
APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages [•] to [•], received from the Company’s reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of 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.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HAND ENTERPRISE SOLUTIONS CO., LTD.

Guotai Junan Securities (Hong Kong) Limited

INTRODUCTION

We report on the historical financial information of Hand Enterprise Solutions Co., Ltd. (the “Company”) and its subsidiaries (together the “Group”) set out on pages [•] to [•], which comprises the consolidated statements of financial position of the Group and the statements of the financial position of the Company as at December 31, 2023, 2024, 2025, and April 30, 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024, 2025, and the four months ended April 30, 2026 (the “Track Record Period”) and material accounting policy information and other explanatory information (together the “Historical Financial Information”). The Historical Financial Information set out on pages [•] to [•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “Document”) in connection with the [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 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 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS’ RESPONSIBILITY

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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.

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s and the Company’s financial position as at December 31, 2023, 2024, 2025, and April 30, 2026 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative historical financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the four months ended 30 April 2025, and other explanatory information (together, the “Stub Period Comparative Historical Financial Information”). The directors of the Company are responsible for the preparation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. 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 International 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 Stub Period Comparative Historical 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 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) 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-5 have been made.

Dividends

We refer to Note 17 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the financial years ended December 31, 2023, 2024, 2025, and the four month ended April 30, 2026.

BDO Limited

Certified Public Accountants

[Director’s name]

Practising Certificate Number [•]

Hong Kong

[Date]

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I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is Historical Financial Information as of December 31, 2023, 2024, 2025, and April 30, 2026 and for each of the years then ended (the “Track Record Period”) (the “Historical Financial Information”) which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025, and four months period ended 30 April 2026, on which Historical Financial Information is based, were audited by BDO Limited in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (“Underlying Financial Statements”).

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Four months ended April 30,	
		2023	2024	2025	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	6	2,979,699	3,235,151	3,415,370	989,734	1,069,320
Cost of sales		(2,207,163)	(2,176,541)	(2,227,269)	(658,973)	(709,943)
Gross profit		772,536	1,058,610	1,188,101	330,761	359,377
Other income	7	48,919	30,425	35,093	6,420	14,009
Other gains and losses, net	8	53,422	15,323	(7,106)	26,383	(14,185)
Impairment losses	9	(73,340)	(52,474)	(74,882)	(27,400)	(27,176)
Selling expenses		(290,318)	(234,284)	(255,732)	(73,972)	(79,453)
Administrative expenses		(312,306)	(388,224)	(432,144)	(137,391)	(123,158)
Research and development expenses		(231,690)	(247,950)	(243,978)	(95,099)	(80,963)
Operating (loss)/profit		(32,777)	181,426	209,352	29,702	48,451
Finance income	11	38,367	40,463	37,660	11,564	6,288
Finance costs	12	(29,187)	(14,342)	(12,744)	(3,168)	(3,885)
Finance income, net		9,180	26,121	24,916	8,396	2,403
Share of results of associates	24	(30,493)	(19,871)	(7,718)	(3,795)	(4,054)
(Loss)/profit before tax	10	(54,090)	187,676	226,550	34,303	46,800
Income tax credit/(expense)	13	39,198	8,751	7,577	9,129	(475)
(Loss)/profit for the year/period		(14,892)	196,427	234,127	43,432	46,325
Other comprehensive income/(expense) for the year/period						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences arising from translation of foreign operations		1,954	(5,603)	(1,577)	2,786	(1,080)
Change in fair value of cash flow hedge		1,479	(1,479)	—	—	—
		3,433	(7,082)	(1,577)	2,786	(1,080)
<i>Item that will not be reclassified to profit or loss:</i>						
Fair value change of equity instruments at fair value through other comprehensive income		250	1,768	22,691	—	4,203
Other comprehensive income/(expense) for the year/period, net of tax		3,683	(5,314)	21,114	2,786	3,123
Total comprehensive (expense)/income for the year/period		(11,209)	191,113	255,241	46,218	49,448
(Loss)/profit for the year/period attributable to:						
Owners of the Company		(16,041)	188,392	217,862	40,671	46,639
Non-controlling interests		1,149	8,035	16,265	2,761	(314)
		(14,892)	196,427	234,127	43,432	46,325
Total comprehensive (expense)/income attributable to:						
Owners of the Company		(12,390)	183,009	237,114	43,672	49,264
Non-controlling interests		1,181	8,104	18,127	2,546	184
		(11,209)	191,113	255,241	46,618	49,448
(Loss)/earnings per share attributable to owners of the Company						
Basic (RMB)	16	(0.02)	0.19	0.22	0.04	0.05
Diluted (RMB)	16	(0.02)	0.19	0.21	0.04	0.04

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As of December 31,			As of
		2023	2024	2025	April 30,
	Notes	RMB'000	RMB'000	RMB'000	2026
					RMB'000
Non-current assets					
Property, plant and equipment	19	426,830	419,350	404,889	398,109
Intangible assets	20	985,723	1,109,021	1,182,490	1,193,499
Right-of-use assets	21	38,578	34,134	42,644	41,490
Goodwill	22	97,063	114,215	114,215	114,215
Investments in associates	24	57,864	50,095	32,503	34,157
Financial assets at FVTPL	25	52,657	58,800	61,403	61,543
Financial assets at FVTOCI	25	634,601	651,680	683,970	688,319
Prepayments and other receivables	26	12,829	382	87	17
Deferred tax assets	27	191,863	209,599	222,962	224,668
Total non-current assets		2,498,008	2,647,276	2,745,163	2,756,017
Current assets					
Trade and bills receivables	26	1,202,854	1,396,496	1,501,925	1,631,005
Prepayments, deposits and other receivables	26	134,643	103,948	87,445	105,115
Inventories	28	297,209	220,624	223,252	248,444
Contract assets	29	272,077	268,245	271,845	312,137
Derivative financial instruments	25	1,511	—	—	—
Financial assets at FVTPL	25	17,005	—	—	743,822
Time deposits and certificates of deposits	31	335,791	518,968	282,386	302,719
Restricted bank deposits	31	1,512	3,008	5,139	5,853
Cash and cash equivalents	31	1,202,592	1,095,782	1,721,420	835,511
Total current assets		3,465,194	3,607,071	4,093,412	4,184,606
Total assets		5,963,202	6,254,347	6,838,575	6,940,623

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		As of December 31,			As of
		2023	2024	2025	April 30,
	Notes	RMB'000	RMB'000	RMB'000	2026
					RMB'000
Current liabilities					
Trade payables	32	53,676	60,018	83,792	65,305
Other payables and accruals	32	383,529	366,729	349,518	251,621
Contract liabilities	33	156,391	176,186	160,768	160,587
Borrowings	34	396,000	398,798	426,204	577,412
Tax payables		1,971	2,592	2,628	3,753
Lease liabilities	35	6,004	3,624	7,314	7,289
Total current liabilities		997,571	1,007,947	1,030,224	1,065,967
Net current assets		2,467,623	2,599,124	3,063,188	3,118,639
Total assets less current liabilities		4,965,631	5,246,400	5,808,351	5,874,656
Non-current liabilities					
Lease liabilities	35	2,120	2,712	7,914	5,242
Deferred income	37	4,006	2,493	663	512
Deferred tax liabilities	27	106,119	115,299	117,029	116,943
Total non-current liabilities		112,245	120,504	125,606	122,697
NET ASSETS		4,853,386	5,125,896	5,682,745	5,751,959
Equity attributable to owners of the Company					
Share capital	38	984,342	984,846	1,022,503	1,023,472
Reserves	39	3,863,487	4,126,330	4,628,785	4,696,846
		4,847,829	5,111,176	5,651,288	5,720,318
Non-controlling interests		5,557	14,720	31,457	31,641
TOTAL EQUITY		4,853,386	5,125,896	5,682,745	5,751,959

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Treasury shares	Other reserve	Share option reserve	Translation reserve	Investment revaluation reserve	Cash flow hedge reserve	Statutory reserve	Retained earnings	Sub-total	
	RMB'000 (note 38)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000	RMB'000	RMB'000
As at January 1, 2023	867,927	675,144	(69,792)	180,482	48,143	(1,984)	12,886	—	228,660	2,018,320	3,959,786	(1,040)
(Loss)/profit for the year	—	—	—	—	—	—	—	—	—	(16,041)	(16,041)	1,149
Other comprehensive income for the year:												
Items that may be reclassified subsequently to profit or loss:												
Exchange differences arising from translation of foreign operations	—	—	—	—	—	1,922	—	—	—	—	1,922	32
Change in fair value of cash flow hedge	—	—	—	—	—	—	—	1,479	—	—	1,479	—
Items that will not be reclassified subsequently to profit or loss:												
Fair value change on equity instruments as financial assets at FVOCI, net of deferred tax	—	—	—	—	—	—	250	—	—	—	250	—
Other comprehensive income for the year	—	—	—	—	—	1,922	250	1,479	—	—	3,651	32
Total comprehensive income/(expense) for the year	—	—	—	—	—	1,922	250	1,479	—	(16,041)	(12,390)	1,181
Issuance of new shares:												
— Upon exercise of options under share option schemes (note 40)	21,320	147,628	—	—	—	—	—	—	—	—	168,948	—
— Upon conversion of convertible bonds (note 36)	95,095	910,385	—	(170,046)	—	—	—	—	—	—	835,434	—
Repurchase of treasury shares for dividend distribution (note 40)	—	—	(48,083)	—	—	—	—	—	—	—	(48,083)	—
Granting of shares under 2023 ESOP (note 39)	—	(36,346)	36,346	—	—	—	—	—	—	—	—	—
Share-based payment (note 40)	—	—	—	—	(303)	—	—	—	—	—	(303)	—
Vesting of share options (note 40)	—	560	—	—	(560)	—	—	—	—	—	—	—
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	7,705
Disposal of interest in a subsidiary	—	—	—	(482)	—	—	—	—	—	—	(482)	—
Dividends paid to shareholders of the Company	—	—	—	—	—	—	—	—	—	(57,518)	(57,518)	—
Disposal of partial interests in subsidiaries	—	—	—	2,437	—	—	—	—	—	—	2,437	(2,289)
As at December 31, 2023	984,342	1,697,371	(81,529)	12,391	47,280	(62)	13,136	1,479	228,660	1,944,761	4,847,829	5,557

