
Equity-settled share-based payment arrangements . .	60,308	–	(10,792)	–	–	49,516
Dividend	–	–	–	–	(31,468)	(31,468)
At 31 December 2024 and 1 January 2025	1,129,237	80,248	47,067	6,533	863,755	2,126,840
Total comprehensive income for the year . . .	–	–	–	58,297	367,780	426,077
Equity-settled share-based payment arrangements . .	32,250	–	9,646	–	–	41,896
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income to investment in associates	–	–	–	6,528	(6,528)	–
Others	1,142	–	–	–	–	1,142
Dividend	–	–	–	–	(47,435)	(47,435)
At 31 December 2025 and 1 January 2026	1,162,629	80,248	56,713	71,358	1,177,572	2,548,520
Total comprehensive income for the period . .	–	–	–	–	25,510	25,510
Equity-settled share-based payment arrangements . .	–	–	23,852	–	–	23,852
At 31 March 2026	1,162,629	80,248	80,565	71,358	1,203,082	2,597,882

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35. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group’s subsidiary that has material non-controlling interests are set out below:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
Percentage of equity interest held by non-controlling interests:				
Shanghai Judong Semiconductor Co., Ltd.	49%	49%	49%	49%
(Loss)/profit for the year/period allocated to non-controlling interests:				
Shanghai Judong Semiconductor Co., Ltd.	(17,525)	(14,230)	(7,738)	1,686
Accumulated deficits of non-controlling interests:				
Shanghai Judong Semiconductor Co., Ltd.	(28,696)	(42,926)	(50,664)	(48,978)

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

	Year ended 31 December			Three months ended 31 March
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	41,154	114,930	130,504	48,693
Total cost and expenses	(76,919)	(143,971)	(149,012)	(45,395)
(Loss)/profit for the year/period	(35,765)	(29,041)	(18,508)	3,298
Total comprehensive (loss)/income for the year/period	(35,765)	(29,041)	(18,508)	3,298
Current assets	79,577	141,853	79,048	65,244
Non-current assets	5,798	4,652	3,095	2,600
Current liabilities	(141,829)	(233,424)	(188,246)	(170,643)
Non-current liabilities	(2,110)	(685)	(10)	(15)
Net cash flows generated from/(used in) operating activities	6,395	2,411	(697)	(2,174)

36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2025 and 2026, the Group had non-cash additions to right-of-use assets of RMB6,053,000, RMB8,428,000, RMB2,680,000, RMB1,615,000 (unaudited) and nil and non-cash additions to lease liabilities of RMB6,053,000, RMB8,428,000, RMB2,680,000, RMB1,615,000 (unaudited) and nil, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	RMB’000
At 1 January 2023	8,900
Changes from financing cash flows	(4,440)
Termination and revision of leases	(2,640)
New leases	6,053
Exchange realignment	4
Interest expense	383
At 31 December 2023 and 1 January 2024	8,260
Changes from financing cash flows	(4,760)
Termination and revision of leases	(2,539)
New leases	8,428

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	Lease liabilities
	<i>RMB'000</i>
Exchange realignment	4
Interest expense	344
At 31 December 2024 and 1 January 2025	9,737
Changes from financing cash flows	(5,395)
Termination and revision of leases	(154)
New leases	2,680
Exchange realignment	(5)
Interest expense	255
At 31 December 2025	7,118
At 1 January 2025	9,737
Changes from financing cash flows (unaudited)	(1,301)
New leases (unaudited)	1,615
Interest expense (unaudited)	73
At 31 March 2025 (unaudited)	10,124
At 1 January 2026	7,118
Changes from financing cash flows	(1,157)
Revision of leases	(582)
Exchange realignment	(2)
Interest expense	45
At 31 March 2026	5,422

(c) **Total cash outflows for leases**

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December			Three months ended 31 March	
	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	89	267	1,043	218	275
Within financing activities	4,440	4,760	5,395	1,301	1,157
Total	4,529	5,027	6,438	1,519	1,432

37. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Leasing commitments	1,126	—	—	—

38. RELATED PARTY TRANSACTIONS

(a) Name and relationship of a related party which the Company has transactions:

Name of a related party	Relationship with the Group
Shenzhen Gencun	An associate of the Group

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(b) Significant related party transactions:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Trade in nature:					
Acceptance of research and development services from:					
Shenzhen Gencun	–	–	3,774	–	14,096
	–	–	–	–	–

The prices of related party transactions are determined by the parties to the transactions by reference to market prices.