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	Attributable to owners of the Company											Non-controlling interests	Total
	Share capital	Share premium	Treasury shares	Other reserve	Share option reserve	Translation reserve	Investment revaluation reserve	Cash flow hedge reserve	Statutory reserve	Retained earnings	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 38)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)		
As at January 1, 2024	984,342	1,697,371	(81,529)	12,391	47,280	(62)	13,136	1,479	228,660	1,944,761	4,847,829	5,557	4,853,386
Profit for the year	—	—	—	—	—	—	—	—	—	188,392	188,392	8,035	196,427
Other comprehensive (expense)/ income for the year:													
Items that may be reclassified subsequently to profit or loss:													
Exchange differences arising from translation of foreign operations	—	—	—	—	—	(5,672)	—	—	—	—	(5,672)	69	(5,603)
Change in fair value of cash flow hedge	—	—	—	—	—	—	—	(1,479)	—	—	(1,479)	—	(1,479)
Items that will not be reclassified subsequently to profit or loss:													
Fair value change on equity instruments as financial assets at FVOCI, net of deferred tax	—	—	—	—	—	—	1,768	—	—	—	1,768	—	1,768
Other comprehensive (expense)/ income for the year	—	—	—	—	—	(5,672)	1,768	(1,479)	—	—	(5,383)	69	(5,314)
Total comprehensive (expense)/ income for the year	—	—	—	—	—	(5,672)	1,768	(1,479)	—	188,392	183,009	8,104	191,113
Issuance of new shares:													
— Upon exercise of options under share options schemes (note 40)	504	3,372	—	—	—	—	—	—	—	—	3,876	—	3,876
Granting of shares under 2023 ESOP (note 39)	—	(22,936)	22,936	—	—	—	—	—	—	—	—	—	—
Share-based payment (note 40)	—	—	—	—	77,234	—	—	—	—	—	77,234	—	77,234
Vesting of share options (note 40)	—	10,646	—	—	(10,646)	—	—	—	—	—	—	—	—
Capital injection from a non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	10,000	10,000
Share of reserves in associates (note 24)	—	—	—	173	—	—	—	—	—	—	173	—	173
Appropriation to statutory reserve	—	—	—	—	—	—	—	—	15,655	(15,655)	—	—	—
Dividends paid to shareholders of the Company and non-controlling interests of a subsidiary	—	—	—	—	—	—	—	—	—	(19,636)	(19,636)	(3,933)	(23,569)
Acquisition of interest in a subsidiary	—	—	—	18,691	—	—	—	—	—	—	18,691	(5,008)	13,683
As at December 31, 2024	984,846	1,688,453	(58,593)	31,255	113,868	(5,734)	14,904	—	244,315	2,097,862	5,111,176	14,720	5,125,896

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	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital RMB'000 (note 38)	Share premium RMB'000 (note 39)	Treasury shares RMB'000 (note 39)	Other reserve RMB'000 (note 39)	Share option reserve RMB'000 (note 39)	Translation reserve RMB'000 (note 39)	Investment revaluation reserve RMB'000 (note 39)	Statutory reserve RMB'000 (note 39)	Retained earnings RMB'000	Sub-total RMB'000		
As at January 1, 2025	984,846	1,688,453	(58,593)	31,255	113,868	(5,734)	14,904	244,315	2,097,862	5,111,176	14,720	5,125,896
Profit for the year	—	—	—	—	—	—	—	—	217,862	217,862	16,265	234,127
Other comprehensive (expense)/income for the year:												
Items that may be reclassified subsequently to profit or loss:												
Exchange differences arising from translation of foreign operations	—	—	—	—	—	(1,693)	—	—	—	(1,693)	116	(1,577)
Items that will not be reclassified subsequently to profit or loss:												
Fair value change on equity instruments as financial assets at FVOCI, net of deferred tax	—	—	—	—	—	—	20,945	—	—	20,945	1,746	22,691
Other comprehensive (expense)/income for the year	—	—	—	—	—	(1,693)	20,945	—	—	19,252	1,862	21,114
Total comprehensive (expense)/income for the year	—	—	—	—	—	(1,693)	20,945	—	217,862	237,114	18,127	255,241
Issuance of new shares:												
— Upon exercise of options under share options schemes (note 40)	37,657	164,530	—	—	—	—	—	—	—	202,187	—	202,187
Exercise of shares under 2023 ESOP (note 39)	—	—	53,710	—	—	—	—	—	—	53,710	—	53,710
Share-based payment (note 40)	—	—	—	—	91,416	—	—	—	—	91,416	—	91,416
Vesting of share options (note 40)	—	84,614	—	—	(84,614)	—	—	—	—	—	—	—
Contribution from non-controlling interest	—	—	—	2,550	—	—	—	—	—	2,550	2,450	5,000
Share of reserves in associates (note 24)	—	—	—	256	—	—	—	—	—	256	—	256
Disposal of interest in an associate	—	—	—	61	—	—	—	—	—	61	—	61
Appropriation to statutory reserve	—	—	—	—	—	—	—	20,054	(20,054)	—	—	—
Dividends paid to shareholders of the Company and non-controlling interests of a subsidiary	—	—	—	—	—	—	—	—	(47,182)	(47,182)	(3,840)	(51,022)
As at December 31, 2025	1,022,503	1,937,597	(4,883)	34,122	120,670	(7,427)	35,849	264,369	2,248,488	5,651,288	31,457	5,682,745

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	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Treasury shares	Other reserve	Share option reserve	Translation reserve	Investment revaluation reserve	Statutory reserve	Retained earnings	Sub-total	
	RMB'000 (note 38)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000 (note 39)	RMB'000	RMB'000	RMB'000
As at January 1, 2025	984,846	1,688,453	(58,593)	31,255	113,868	(5,734)	14,904	244,315	2,097,862	5,111,176	14,720
Profit for the period	—	—	—	—	—	—	—	—	40,671	40,671	2,761
Other comprehensive income for the period:											
Items that may be reclassified subsequently to profit or loss:											
Exchange differences arising from translation of foreign operations	—	—	—	—	—	3,001	—	—	—	3,001	(215)
Other comprehensive (expense)/income for the period	—	—	—	—	—	3,001	—	—	—	3,001	(215)
Total comprehensive income for the period	—	—	—	—	—	3,001	—	—	40,671	43,672	2,546
Issuance of new shares:											
Share-based payment (note 40)	—	—	—	—	37,420	—	—	—	—	37,420	—
Contribution from non-controlling interest	—	—	—	2,550	—	—	—	—	—	2,550	2,450
As at April 30, 2025 (unaudited)	984,846	1,688,453	(58,593)	33,805	151,288	(2,733)	14,904	244,315	2,138,533	5,194,818	19,716

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	Attributable to owners of the Company										Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (note 38)	Share premium RMB'000 (note 39)	Treasury shares RMB'000 (note 39)	Other reserve RMB'000 (note 39)	Share option reserve RMB'000 (note 39)	Translation reserve RMB'000 (note 39)	Investment revaluation reserve RMB'000 (note 39)	Statutory reserve RMB'000 (note 39)	Retained earnings RMB'000	Sub-total RMB'000		
As at January 1, 2026	1,022,503	1,937,597	(4,883)	34,122	120,670	(7,427)	35,849	264,369	2,248,488	5,651,288	31,457	5,682,745
Profit for the period	—	—	—	—	—	—	—	—	46,639	46,639	(314)	46,325
Other comprehensive (expense)/income for the period:												
Items that may be reclassified subsequently to profit or loss:												
Exchange differences arising from translation of foreign operations	—	—	—	—	—	(1,149)	—	—	—	(1,149)	69	(1,080)
Items that will not be reclassified subsequently to profit or loss:												
Fair value change on equity instruments as financial assets at FVOCI, net of deferred tax	—	—	—	—	—	—	3,774	—	—	3,774	429	4,203
Other comprehensive (expense)/income for the period	—	—	—	—	—	(1,149)	3,774	—	—	2,625	498	3,123
Total comprehensive (expense)/income for the period	—	—	—	—	—	(1,149)	3,774	—	46,639	49,264	184	49,448
Issuance of new shares:												
— Upon exercise of options under share options schemes (note 40)	969	6,434	—	—	—	—	—	—	—	7,403	—	7,403
Share-based payment (note 40)	—	—	—	—	12,363	—	—	—	—	12,363	—	12,363
As at April 30, 2026	1,023,472	1,944,031	(4,883)	34,122	133,033	(8,576)	39,623	264,369	2,295,127	5,720,318	31,641	5,751,959

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	As of December 31,			Four months ended	
	2023	2024	2025	April 30,	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
OPERATING ACTIVITIES					
(Loss)/profit before tax	(54,090)	187,676	226,550	34,303	46,800
Adjustments for:					
Impairment losses/(reversal of impairment losses) on inventories	7,478	(13,521)	(7,320)	327	(5,485)
(Reversal of impairment losses)/impairment loss on contract assets	(20,834)	9,417	2,015	5,796	6,225
Depreciation of property, plant and equipment	13,311	17,103	18,455	6,001	5,870
Depreciation of right-of-use assets	11,935	10,244	9,714	2,549	3,521
Amortization of intangible assets	114,658	133,338	151,068	49,436	56,452
Impairment losses on trade and bills receivables	98,845	46,943	74,517	20,156	19,074
(Reversal of impairment losses)/impairment losses on other receivables	(4,671)	(3,886)	(1,650)	1,448	1,877
Net gains from changes in fair value of financial assets at FVTPL	(26,696)	(6,143)	(103)	—	(3,811)
Fair value gain of financial derivative instruments	(2,606)	—	—	—	—
Loss/(gain) from disposal of entire interest in an associate	775	—	6,173	—	(69)
Remeasurement gain from an associate to a subsidiary	—	(19,495)	—	—	—
Net gains from disposal of financial assets at FVTPL	(785)	—	(1,849)	—	(966)
Gain on deemed disposal of partial interests in associates	(9,339)	—	—	—	—
Dividend income from equity investment measured at FVTPL and FVTOCI	(4,039)	(1,449)	(3,224)	(626)	(37)
Share of results of associates	30,493	19,871	7,718	3,795	4,054
Share-based payment expense	(303)	77,234	91,416	37,420	12,363
Interest expenses	28,301	13,635	11,877	2,763	3,562
(Gain)/loss on disposal of property, plant and equipment, intangible assets and early termination of right-of-use assets	(141)	249	(41)	(53)	—
Others	346	1	—	—	—
Exchange (gains)/losses	(10,937)	11,516	7,410	(24,404)	19,069
Operating cash flows before movements in working capital	171,701	482,733	592,726	138,911	168,499
Decrease/(increase) in receivables	23,084	(196,774)	(159,742)	(120,052)	(208,366)
Increase/(decrease) in payables	74,693	(56,919)	52,549	(58,915)	(116,716)
(Increase)/decrease in inventories	(54,581)	108,300	4,692	(27,806)	(19,707)
Decrease/(increase) in restricted bank deposits	4,661	(1,851)	(2,131)	449	(714)
Cash generated from/(used in) operations	219,558	335,489	488,094	(67,413)	(177,004)
Income taxes paid	(895)	(3,534)	(8,619)	(1,844)	(1,289)
Net cash generated from/(used in) operating activities	218,663	331,955	479,475	(69,257)	(178,293)

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	As of December 31,			Four months ended	
	2023	2024	2025	April 30, 2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
INVESTMENT ACTIVITIES					
(Payments for)/proceeds from acquisition of subsidiaries, net of cash acquired	(1,532)	1,776	—	—	—
Purchase of investments in associates	(8,000)	(11,000)	(77)	(77)	—
Proceeds from recovery of term deposits and certificates of deposits	150,575	215,807	249,163	—	—
Placement of term deposits and certificates of deposits	(486,930)	(393,745)	—	(23,792)	(26,566)
Proceeds from disposal of property, plant and equipment and intangible assets	608	94	203	185	—
Payments for purchase of property, plant and equipment and intangible assets	(274,101)	(230,315)	(226,542)	(68,273)	(67,698)
Proceeds from disposal of interest in an associate	—	—	4,000	—	69
Interest received	1,193	—	—	—	—
Dividends received	4,039	1,449	3,224	626	37
Proceeds from disposal of financial assets at FVTPL	10,551	1,884,213	3,179,650	936,630	1,018,089
Purchase of financial assets at FVTPL and FVTOCI	(27,120)	(1,880,904)	(3,194,925)	(1,183,047)	(1,750,564)
Net cash (used in)/generated from investing activities	(630,717)	(412,625)	14,696	(337,748)	(826,632)
FINANCING ACTIVITIES					
Proceeds from share schemes	195,720	26,225	202,187	—	7,403
Capital injection by non-controlling interests	552	10,000	5,000	5,000	—
Payments for repurchase of shares	(48,083)	—	—	—	—
Proceeds from borrowings	840,464	705,823	591,999	145,435	255,543
Repayments of borrowings	(882,129)	(708,711)	(564,547)	(83,880)	(105,000)
Prepayment for [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payment for redemption of convertible bonds	(2,913)	—	—	—	—
Interests paid	(17,457)	(11,805)	(11,579)	(2,797)	(2,765)
Dividends paid to the Company’s shareholders	(57,755)	(19,636)	(47,182)	—	—
Dividends paid to non-controlling interests in subsidiaries	—	(3,933)	(3,840)	—	—
Repayment of lease liabilities	(13,921)	(7,662)	(9,325)	(1,883)	(5,064)
Interest paid for lease liabilities	(225)	(407)	(344)	(18)	(132)
Net cash generated from/(used in) financing activities	14,253	(10,106)	154,998	61,857	137,995
Net (decrease)/increase in cash and cash equivalents	(397,801)	(90,776)	649,169	(345,148)	(866,930)
Cash and cash equivalents at the beginning of the year/period	1,582,533	1,202,592	1,095,782	1,095,782	1,721,420
Effect of exchange rate changes	17,860	(16,034)	(23,531)	25,126	(18,979)
Cash and cash equivalents at the end of the year/period, represented by bank balance and cash	1,202,592	1,095,782	1,721,420	775,760	835,511

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As of December 31,			As of
		2023	2024	2025	April 30,
	Notes	RMB'000	RMB'000	RMB'000	2026
					RMB'000
Non-current assets					
Property, plant and equipment	19	252,454	245,469	236,355	233,158
Intangible assets	20	902,046	1,002,894	1,087,643	1,104,046
Right-of-use assets	21	38,282	32,676	40,451	37,507
Investments in subsidiaries	23	723,429	767,521	783,521	783,521
Investments in associates	24	33,727	25,029	13,919	14,950
Financial assets at FVTPL	25	52,657	58,800	61,403	61,543
Financial assets at FVTOCI	25	344,951	347,030	369,260	373,109
Prepayments and other receivables	26	2,983	366	87	17
Deferred tax assets	27	189,894	202,777	213,524	215,653
Total non-current assets		2,540,423	2,682,562	2,806,163	2,823,504
Current assets					
Trade and bills receivables	26	1,013,110	1,155,684	1,227,964	1,345,519
Prepayments, deposits and other receivables	26	113,625	70,802	64,736	85,030
Amount due from subsidiaries	18	1,287,743	1,335,033	1,337,660	1,336,105
Inventories	28	281,726	197,538	224,955	251,556
Contract assets	29	268,677	260,559	267,887	308,903
Financial assets at FVTPL	25	—	—	—	430,691
Term deposits and certificates of deposits	31	66,932	85,000	—	20,000
Restricted bank deposits	31	1,350	2,560	3,090	3,738
Cash and cash equivalents	31	521,661	586,688	1,013,723	448,039
Total current assets		3,554,824	3,693,864	4,140,015	4,229,582
Total assets		6,095,247	6,376,426	6,946,178	7,053,086

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		As of December 31,			As of
		2023	2024	2025	April 30,
	Notes	RMB'000	RMB'000	RMB'000	2026
					RMB'000
Current liabilities					
Trade payables	32	32,778	34,570	49,927	42,633
Other payables and accruals	32	270,999	254,246	222,462	157,644
Amounts due to subsidiaries	18	525,433	568,339	600,916	575,675
Contract liabilities	33	132,795	135,168	139,203	139,771
Borrowings	34	396,000	393,798	421,204	570,412
Lease liabilities	35	<u>5,675</u>	<u>3,355</u>	<u>6,356</u>	<u>5,675</u>
Total current liabilities		<u>1,363,680</u>	<u>1,389,476</u>	<u>1,440,068</u>	<u>1,491,810</u>
Net current assets		<u>2,191,144</u>	<u>2,304,388</u>	<u>2,699,947</u>	<u>2,737,772</u>
Total assets less current liabilities		<u>4,731,567</u>	<u>4,986,950</u>	<u>5,506,110</u>	<u>5,561,276</u>
Non-current liabilities					
Lease liabilities	35	2,120	1,513	6,733	2,909
Deferred income	37	4,006	2,493	663	512
Deferred tax liabilities	27	<u>51,055</u>	<u>52,725</u>	<u>57,349</u>	<u>57,953</u>
Total non-current liabilities		<u>57,181</u>	<u>56,731</u>	<u>64,745</u>	<u>61,374</u>
NET ASSETS		<u>4,674,386</u>	<u>4,930,219</u>	<u>5,441,365</u>	<u>5,499,902</u>
Equity attributable to owners of the Company					
Share capital	38	984,342	984,846	1,022,503	1,023,472
Reserves	39	<u>3,690,044</u>	<u>3,945,373</u>	<u>4,418,862</u>	<u>4,476,430</u>
TOTAL EQUITY		<u>4,674,386</u>	<u>4,930,219</u>	<u>5,441,365</u>	<u>5,499,902</u>

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II NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Hand Enterprise Solutions Co., Ltd. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) in 2002. The Company has its primary listing on ChiNex of the Shenzhen Stock Exchange (Stock code: 300170). The address of its registered office is No. 33, Huilian Road, Qingpu District, Shanghai, the PRC.

The Company and its subsidiaries (collectively, the “Group”), are principally engaged in provision of industry and finance digitalization solutions, enterprise resources planning (ERP) consulting and implementation services and information technology outsourcing (ITO) services.

As at April 30, 2026, the Company’s largest shareholder is Mr. Chen Diqing, Chairman and executive director of the Company. He holds 5.2% of the total issued share capital of the Company immediately before the proposed [REDACTED] of the Company in Main Board of the Hong Kong Stock Exchange.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared based on the material accounting policies set out in Note 4 which conform with all applicable IFRS Accounting Standards which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IAS”) and Interpretations issued by International Accounting Standards Board (“IASB”). In addition, the Historical Financial Information also complies with the applicable disclosures requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing the Historical Financial Information, the Group has adopted the accounting policies which conform with all applicable new and revised IFRS Accounting Standards that are effective during the Track Record Period, consistently throughout the Track Record Period.

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

At the date of this report, a number of new and amendments to IFRS Accounting Standards have been issued but are not effective and have not been early adopted by the Group:

New and amendments to IFRS Accounting Standards issued but not yet effective

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

¹ Effective for annual periods beginning on or after January 1, 2027

² Effective date to be determined.

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

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. 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. The new requirements are expected to impact the Group’s presentation of the statements of profit or loss and disclosures of the Group’s financial performance. So far, the Group considers that the impact of these new and amended standards will not be material on the Group’s results of operations and financial position.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets at FVTOCI, financial assets at FVTPL and financial derivative instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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(a) Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

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

(b) Business combinations

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits”, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net of the acquisition date amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation are initially measured at the non-controlling interests’ proportionate share of the recognized amounts of the acquiree’s identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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The subsequent accounting for the contingent consideration that does not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to its acquisition date fair value (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year (see above), and additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

(c) Investments in subsidiaries

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

(d) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not to control or to have joint control over these investee.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an interest in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognized the Group’s share of the profit or loss and other comprehensive income of the associate.

The Group discontinues the use of the equity method from the date when its investment becomes a subsidiary, and the Group’s interest in the associate is remeasured to fair value at the date when the Group obtains control, and the resulting gain or loss, if any, is recognized in profit or loss.

(e) Revenue recognition and other income

(i) Provision of services and sales of goods

Revenue from the sale of hardware and software is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. For contracts requiring the installation of hardware and software, revenue is recognised at the point in time when receipt of satisfaction acknowledgement from customers is obtained.

Revenue related to implementation services and other services are recognized over a period time when the service contract can meet one or more than one of below 3 criteria: (i) the customers simultaneously receive and consume the benefit provided the Group’s performance as the Group perform; or (ii) the customers can control the assets as the assets created or enhanced by the Group; or (iii) the Group’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

For those service contracts not meeting any of the above criteria (i), (ii) and (iii), revenue is recognized at a point in time upon completion of the service and receipt of customer’s acknowledgement.

The Group recognizes revenue from the sale of products and the provision of services based on their nature and the corresponding contractual arrangements agreed with the Group’s customers. The revenue contracts with the Group’s customers primarily include contracts with a fixed price and contracts without a fixed price. Contracts with a fixed price refer to contracts under which the customer and the Group agree on a defined scope of work and a specified contract amount, with settlements generally made based on the completion of agreed milestones.