(c) Outstanding balances with a related party:

	As at 31 December			As at 31 March	
	2023	2024	2025	2026	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade in nature:					
Prepayment:					
Shenzhen Gencun	–	–	4,365	4,346	
	–	–	–	–	–

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	10,199	16,327	17,498	3,113	3,161
Pension scheme contributions	646	747	607	145	137
Equity-settled share-based payment expense	2,313	4,973	4,640	700	2,917
Total compensation paid to key management personnel	13,158	22,047	22,745	3,958	6,215

Further details of directors’, chief executive’s and supervisors’ emoluments are included in note 10 to the Historical Financial Information.

39. FINANCIAL INSTRUMENTS BY CATEGORY

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

	As at 31 December			As at 31 March	
	2023	2024	2025	2026	
	RMB'000	RMB'000	RMB'000	RMB'000	
Financial assets					
<i>Financial assets at fair value through profit or loss:</i>					
Financial assets at fair value through profit or loss	750,520	922,959	851,623	761,543	
<i>Financial assets at fair value through other comprehensive income:</i>					
Equity investments designated at fair value through other comprehensive income	35,493	70,881	132,895	134,284	

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	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial assets at amortised cost:</i>				
Trade and bills receivables	143,977	140,910	161,055	160,352
Financial assets included in prepayments, other receivables and other assets	1,363	1,927	2,092	1,965
Time deposits	–	–	239,077	337,162
Cash and bank balances	592,822	577,701	711,171	694,752
Total	<u>1,524,175</u>	<u>1,714,378</u>	<u>2,097,913</u>	<u>2,090,058</u>
Financial liabilities				
<i>Financial liabilities at amortised cost:</i>				
Trade payables	64,797	63,742	94,062	94,325
Financial liabilities included in other payables and accruals	7,024	4,469	13,710	9,162
Total	<u>71,821</u>	<u>68,211</u>	<u>107,772</u>	<u>103,487</u>

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a 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 listed equity investments are based on quoted market prices. The fair values of non-listed equity investments designated at fair value through other comprehensive income have been estimated based on the recent market transaction price of the unlisted equity investments.

The structured deposits and time deposits were mainly issued by banks in Chinese Mainland. The Group has estimated the fair value of structured deposits and time deposits by using a discounted cash flow valuation approach. The fair values of the financial assets are approximately equal to costs plus expected interest.

For the fair value of private equity fund, management applies valuation technique of asset-based approach by using the net assets on the valuation date.

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 head of finance. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the head of finance.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024, 2025 and 31 March 2026:

Financial assets	Valuation technique	Significant Unobservable input	Sensitivity of fair value to the input
Financial investments measured at fair value through profit or loss – Private equity fund	Net asset value of underlying investments	Net assets	5% increase/decrease in net assets would result in an increase/decrease in fair value by RMB1,712,000/ RMB1,712,000, RMB2,230,000/ RMB2,230,000, RMB3,472,000/ RMB3,472,000, and RMB3,504,000/ RMB3,504,000 as at 31 December 2023, 2024, 2025 and 31 March 2026
Equity investments designated at fair value through other comprehensive income – Non-listed equity investments	Market approach	Recent transaction prices	5% increase/decrease in recent transaction prices would result in an increase/decrease in fair value by RMB1,775,000/RMB1,775,000, RMB3,544,000/RMB3,544,000, RMB6,645,000/RMB6,645,000, and RMB6,714,000/RMB6,714,000 as at 31 December 2023, 2024, 2025 and 31 March 2026

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Fair value hierarchy

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

Financial instruments measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial assets				
Financial investments measured at fair value through profit or loss	82,250	634,030	34,240	750,520
Equity investments designated at fair value through other comprehensive income	—	—	35,493	35,493
Total	<u>82,250</u>	<u>634,030</u>	<u>69,733</u>	<u>786,013</u>

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial assets				
Financial investments measured at fair value through profit or loss	89,365	789,004	44,590	922,959
Equity investments designated at fair value through other comprehensive income	—	—	70,881	70,881
Total	<u>89,365</u>	<u>789,004</u>	<u>115,471</u>	<u>993,840</u>

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial assets				
Financial investments measured at fair value through profit or loss	—	782,179	69,444	851,623
Equity investments designated at fair value through other comprehensive income	—	—	132,895	132,895
Total	<u>—</u>	<u>782,179</u>	<u>202,339</u>	<u>984,518</u>

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As at 31 March 2026

	Fair value measurement using			Total RMB’000
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial assets				
Financial investments measured at fair value through profit or loss	–	691,466	70,077	761,543
Equity investments designated at fair value through other comprehensive income	–	–	134,284	134,284
Total	–	691,466	204,361	895,827

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and bank balances, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, due to a related party and lease liabilities. 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 receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are 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.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units’ functional currencies.