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Contracts with fixed price are further divided into (i) IT consulting services (implementation) related to proprietary software and (ii) third-party software:

- (i) For IT consulting services (implementation) of proprietary software, due to the source code and framework are not open to the public, even engineers with similar technical knowledge and skills are unlikely be able to fully understand the frameworks, designs and source codes upon taking up the work-in-progress performed by the Group before completion of the contracts. Accordingly, the engineers are required to reperform the work procedures from the beginning. Under such circumstance, the customers cannot obtain any benefits until completion of the contract and the Group has no enforceable right to payment for performance obligations completed to date throughout the contract period. Therefore for proprietary software IT consulting services in which the scope of works and contract price have been formally agreed, revenue is recognized at a point in time upon completion of the service and client acknowledgment.
- (ii) For IT consulting services (implementation) of most of the third-party software, there are well developed framework, including scope of works, requirements of deliverables, as well as implementation methods and development tools. A third-party engineer with similar skills and knowledge is able to take over and continue the project according to the standardized methodology without reperforming the technical services and works completed by the Group. Due to the nature of service provided by the Group, the customer is able to control the work-in-progress during the performance process and obtains benefits as the services are provided. Accordingly revenue is recognized according to the progress of performance over a period of time even though the contract is with fixed price. The progress is determined by the percentage of labour costs incurred to date as compared with the total estimated labour costs.

Contracts without a fixed price generally do not specify a fixed scope of work or contract amount. Instead, such contracts set out the applicable man-day rates for our engineers of different levels, and the Group assign engineers with appropriate number and levels of seniority based on the customer’s requirements. Billings under such contracts are generally made periodically based on the applicable man-day rates and the actual number of man-days incurred.

Revenue recognized at a point in time primarily consists of sales of goods, including software and hardware, and implementation services for proprietary software under contracts with a fixed price. Revenue recognized over time represented provision of services other than implementation for proprietary software under contracts with a fixed price.

(ii) Interest income

Interest income is recognized 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.

(iii) Dividend income

Dividend income is recognized when the shareholders’ right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow the Group and the amount of the dividend can be measured reliably.

(f) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined specifically and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realizable value represents the estimate selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

(g) Leasing

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

The Group as lessee

The Group capitalized in the consolidated statements of financial position as right-of-use assets and lease liabilities for all leases except for (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

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

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Right-of-use assets

The right-of-use asset is recognized at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Depreciation is provided using the straight-line method from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group presents right-of-use asset separately in the consolidated statements of financial position.

Lease liabilities

The lease liability is recognized at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate. The Group presents lease liability separately in the consolidated statements of financial position.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in-substance in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

(h) Foreign currencies

(i) Functional and presentation currency

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are presented using RMB.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

(i) Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

(j) Retirement benefit costs

The Group contributes toward retirement income protection for its employees through the provision of defined contribution plans, and/or contributions to various public retirement schemes in certain jurisdictions.

The Company’s subsidiaries in the PRC participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its staff’s wages as contributions to the plans. Payments to such retirement benefit schemes are recognized as an expense when employees have rendered service entitling them to the contributions. The Company also makes payments to other defined contribution plans for the benefit of employees employed by subsidiaries outside of the PRC.

(k) Short-term employee benefits

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

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(l) Taxation

Income tax expense represents the sum of the current tax and deferred tax. Current and deferred tax is recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and the tax rate and tax base that are consistent with manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

(m) Property, plant and equipment

Property, plant and equipment other than construction in progress are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are recognized as an expense in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives and residual values are as follows:

Property and buildings	19–40 years	residual value of 10%
Machinery	3–5 years	residual value of 10%
Transportation vehicles	5 years	residual value of 10%
Furniture, fixtures and equipment	5 years	residual value of 10%
Leasehold improvement	5 years	No residual value

(n) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Computer software	1–8 years
Software copyright	4–10 years

The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(o) Research and development costs

Expenditure on internally developed products is capitalized if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognized in profit or loss as incurred.

(p) Impairment losses on tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than goodwill which with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of value in use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows of the asset (or the cash-generating unit) 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 (or the cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or the cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

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(q) Financial instruments

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

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is measured at amortized cost if it is not designated as at FVTPL, it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. These assets are subsequently measured at amortized cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

The Group has a number of strategic investments in unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Impairment loss on financial assets

The Group recognizes a loss allowance for expected credit loss (“ECL”) on financial assets which are subject to impairment under IFRS 9 “Financial Instruments”. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

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

The Group has elected to measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and always recognizes lifetime ECL for trade receivables and contract assets. Apart from trade receivables and contract assets that are assessed as credit-impaired when one or more events that have a detrimental impact of the estimated cash flows have occurred, the ECL on these financial assets are assessed collectively using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in the credit risk since initial recognition or evidence that a financial asset is credit-impaired, then the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future

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prospects of the industries in which the Group’s debtors operate obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

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

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, or the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definition.

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

Definition of default

For internal credit risk management, the Group considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off

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may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognized in profit or loss.

Measurement and recognition of ECL

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. The Group assess (i) whether the trade receivables and contract assets are credit-impaired based on whether one or more events have a detrimental impact on the estimated future cash flows; and (ii) use provision matrix, taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort. In respect of other financial assets, the measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group’s trade receivables, other receivables are each assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

The Group recognizes an impairment gain or loss in profit or loss for financial assets measured at amortized cost by adjusting their carrying amount through a loss allowance account. For debt instrument measured at FVOCI, the loss allowance is recognized in other comprehensive income and accumulated in FVOCI reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group shall continue to recognize the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay. When the Group’s continuing involvement takes the form of guaranteeing the transferred asset, the extent of the entity’s continuing involvement is the lower of carrying amount of the asset and the maximum amount of the consideration received that the Group could be required to repay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the FVOCI reserve is reclassified to profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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Financial liabilities

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost under the effective interest method. Interest expense (unless they are eligible for capitalization) and foreign exchange gains and losses are recognized in profit or loss.

Derecognition of financial liabilities

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

(iii) Financial derivative instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of commodity purchase contracts that meet the definition of a derivative as defined by IFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group’s expected purchase, sale or usage requirements are held at cost. Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is

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applied. For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

(r) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of products are recognized at the date of sale of the relevant products, at the directors’ best estimate of the expenditure required to settle the Group’s obligation.

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

(s) Share-based payments

The Company operates several restricted share schemes. 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 is determined by an external valuer using a black-scholes model, further details of which are given in note 40.

The cost of equity-settled transactions is recognized 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 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. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized 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 recognized. 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.

(t) Convertible bonds

Convertible bonds If the conversion option or any other embedded feature of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. On initial recognition, the derivative component of the convertible bonds is measured at fair value. Any excess of proceeds over the amount initially recognized as the derivative component is recognized as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognized. The portion of the transaction costs relating to the liability component is recognized initially as part of the liability. The portion relating to the derivative component is recognized immediately in profit or loss in the consolidated statement of profit or loss and other comprehensive income. The derivative component is subsequently recorded at fair value at the end of each reporting period, with changes recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income. Both the liability and derivative components are recorded within interest-bearing borrowings within the consolidated statement of financial position.

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(u) Contract assets

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

(v) 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).

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates, judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Useful lives of property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on Historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Useful lives of intangible assets

The Group’s management determines the useful lives and related amortization charges for its intangible assets. This estimate is based on Historical experience of the actual useful lives of intangible assets of similar nature and functions and may vary significantly as a result of technical innovations and keen competitions from competitors, resulting in higher amortization charge and/or write-off or write-down of technically obsolete assets when useful lives are less than previously estimated. The Group will increase the amortization charges where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Fair value measurements

A number of assets and liabilities included in the Group’s consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group’s financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilized are (the “fair value hierarchy”):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs;

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

Provision of ECL for financial assets at amortized cost

The Group calculates ECL for contract assets and trade and other receivables under IFRS 9. The provision rates are based on the Group’s historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

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The provision of ECL is sensitive to changes in estimates. Details of the key assumptions and inputs used are set out in note 42. Changes in these assumptions and estimation could materially affect the assessment and it may be necessary to make additional loss allowance in future periods.

Recognition of deferred tax assets

Deferred income tax assets relating to certain deductible temporary differences and tax losses are recognized as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax expenses or other comprehensive income in the periods in which such estimate is changed.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including property, plant and equipment, assets under construction, intangible assets and right-of-use assets) at the end of each reporting period. Irrespective of whether impairment indicators exist, intangible assets not yet available for use (development expenditure) are tested for impairment annually. When impairment indicators exist, or where annual testing is required, management is required to estimate the recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Valuation of share-based payments

The fair value of share options at the grant date are determined by using valuation techniques. Significant estimates on assumptions, such as risk-free interest rate and volatility are made based on management’s best estimates. Further details are set out in Note 40 to the Historical Financial Information.

6. REVENUE AND SEGMENT REPORTING

Disaggregation of revenue from contracts with customers

Revenue for the years ended December 31, 2023, 2024 and 2025 and four months ended April 30, 2025 and 2026 are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Service or product types					
Industry digitalization solutions	844,297	1,023,872	1,206,010	316,154	382,243
Finance digitalization solutions	682,539	749,890	799,637	235,527	250,247
ERP consulting and implementation services	1,066,395	1,067,017	1,015,303	321,266	318,954
ITO services	372,064	380,036	382,872	114,111	115,307
Others	14,404	14,336	11,548	2,676	2,569
	<u>2,979,699</u>	<u>3,235,151</u>	<u>3,415,370</u>	<u>989,734</u>	<u>1,069,320</u>

Timing of revenue from contracts with customers recognition

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Timing of transfer of goods and services					
Over time	2,434,885	2,543,297	2,670,262	831,317	869,514
A point in time	544,814	691,854	745,108	158,417	199,806
	<u>2,979,699</u>	<u>3,235,151</u>	<u>3,415,370</u>	<u>989,734</u>	<u>1,069,320</u>

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Performance obligations

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

Finance, industry digitalisation solutions, provision of ERP consulting and implementation service under fixed price contract

The performance obligation of IT consulting services (implementation) of proprietary software, their performance obligation is satisfied upon completion of the service and receipt of customer’s acknowledgement. Payments in advance are normally required before rendering the services.

The performance obligation of IT consulting services (implementation) of third-party software, their performance obligation is satisfied as services are rendered.

Finance, industry digitalisation solutions, provision of ERP consulting and implementation service without a fixed price contract

The performance obligation is satisfied as services are rendered accordingly to the works performed by engineers assigned.

Revenue from ITO services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 60 days from the date of billing.

Sale of hardware and software categorised as “Others”

The performance obligation is satisfied upon product delivery and receipt of satisfaction acknowledgement from customer (if installation is required).

Remaining performance obligations

The vast majority of the Group’s contracts are for the provision of services within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. However, certain supporting service contracts have been entered into for which the original contractual period was greater than 12 months.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Within 1 year	<u>1,766,000</u>	<u>1,987,000</u>	<u>2,091,207</u>	<u>2,177,348</u>

Contract liabilities

Contract liabilities mainly relate to the advance consideration received from customers.

During the Track Record Period, the following table shows the amount of revenue recognized that was included in the contract liabilities at the beginning of the year/period:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue recognized that was included in the contract liability balance at the beginning of the year/period	<u>103,638</u>	<u>115,713</u>	<u>137,967</u>	<u>65,078</u>	<u>76,644</u>

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Geographical information

An analysis of the Group’s revenue from external customers, based on location of customers by regions, is presented below:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue from external customers					
— Mainland China (country of domicile)	2,584,094	2,828,058	2,887,423	805,457	908,680
— Overseas	395,605	407,093	527,947	184,277	160,640
	<u>2,979,699</u>	<u>3,235,151</u>	<u>3,415,370</u>	<u>989,734</u>	<u>1,069,320</u>

The operating segment is reported in a manner consistent with the internal reporting provided to the Chairman of board of directors of the Company (the “Chairman”), being the chief operating decision maker (“CODM”). For the purpose of performance assessment and resource allocation, Chairman reviews the performance of the Group as a single operating segment based on the internal organization structure, management requirements and internal reporting system. No other discrete financial information other than the Group’s results and financial positions as a whole is provided to the Chairman. Accordingly, only entity-wide disclosures are provided.

Information about major customer

No individual customer contributes over 10% of the total revenue of the Group.

Information about the Group’s non-current assets excluding financial assets at FVTPL, financial assets at FVTOCI and deferred tax assets by geographical location of the assets are presented below:

	Year ended December 31,			Four months ended
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
— Mainland China (country of domicile)	1,586,732	1,693,880	1,743,922	1,746,683
— Overseas	32,155	33,317	32,906	34,804
	<u>1,618,887</u>	<u>1,727,197</u>	<u>1,776,828</u>	<u>1,781,487</u>

7. OTHER INCOME

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Government grants — income (<i>Note i</i>)	41,210	23,975	25,754	1,604	8,181
Government grants — assets (<i>Note ii</i>)	1,234	1,235	1,830	102	151
Value-added tax (“VAT”) credit (<i>Note iii</i>)	6,023	4,142	5,344	4,290	5,672
Others	452	1,073	2,165	424	5
	<u>48,919</u>	<u>30,425</u>	<u>35,093</u>	<u>6,420</u>	<u>14,009</u>

Note i: It mainly represented government grants for immediate financial support without any condition attached to. The nature of these grants is mainly for supporting the Company’s PRC subsidiaries in the information technology and software development industry.

Note ii: Asset-related deferred income systematically released to profit or loss over the estimated useful lives of the related assets or the designated period. During the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2025 and 2026, the amount of government grants recognized from asset-related deferred income was approximately RMB1,234,000, RMB1,235,000, RMB1,830,000, RMB102,000 (unaudited) and RMB151,000 respectively (*Note 37*).

Note iii: VAT credit amounted to RMB6,023,000, RMB4,142,000, RMB5,344,000, RMB4,290,000 (unaudited) and RMB7,938,000 for the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2025 and 2026 was recognized in consolidated statements of profit or loss due to the additional VAT credit resulting from VAT reform. In accordance with Caishui 2023 No. 1 introduced announced by MOF and STA, certain subsidiaries of the Company qualify as the Producer and Consumer Services Industries and are eligible for additional VAT credits by 5% of the current period creditable VAT input from January 1,

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2023 to December 31, 2023. VAT is levied at statutory rate of 13% on sales of self developed software, the portion of VAT burden exceeding 3% of relevant software revenue shall be refunded by tax bureau on an immediate refund basis.

8. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
(Loss)/gain on disposal of entire interest in an associate (<i>Note (i)</i>)	(775)	—	(6,173)	—	69
Remeasurement gain from an associate to a subsidiary (<i>Note (ii)</i>)	—	19,495	—	—	—
Dividend income from financial assets at FVTPL and FVTOCI	4,039	1,449	3,224	626	37
Net gains from disposal of financial assets at FVTPL	785	—	1,849	—	966
Net gain/(loss) on disposal of property, plant and equipment	141	(163)	41	53	—
Loss on early termination of right-of-use assets	—	(86)	—	—	—
Net gains from changes in fair value of financial assets at FVTPL	26,696	6,143	103	—	3,811
Fair value gain of financial derivative instruments	2,606	—	—	—	—
Gain on deemed disposal of partial interests in associates (<i>Note 24</i>)	9,339	—	—	—	—
Exchange gains/(losses)	10,937	(11,516)	(7,410)	24,404	(19,069)
Others	(346)	1	1,260	1,300	1
	<u>53,422</u>	<u>15,323</u>	<u>(7,106)</u>	<u>26,383</u>	<u>(14,185)</u>

Notes:

- (i) During the year ended December 31, 2025, the Group has fully disposed of its interests in 上海甄知科技有限公司 (“Shanghai Zhenzhi Technology Co., Ltd” or Shanghai Zhenzhi) with a loss of RMB6,173,000 recorded in the statement of profit or loss.
- (ii) During the year ended December 31, 2024, 上海鼎醫信息技術有限公司 (“Shanghai Dingyi Information Technology Co., Ltd.” or Shanghai Dingyi) became a subsidiary of the Group upon the Company acquired additional interests in Shanghai Dingyi to 63.09% (*Note 30 (b)*) from 27.85%. The value of Shanghai Dingyi is remeasured on acquisition date according to a valuation report prepared by an external valuer. Accordingly, a remeasurement gain of RMB19,495,000 was recorded in the statement of profit or loss for the year ended December 31, 2024.

9. IMPAIRMENT LOSS PROVISION/(REVERSAL OF IMPAIRMENT PROVISION), NET

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Impairment provision/(reversal of impairment) on:					
Trade receivables	98,837	46,981	74,517	20,156	19,074
Bills receivables	8	(38)	—	—	—
Other receivables	(4,671)	(3,886)	(1,650)	1,448	1,877
Contract assets	(20,834)	9,417	2,015	5,796	6,225
	<u>73,340</u>	<u>52,474</u>	<u>74,882</u>	<u>27,400</u>	<u>27,176</u>

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10. (LOSS)/ PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging/(crediting):

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Cost of services provided*	2,181,258	2,170,015	2,197,252	658,973	709,943
Amortization of intangible assets [#]	114,658	133,338	151,068	49,436	56,452
Depreciation for property, plant and equipment [^]	13,311	17,103	18,455	6,001	5,870
Depreciation of right-of-use assets [#]	11,935	10,244	9,714	2,549	3,521
Expenses on low value and short-term leases	17,437	11,157	17,701	4,310	7,850
[REDACTED] expense [#]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Staff costs (including directors' emoluments)**:					
— Salaries and other benefits	2,139,340	2,027,546	2,029,866	660,201	655,315
— Retirement benefits scheme contributions	111,721	121,186	134,582	43,175	44,060
— Share-based payment expenses	(303)	77,234	91,416	37,420	12,363
	2,250,758	2,225,966	2,255,864	740,796	711,738
Auditors' remuneration	1,292	1,311	1,321	440	440

* Amounts included impairment/(reversal of impairment) on inventories of RMB7,478,000, RMB(13,521,000), RMB(7,320,000), RMB327,000 (unaudited) and RMB(5,485,000) for the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2025 and 2026, respectively.

[#] Amortizations of intangible assets, depreciation of right-of-use assets and [REDACTED] expense are included in administration expenses.

[^] Apart from depreciation of property, plant and equipment of RMB6,000 for the years ended December 31, 2023 are included in selling expenses, remaining amounts incurred during the Track Record Period are included in administration expenses.

** Staff costs of RMB1,534,285,000, RMB1,512,748,000, RMB1,450,410,000 and RMB451,186,000 (unaudited) and RMB483,045,000 were included in cost of services provided for the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2025 and 2026, respectively. The entire R&D expenses disclosed in the consolidated statements of profit or loss and other comprehensive income represented staff costs.

11. FINANCE INCOME

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest income	38,367	40,463	37,660	11,564	6,288

12. FINANCE COSTS

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest expenses on borrowings	17,413	13,228	11,533	2,745	3,430
Interest expenses on convertible bonds	10,663	—	—	—	—
Interest expenses on lease liabilities	225	407	344	18	132
Other	886	707	867	405	323
	29,187	14,342	12,744	3,168	3,885

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13. INCOME TAX

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current tax					
— Hong Kong and overseas	2,813	2,817	3,767	762	1,912
Current tax					
— PRC Enterprise Income Tax (“EIT”)	654	1,098	535	147	537
— (Over)/under provision in respect of prior year	(332)	166	4,353	17	(36)
	3,135	4,081	8,655	1,852	2,413
Deferred tax (<i>Note 27</i>)	(42,333)	(12,832)	(16,232)	(10,055)	(1,938)
Total income tax (credit)/expense	(39,198)	(8,751)	(7,577)	(9,129)	475

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

Under the Law of the PRC on EIT Law and Implementation Regulation of the EIT Law, the standard EIT rate of the PRC subsidiaries is 25%. Major PRC subsidiaries, Hand Enterprise Solutions Co., Ltd., Shanghai Share Software Co., Ltd., Shanghai Hand Rongjing Information Technology Co., Ltd, Shanghai Hand Vyung Information technology Co., Ltd., Shanghai Deyi Information Technology Co., Ltd., Shenzhen Qianhai Ying Yu Technology Co., Ltd. and Shanghai Dingyi, approved as “High and New Technology Enterprise” by the relevant government authorities, they are subject to a preferential rate of 15% for a 3-year term from 2023 to 2025. In 2026, the renewal of the status as a “High and New Technology Enterprise” is currently in progress. Upon successful renewal, the 15% preferential tax rate will be extended for another three years from 2026 to 2028. 上海億碁科技有限公司 (“Shanghai Yia Technology Co., Ltd.”) was granted the status of “High and New Technology Enterprise” in 2026 and subject to a preferential rate of 15% for a 3-year term from 2026 to 2028.