The following table demonstrates the sensitivity as at 31 December 2023, 2024, 2025 and 31 March 2026 to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group’s profit before tax (due to changes in the retranslated value of monetary assets and liabilities) and the Group’s equity.

	Increase/(decrease) in USD/RMB rate	Increase/(decrease) in profit before tax
	%	RMB’000
Year ended 31 December 2023		
If RMB strengthens against USD	5	(5,540)
If RMB weakens against USD	(5)	5,540
Year ended 31 December 2024		
If RMB strengthens against USD	5	(9,416)
If RMB weakens against USD	(5)	9,416
Year ended 31 December 2025		
If RMB strengthens against USD	5	(19,424)
If RMB weakens against USD	(5)	19,424
Three months ended 31 March 2026		
If RMB strengthens against USD	5	(10,788)
If RMB weakens against USD	(5)	10,788

Credit risk

The Group trades only with recognised and creditworthy 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 and the Group’s exposure to bad debts is not significant.

For other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group’s outstanding balance of other receivables.

As at 31 December 2023, 2024, 2025 and 31 March 2026, the Group had certain concentrations of credit risk as the Group’s trade receivables of RMB31,909,000, RMB29,129,000, RMB22,259,000 and RMB24,863,000 were due from the Group’s largest customer, and the Group’s trade receivables of RMB94,082,000, RMB68,564,000, RMB52,237,000 and RMB61,048,000 were due from the Group’s five largest customers, respectively. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk.

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Maximum exposure and year-end staging

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

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	147,940	147,940
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,548	–	–	–	2,548
Cash and bank balances	592,822	–	–	–	592,822
Total	595,370	–	–	147,940	743,310

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	144,919	144,919
Financial assets included in prepayments, other receivables and other assets					
– Normal**	3,129	–	–	–	3,129
Cash and bank balances	577,701	–	–	–	577,701
Total	580,830	–	–	144,919	725,749

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	165,635	165,635
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,339	–	–	–	2,339
Time deposits	239,077	–	–	–	239,077
Cash and bank balances	711,171	–	–	–	711,171
Total	952,587	–	–	165,635	1,118,222

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As at 31 March 2026

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	164,786	164,786
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,200	—	—	—	2,200
Time deposits	337,162	—	—	—	337,162
Cash and bank balances	694,752	—	—	—	694,752
Total	1,034,114	—	—	164,786	1,198,900

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 to the Historical Financial Information.

** 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

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations due to the shortage of funds. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group’s objective is to maintain a balance for continuity of funding to finance its working capital needs as well as capital expenditure.

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:

As at 31 December 2023					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	64,797	—	—	—	64,797
Financial liabilities included in other payables and accruals	5,792	1,232	—	—	7,024
Lease liabilities	3,432	3,102	2,211	—	8,745
Total	74,021	4,334	2,211	—	80,566

As at 31 December 2024					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	63,742	—	—	—	63,742
Financial liabilities included in other payables and accruals	4,014	455	—	—	4,469
Lease liabilities	5,018	3,176	1,877	—	10,071
Total	72,774	3,631	1,877	—	78,282

As at 31 December 2025					
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	94,062	—	—	—	94,062
Financial liabilities included in other payables and accruals	10,667	3,043	—	—	13,710
Lease liabilities	4,400	2,899	603	—	7,902
Total	109,129	5,942	603	—	115,674

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	As at 31 March 2026				
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	94,325	—	—	—	94,325
Financial liabilities included in other payables and accruals	6,829	2,333	—	—	9,162
Lease liabilities	3,193	2,026	339	—	5,558
Total	<u>104,347</u>	<u>4,359</u>	<u>339</u>	<u>—</u>	<u>109,045</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. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting period.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The Group’s policy is to maintain the gearing ratio at a reasonable level. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total liabilities	107,601	143,271	175,534	139,520
Total assets	2,050,212	2,305,317	2,747,664	2,767,790
Gearing ratios	<u>5%</u>	<u>6%</u>	<u>6%</u>	<u>5%</u>

42. EVENTS AFTER 31 MARCH 2026

According to the Profit Distribution Plan for the Year of 2025, the directors of the Company proposed to distribute a cash dividend of RMB7.0 (tax inclusive) for every 10 shares with the retained profits of the Company available to all shareholders based on the number of shares they hold on the record date as determined by the implementation of annual profit distribution. The above proposal was approved at the 2025 Annual General Meeting held on 10 April 2026, and the dividend was paid in full on 27 April 2026, amounting to RMB110,790,000.

43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the subsidiaries in respect of any period subsequent to 31 March 2026.