Several PRC subsidiaries, ZeroWire Technology (Shanghai) Co., Ltd., Shanghai Hand Ou Jun Information Technology Co., Ltd., Yangzhou Damei Investment Management Co., Ltd., Shanghai Hand Zhenling Information Technology Co., Ltd, Shanghai Huiyi Information Technology Co., Ltd., Shanghai Zhenzi Information Technology Co., Ltd, Leading Finance Technology Co., Ltd., 上海漢得甄創科技有限公司 (“Shanghai Hand Zhenchuang Technology Co., Ltd.”), Shenzhen Qianhai Yingyu Co., Ltd. and 上海得逸勞務派遣有限公司 (“Shanghai Deyi Employment Service Co., Ltd.”), approved as “Micro and Small Enterprise” by the relevant government authorities. The annual taxable income is not more than RMB1,000,000 and these subsidiaries are subject to taxable income at a reduced rate at 20% for years ended December 31, 2023 to 2027.

A PRC subsidiary, Xi'an Hand Information Technology Co., Ltd., is approved as an enterprise as listed in the “Catalogue of Encouraged Industries in Western Regions”. The applicable enterprise income tax is 15% from January 1, 2021 to December 31, 2030.

The group entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profits for the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2025 and 2026. On March 21, 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

Taxation arising from other jurisdictions is calculated at the rates prevailing in their relevant jurisdictions.

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A reconciliation of the tax credit applicable to (loss)/profit before tax at the statutory rates for the country in which the Company and the majority of its subsidiaries are domiciled to the tax (credit)/expense at the effective tax rates is as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
(Loss)/profit before tax	(54,090)	187,676	226,550	34,303	46,800
Tax at the applicable tax rate of 15% (Note (i))	(8,114)	28,151	33,982	5,146	7,020
Effects of different tax rates applicable to different subsidiaries of the Group	2,127	552	2,813	(1,237)	476
(Over)/Under provision of taxation in prior years	(332)	166	4,353	17	(36)
Tax effect of income that is not taxable for tax purposes	(9)	(1,269)	(384)	—	—
Share of loss of associates	4,574	2,981	1,159	569	608
Tax effect of expenses that are not deductible for tax purposes	1,413	9,627	2,851	221	1,474
Deferred tax losses previously not recognized	(1,261)	(2,260)	(4,150)	(3,229)	(203)
Impact of tax rate changes on the opening balance of deferred income tax	2,422	(178)	19	—	193
Tax effect of deductible temporary differences and tax losses not recognized as deferred tax asset	10,585	9,372	9,911	10,164	10,832
Super Deduction (Note (ii))	<u>(50,603)</u>	<u>(55,893)</u>	<u>(58,131)</u>	<u>(20,780)</u>	<u>(19,889)</u>
Income tax (credit)/expense	<u>(39,198)</u>	<u>(8,751)</u>	<u>(7,577)</u>	<u>(9,129)</u>	<u>475</u>

Note (i):

The applicable tax rate is with reference to the preferential PRC tax rate of 15% as the majority of income deriving entities are the PRC entities approved as “High and New Technology Enterprise” by the relevant government authorities under the EIT Law and Implementation Regulation of the EIT Law for the Track Record Period.

Note (ii):

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% and 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (“Super Deduction”).

According to Public Notice 2023 No. 7 promulgated by the State Tax Bureau of Chinese Mainland in March 2023, the enterprises entitled to claim 200% of their research and development expenses incurred as tax deductible expenses in determining tax assessable profits from 2023 onwards.

Tax losses

As of December 31, 2023, 2024, 2025, and April 30, 2026, the Group did not recognize deferred tax assets in respect of losses of RMB268,606,000, RMB300,172,000, RMB261,078,000 and RMB803,884,000, respectively.

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The tax losses incurred from the Company’s subsidiaries in Mainland China that are not recognized as deferred tax assets will expire from 2024 as follows:

	As of December 31,			Four months ended
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
2024	13,504	—	—	—
2025	7,686	9,388	—	—
2026	23,730	30,723	11,772	9,872
2027	56,572	62,199	53,512	27,619
2028	51,343	35,298	38,808	12,372
2029	23,047	18,499	45,013	40,000
2030	35,165	35,165	46,229	45,656
2031	37,226	37,594	37,125	46,966
2032	9,841	10,732	9,775	32,938
2033	10,492	14,942	13,759	22,533
2034	—	45,632	2,448	3,992
2035	—	—	2,637	506,921
2036	—	—	—	55,015
	<u>268,606</u>	<u>300,172</u>	<u>261,078</u>	<u>803,884</u>

14. DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS

Details of the emoluments paid or payable to the directors and supervisors of the Company for the services provided to the Group during the Track Record Period are as follows:

Year ended December 31, 2023

	Directors’ fee RMB'000	Salaries, bonus and other allowance RMB'000	Share-based payment RMB'000	Social security costs and housing benefits RMB'000	Total RMB'000
Chairman and executive director:					
陳迪清 (Mr. Chen Diqing)	43	—	—	41	84
Executive directors:					
黃益全 (Mr. Huang Yiquan)	572	100	525	109	1,306
喻有平 (Mr. Yu Youping) — Resigned on April 23, 2023	—	—	—	—	—
賈殿龍 (Mr. Jia Dianlong) — Resigned on April 23, 2023	—	—	—	—	—
Independent non-executive directors:					
王新 (Mr. Wang Xin)	60	—	—	—	60
曹惠民 (Mr. Cao Huimin)	77	—	—	—	77
王敏良 (Mr. Wang Minliang)	77	—	—	—	77
Supervisors:					
吳濱 (Mr. Wu Bin)	383	—	—	85	468
劉靜波 (Mr. Liu Jingbo)	60	—	—	—	60
黃青 (Mr. Huang Qing)	60	—	—	—	60
	<u>1,332</u>	<u>100</u>	<u>525</u>	<u>235</u>	<u>2,192</u>

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ACCOUNTANTS’ REPORT

Year ended December 31, 2024

	Directors’ fee RMB’000	Salaries, bonus and other allowance RMB’000	Share-based payment RMB’000	Social security costs and housing benefits RMB’000	Total RMB’000
Chairman and executive director:					
陳迪清 (Mr. Chen Diqing)	42	—	—	40	82
Executive director:					
黃益全 (Mr. Huang Yiquan)	468	—	6,733	117	7,318
Independent non-executive directors:					
陳靖豐 (Mr. Chen Jingfeng) — Appointed on May 29, 2024	35	—	—	—	35
王敏良 (Mr. Wang Minliang)	60	—	—	—	60
曹惠民 (Mr. Cao Huimin)	60	—	—	—	60
王新 (Mr. Wang Xin) — Resigned on May 29, 2024	25	—	—	—	25
Supervisors:					
吳濱 (Mr. Wu Bin)	406	—	—	91	497
劉靜波 (Mr. Liu Jingbo)	60	—	—	—	60
黃青 (Mr. Huang Qing)	60	—	—	—	60
	<u>1,216</u>	<u>—</u>	<u>6,733</u>	<u>248</u>	<u>8,197</u>

Year ended December 31, 2025

	Directors’ fee RMB’000	Salaries, bonus and other allowance RMB’000	Share-based payment RMB’000	Social security costs and housing benefits RMB’000	Total RMB’000
Chairman and executive director:					
陳迪清 (Mr. Chen Diqing)	40	—	—	23	63
Executive director:					
黃益全 (Mr. Huang Yiquan)	421	—	2,563	69	3,053
Independent non-executive directors:					
陳靖豐 (Mr. Chen Jingfeng)	60	—	—	—	60
王敏良 (Mr. Wang Minliang) — Resigned on September 30, 2025	45	—	—	—	45
曹惠民 (Mr. Cao Huimin)	60	—	—	—	60
Supervisors:					
吳濱 (Mr. Wu Bin)	407	—	—	57	464
劉靜波 (Mr. Liu Jingbo) — Resigned on September 30, 2025	45	—	—	—	45
黃青 (Mr. Huang Qing) — Resigned on September 30, 2025	45	—	—	—	45
劉維 (Mr. Liu Wei) — Appointed on August 22, 2025	21	—	—	—	21
	<u>1,144</u>	<u>—</u>	<u>2,563</u>	<u>149</u>	<u>3,856</u>

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ACCOUNTANTS’ REPORT

Four months ended April 30, 2025 (unaudited)

	Directors’ fee RMB’000	Salaries, bonus and other allowance RMB’000	Share-based payment RMB’000	Social security costs and housing benefits RMB’000	Total RMB’000
Chairman and executive director					
陳迪清 (Mr. Chen DiQing)	14	—	—	9	23
Executive director					
黃益全 (Mr. Huang YiQuan)	133	—	2,244	24	2,401
Independent non-executive directors					
陳靖豐 (Mr. Chen JingFeng)	20	—	—	—	20
王敏良 (Mr. Wang MinLiang)	20	—	—	—	20
曹惠民 (Mr. Cao HuiMin)	20	—	—	—	20
Supervisors:					
吳濱 (Mr. Wu Bin)	136	—	—	20	156
劉靜波 (Mr. Liu JingBo)	20	—	—	—	20
黃青 (Mr. Huang Qing)	20	—	—	—	20
	<u>383</u>	<u>—</u>	<u>2,244</u>	<u>53</u>	<u>2,680</u>

Four months ended April 30, 2026

	Directors’ fee RMB’000	Salaries, bonus and other allowance RMB’000	Share-based payment RMB’000	Social security costs and housing benefits RMB’000	Total RMB’000
Chairman and executive director					
陳迪清 (Mr. Chen DiQing)	—	—	—	—	—
Executive director					
黃益全 (Mr. Huang YiQuan)	141	—	—	23	164
Independent non-executive directors					
陳靖豐 (Mr. Chen JingFeng)	20	—	—	—	20
曹惠民 (Mr. Cao HuiMin)	20	—	—	—	20
Supervisors:					
吳濱 (Mr. Wu Bin)	136	—	—	19	155
劉維 (Mr. Liu Wei)	20	—	—	—	20
	<u>337</u>	<u>—</u>	<u>—</u>	<u>42</u>	<u>379</u>

15. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group include 1, 1, nil, 1 (unaudited) and nil director in each of the year/period during the Track Record Period. Details of the remuneration for the remaining 4, 4, 5, 4 (unaudited) and 5 highest paid individuals during the years ended December 31, 2023, 2024 and 2025 and four months ended April 30, 2025 and 2026 respectively, are as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Salaries and other benefits	1,996	1,194	1,698	512	892
Performance-based bonus	1,035	300	—	—	—
Retirement benefits scheme contributions	320	241	549	162	215
Share-based payment expenses	1,309	18,155	19,326	7,014	1,639
	<u>4,660</u>	<u>19,890</u>	<u>21,573</u>	<u>7,688</u>	<u>2,746</u>

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ACCOUNTANTS’ REPORT

The number of non-directors and non-supervisors highest paid employees whose remuneration fell within respective bands is as follows:

	Year ended December 31,		Four months ended April 30,		
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to HK\$1,000,000	—	—	—	—	5
HK\$1,000,001 to HK\$1,500,000	3	—	—	—	—
HK\$1,500,001 to HK\$2,000,000	1	—	—	3	—
HK\$2,000,001 to HK\$2,500,000	—	—	—	—	—
HK\$2,500,001 to HK\$3,000,000	—	—	—	—	—
HK\$3,000,001 to HK\$3,500,000	—	—	—	—	—
HK\$3,500,001 to HK\$4,000,000	—	2	—	1	—
HK\$4,000,001 to HK\$4,500,000	—	1	1	—	—
HK\$4,500,001 to HK\$5,000,000	—	—	3	—	—
HK\$5,000,001 to HK\$6,000,000	—	—	1	—	—
HK\$10,000,001 to HK\$10,500,000	—	1	—	—	—
	<u>4</u>	<u>4</u>	<u>5</u>	<u>4</u>	<u>5</u>

During the Track Record Period, no emoluments were paid by the Group to the directors and supervisors of the Company or the five highest paid individuals (including directors, supervisors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors and supervisors of the Company have waived any emoluments during the Track Record Period.

16. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share

The calculation of the basic and diluted (loss)/earnings per share attribute to owners of the Company is based on the following data:

a) Basic EPS

Basic EPS is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for restricted share schemes as these shares are not considered outstanding for (loss)/earnings per share calculation purposes.

Earnings:

	Year ended December 31,		Four months ended April 30,		
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
(Loss)/profit attributable to owners of the Company for the purpose of calculating basic EPS	<u>(16,041)</u>	<u>188,392</u>	<u>217,862</u>	<u>40,671</u>	<u>46,639</u>

Number of shares:

	Year ended December 31,		Four months ended April 30,		
	2023	2024	2025	2025	2026
	thousands shares	thousands shares	thousands shares	thousands shares	thousands shares
				(unaudited)	
Weighted average number of ordinary shares in issue excluding treasury shares	<u>935,189</u>	<u>972,243</u>	<u>994,725</u>	<u>972,304</u>	<u>1,022,688</u>
Basic EPS (RMB per share)	<u>(0.02)</u>	<u>0.19</u>	<u>0.22</u>	<u>0.04</u>	<u>0.05</u>

b) Diluted

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares.

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For the year ended December 31, 2024 and 2025, and four months period ended 30 April 2026, the restricted shares granted under the restricted share scheme in 2025 have potential dilutive effect on the EPS. For calculation of diluted EPS for the year ended December 31, 2023, the weighted average number of ordinary shares outstanding does not assume vesting of the restricted shares granted as the Group incurred a loss during the year. The assumed vesting of the restricted shares has an anti-dilutive effect.

Earnings:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
(Loss)/profit attributable to owners of the Company	(16,041)	188,392	217,862	40,671	46,639

Number of shares:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	thousands shares	thousands shares	thousands shares	thousands shares	thousands shares
				(unaudited)	
Weighted average number of ordinary shares for the purpose of calculating basic EPS	935,189	972,243	994,725	972,304	1,022,688
Effect of restricted shares	—	8,588	20,981	47,694	17,434
Weighted average number of ordinary shares for the purpose of calculating diluted EPS	935,189	980,831	1,015,706	1,019,998	1,040,122
Diluted EPS (RMB per share)	(0.02)	0.19	0.21	0.04	0.04

17. DIVIDENDS

During the Track Record Period, the board of directors declared the final dividend in respect of the previous years as follows:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Dividend	57,518	19,636	47,182	—	—

The final dividend proposed after the end of each of the reporting period in the Track Record Period has not been recognized as a liability at the end of each of the Track Record Period.

18. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Amounts due from and due to subsidiaries are unsecured, interest-free and repayable on demand.

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ACCOUNTANTS’ REPORT

19. PROPERTY, PLANT AND EQUIPMENT

The Group

	Property and buildings RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Transportation vehicle RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As of January 1, 2023	318,082	78,222	31,213	3,614	13,427	—	444,558
Additions	20,982	787	1,088	—	11,212	130,459	164,528
Transferred from construction in progress	119,539	—	1,134	—	9,786	(130,459)	—
Acquired through business combinations	—	4	—	—	—	—	4
Disposals	—	(2,540)	(76)	—	—	—	(2,616)
Exchange difference	523	12	54	—	19	—	608
As of December 31, 2023 and January 1, 2024	459,126	76,485	33,413	3,614	34,444	—	607,082
Additions	7,171	449	2,306	—	1,398	—	11,324
Acquired through business combinations	—	124	—	—	—	—	124
Disposals	—	(1,586)	(922)	(302)	—	—	(2,810)
Exchange difference	(1,379)	(31)	(83)	—	(9)	—	(1,502)
As of December 31, 2024 and January 1, 2025	464,918	75,441	34,714	3,312	35,833	—	614,218
Additions	1,192	148	1,281	391	1,338	—	4,350
Disposals	—	(3,589)	(251)	(188)	—	—	(4,028)
Exchange difference	(67)	(10)	(57)	—	(98)	—	(232)
As of December 31, 2025 and January 1, 2026	466,043	71,990	35,687	3,515	37,073	—	614,308
Additions	—	94	118	—	—	—	212
Exchange difference	(922)	(47)	(210)	—	(114)	—	(1,293)
As of April 30, 2026	465,121	72,037	35,595	3,515	36,959	—	613,227
Accumulated depreciation							
As of January 1, 2023	57,791	72,774	25,487	3,178	10,122	—	169,352
Depreciation	7,247	2,211	1,528	77	2,248	—	13,311
Written back on disposals	—	(2,419)	(66)	—	—	—	(2,485)
Exchange difference	25	7	43	—	(1)	—	74
As of December 31, 2023 and January 1, 2024	65,063	72,573	26,992	3,255	12,369	—	180,252
Depreciation	9,534	1,053	1,386	45	5,085	—	17,103
Written back on disposals	—	(1,449)	(830)	(272)	—	—	(2,551)
Acquired through business combinations	—	122	—	—	—	—	122
Exchange difference	(12)	(17)	(28)	—	(1)	—	(58)
As of December 31, 2024 and January 1, 2025	74,585	72,282	27,520	3,028	17,453	—	194,868
Depreciation	10,710	934	1,278	47	5,486	—	18,455
Written back on disposals	—	(3,474)	(238)	(169)	—	—	(3,881)
Exchange difference	23	(14)	(9)	—	(23)	—	(23)
As of December 31, 2025 and January 1, 2026	85,318	69,728	28,551	2,906	22,916	—	209,419
Depreciation	3,557	249	374	23	1,667	—	5,870
Exchange difference	(32)	(36)	(82)	—	(21)	—	(171)
As of April 30, 2026	88,843	69,941	28,843	2,929	24,562	—	215,118
Net carrying amount							
As of December 31, 2023	394,063	3,912	6,421	359	22,075	—	426,830
As of December 31, 2024	390,333	3,159	7,194	284	18,380	—	419,350
As of December 31, 2025	380,725	2,262	7,136	609	14,157	—	404,889
As of April 30, 2026	376,278	2,096	6,752	586	12,397	—	398,109

The management has assessed that there is impairment indication for the non-financial assets, which mainly represent property, plant and equipment and intangible assets) of the Group, as at 31 December 2023 in view of the loss-making result in that year. Therefore, the management has performed impairment assessment for property, plant and equipment and intangible assets of the Group.

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For the purposes of impairment assessment, the Group estimates the recoverable amount of a CGU of the Group to which the asset belongs when it is not possible to estimate the recoverable amount individually. The CGU represents the Group’s single operation as well as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amount of the CGU is determined based on value-in-use calculation. The Group engaged an independent professional valuer to assist with the calculation. The recoverable amount calculation uses a cash flow projection based on financial budgets approved by management covering a five-year period which with pre-tax discount rate of 13.77% as at December 31, 2023. Annual revenue growth rates ranged from 5.57% to 8.57%, representing an average annual growth rate of 6.32%, were used in the five-year forecast period. A long-term revenue growth rate of 0% was used in cash flows beyond the five-year forecast period.

Based on the result of the assessment, the recoverable amount of the CGU exceeded the carrying amount by RMB23,877,000 as at 31 December 2023. A reasonable change of the key assumptions of the cash flow projection would cause its carrying amount exceed its the recoverable amount. If the pre-tax discount rate increased to 14.36% or average revenue annual growth rate within the five-year forecast period decreased to 5.93%, the carrying amount and the recoverable amount would be equal.

The Company

	Property and buildings RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Transportation vehicle RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost						
As of January 1, 2023	299,067	64,598	29,343	2,638	12,457	408,103
Additions	—	256	14	—	10,234	10,504
Disposals	—	(1,150)	—	—	—	(1,150)
As of December 31, 2023 and January 1, 2024	299,067	63,704	29,357	2,638	22,691	417,457
Additions	2,590	112	—	—	460	3,162
Disposals	—	(510)	(922)	(302)	—	(1,734)
As of December 31, 2024 and January 1, 2025	301,657	63,306	28,435	2,336	23,151	418,885
Additions	1,192	—	8	392	—	1,592
Disposals	—	(264)	(22)	(188)	—	(474)
As of December 31, 2025 and January 1, 2026	302,849	63,042	28,421	2,540	23,151	420,003
Additions	—	64	53	—	—	117
As of April 30, 2026	302,849	63,106	28,474	2,540	23,151	420,120
Accumulated depreciation						
As of January 1, 2023	57,247	60,711	24,093	2,252	9,948	154,251
Deprecation	6,865	1,594	1,206	77	2,137	11,879
Written back on disposal	—	(1,127)	—	—	—	(1,127)
As of December 31, 2023 and January 1, 2024	64,112	61,178	25,299	2,329	12,085	165,003
Deprecation	5,787	680	701	45	2,785	9,998
Written back on disposal	—	(483)	(830)	(272)	—	(1,585)
As of December 31, 2024 and January 1, 2025	69,899	61,375	25,170	2,102	14,870	173,416
Deprecation	6,919	462	290	47	2,940	10,658
Written back on disposal	—	(239)	(19)	(168)	—	(426)
As of December 31, 2025 and January 1, 2026	76,818	61,598	25,441	1,981	17,810	183,648
Deprecation	2,301	123	61	24	805	3,314
As of April 30, 2026	79,119	61,721	25,502	2,005	18,615	186,962
Net carrying amount						
As of December 31, 2023	234,955	2,526	4,058	309	10,606	252,454
As of December 31, 2024	231,758	1,931	3,265	234	8,281	245,469
As of December 31, 2025	226,031	1,444	2,980	559	5,341	236,355
As of April 30, 2026	223,730	1,385	2,972	535	4,536	233,158

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20. INTANGIBLE ASSETS

The Group

	Trademark use rights RMB'000	Computer software RMB'000	Software copyright RMB'000	Development costs RMB'000	Total RMB'000
Cost					
As of January 1, 2023	—	9,764	732,087	405,373	1,147,224
Additions	—	1,179	2,000	220,060	223,239
Transfer from development costs to software copyright	—	—	407,642	(407,642)	—
Acquired through business combination	—	—	1,500	—	1,500
As of December 31, 2023 and January 1, 2024	—	10,943	1,143,229	217,791	1,371,963
Additions	—	4,301	—	219,317	223,618
Transfer from development costs to software copyright	—	—	243,044	(243,044)	—
Acquisition through business combination	4	—	35,771	—	35,775
As of December 31, 2024 and January 1, 2025	4	15,244	1,422,044	194,064	1,631,356
Additions	—	88	—	224,449	224,537
Transfer from development costs to software copyright	—	—	194,064	(194,064)	—
As of December 31, 2025 and January 1, 2026	4	15,332	1,616,108	224,449	1,855,893
Additions	—	—	—	67,461	67,461
Transfer from development costs to software copyright	—	—	224,449	(224,449)	—
As of April 30, 2026	4	15,332	1,840,557	67,461	1,923,354
Accumulated amortization					
As of January 1, 2023	—	6,908	264,674	—	271,582
Amortization	—	1,603	113,055	—	114,658
As of December 31, 2023 and January 1, 2024	—	8,511	377,729	—	386,240
Amortization	—	1,600	131,738	—	133,338
Acquired through business combinations	—	—	2,757	—	2,757
As of December 31, 2024 and January 1, 2025	—	10,111	512,224	—	522,335
Amortization	1	1,498	149,569	—	151,068
As of December 31, 2025 and January 1, 2026	1	11,609	661,793	—	673,403
Amortization	—	423	56,029	—	56,452
As of April 30, 2026	1	12,032	717,822	—	729,855
Net carrying amount					
As of December 31, 2023	—	2,432	765,500	217,791	985,723
As of December 31, 2024	4	5,133	909,820	194,064	1,109,021
As of December 31, 2025	3	3,723	954,315	224,449	1,182,490
As of April 30, 2026	3	3,300	1,122,735	67,461	1,193,499

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The Company

	Computer software RMB'000	Software copyright RMB'000	Development expenditure RMB'000	Total RMB'000
Cost				
As of January 1, 2023	9,417	615,364	393,954	1,018,735
Additions	1,179	—	205,693	206,872
Transfer from development costs to software copyright	—	393,954	(393,954)	—
Disposal	—	(500)	—	(500)
As of December 31, 2023 and January 1, 2024	10,596	1,008,818	205,693	1,225,107
Additions	5,230	—	213,900	219,130
Transfer from development costs to software copyright	—	230,945	(230,945)	—
As of December 31, 2024 and January 1, 2025	15,826	1,239,763	188,648	1,444,237
Additions	88	—	219,838	219,926
Transfer from development costs to software copyright	—	188,650	(188,650)	—
As of December 31, 2025 and January 1, 2026	15,914	1,428,413	219,836	1,664,163
Additions	—	—	67,461	67,461
Transfer from development costs to software copyright	—	219,836	(219,836)	—
As of April 30, 2026	15,914	1,648,249	67,461	1,731,624
Accumulated amortization				
As of January 1, 2023	6,597	212,938	—	219,535
Amortization	1,577	102,137	—	103,714
Disposal	—	(188)	—	(188)
As of December 31, 2023 and January 1, 2024	8,174	314,887	—	323,061
Amortization	1,591	116,691	—	118,282
As of December 31, 2024 and January 1, 2025	9,765	431,578	—	441,343
Amortization	1,496	133,681	—	135,177
As of December 31, 2025 and January 1, 2026	11,261	565,259	—	576,520
Amortization	423	50,635	—	51,058
As of April 30, 2026	11,684	615,894	—	627,578
Net carrying amount				
As of December 31, 2023	2,422	693,931	205,693	902,046
As of December 31, 2024	6,061	808,185	188,648	1,002,894
As of December 31, 2025	4,653	863,154	219,836	1,087,643
As of April 30, 2026	4,230	1,032,355	67,463	1,104,046

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21. RIGHT-OF-USE ASSETS

The Group

	Land use rights RMB'000	Office RMB'000	Total RMB'000
Costs			
As of January 1, 2023	35,946	26,001	61,947
Additions	—	12,071	12,071
Exchange difference	—	9	9
Termination of lease	—	(9,859)	(9,859)
As of December 31, 2023 and January 1, 2024	35,946	28,222	64,168
Additions	—	5,693	5,693
Acquisition through business combination	—	1,036	1,036
Exchange difference	—	14	14
Termination of lease	—	(18,205)	(18,205)
As of December 31, 2024 and January 1, 2025	35,946	16,760	52,706
Additions	—	18,252	18,252
Exchange difference	—	(28)	(28)
Termination of lease	—	(9,477)	(9,477)
As of December 31, 2025 and January 1, 2026	35,946	25,507	61,453
Additions	—	2,367	2,367
Termination of lease	—	(299)	(299)
As of April 30, 2026	35,946	25,575	63,521
Accumulated depreciation			
As of January 1, 2023	7,729	15,441	23,170
Depreciation	719	11,216	11,935
Termination of lease	—	(9,515)	(9,515)
As of December 31, 2023 and January 1, 2024	8,448	17,142	25,590
Depreciation	719	9,525	10,244
Acquisition through business combination	—	292	292
Termination of lease	—	(17,554)	(17,554)
As of December 31, 2024 and January 1, 2025	9,167	9,405	18,572
Depreciation	719	8,995	9,714
Termination of lease	—	(9,477)	(9,477)
As of December 31, 2025 and January 1, 2026	9,886	8,923	18,809
Depreciation	239	3,282	3,521
Termination of lease	—	(299)	(299)
As of April 30, 2026	10,125	11,906	22,031
Net carrying amount			
As of December 31, 2023	27,498	11,080	38,578
As of December 31, 2024	26,779	7,355	34,134
As of December 31, 2025	26,060	16,584	42,644
As of April 30, 2026	25,821	15,669	41,490

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The Company

	Land use rights RMB'000	Office RMB'000	Total RMB'000
Costs			
As of January 1, 2023,	35,946	22,662	58,608
Additions	—	12,071	12,071
Termination of lease	—	(8,106)	(8,106)
As of December 31, 2023 and January 1, 2024	35,946	26,627	62,573
Additions	—	4,160	4,160
Termination of lease	—	(15,472)	(15,472)
As of December 31, 2024 and January 1, 2025	35,946	15,315	51,261
Additions	—	15,975	15,975
Termination of lease	—	(9,477)	(9,477)
As of December 31, 2025 and January 1, 2026	35,946	21,813	57,759
Termination of lease	—	(299)	(299)
As of April 30, 2026	35,946	21,514	57,460
Accumulated depreciation			
As of January 1, 2023	7,729	13,617	21,346
Depreciation	719	10,332	11,051
Termination of lease	—	(8,106)	(8,106)
As of December 31, 2023 and January 1, 2024	8,448	15,843	24,291
Depreciation	719	9,047	9,766
Termination of lease	—	(15,472)	(15,472)
As of December 31, 2024 and January 1, 2025	9,167	9,418	18,585
Depreciation	719	7,481	8,200
Termination of lease	—	(9,477)	(9,477)
As of December 31, 2025 and January 1, 2026	9,886	7,422	17,308
Depreciation	239	2,704	2,943
Termination of lease	—	298	298
As of April 30, 2026	10,125	9,828	19,953
Net carrying amount			
As of December 31, 2023	27,498	10,784	38,282
As of December 31, 2024	26,779	5,897	32,676
As of December 31, 2025	26,060	14,391	40,451
As of April 30, 2026	25,821	11,686	37,507

22. GOODWILL

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Cost				
At the beginning of the year/period	96,830	99,933	117,085	117,085
Acquisition of subsidiaries	3,103	17,152	—	—
At the end of the year/period	99,933	117,085	117,085	117,085
Accumulated impairment losses	(2,870)	(2,870)	(2,870)	(2,870)
Net carrying amount				
At the end of the year/period	97,063	114,215	114,215	114,215

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Goodwill mainly arose from the following four acquisitions of the Group:

In January 2012, the Group acquired Shanghai Share Software Co., Ltd. (BPO Project CGU). In January 2016, the Group acquired Shanghai Dimension Information Technology Co., Ltd. and Yangzhou Damei Investment Management Co., Ltd. (SAP Project CGU). In August 2023, Qian Hai WinKey Tech Co., Ltd. (“WinKey Tech”) became the Company’s subsidiary (Note 30) (WinKey Tech CGU). In January 2024, Shanghai Dingyi Information Technology Co., Ltd. (“Shanghai Dingyi”) became the Company’s subsidiary (Note 30) (Shanghai Dingyi CGU).

Goodwill was recognized as the positive balance between the Group’s share of the fair value of the identifiable net assets and the acquisition cost and allocated to the respective CGU. Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB’000	RMB’000	RMB’000	2026
BPO Project CGU	42,157	42,157	42,157	42,157
SAP Project CGU	51,803	51,803	51,803	51,803
WinKey Tech CGU	3,103	3,103	3,103	3,103
Shanghai Dingyi CGU	—	17,152	17,152	17,152
	<u>97,063</u>	<u>114,215</u>	<u>114,215</u>	<u>114,215</u>

Impairment tests

Impairment reviews on the goodwill with an indefinite useful life of the Group have been conducted by the management according to IAS 36 “Impairment of assets”. For the purposes of impairment review, the recoverable amounts of the respective CGUs are determined based on the value-in-use (VIU) calculation. As of December 31, 2023, 2024, 2025, and April 30, 2026, these calculations use cash flow projections based on financial budgets approved by management covering a five-year forecast period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth rate of 0%. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGUs themselves and macro-environment of the relevant region. Key assumptions for the significant amount of goodwill are set out as follows:

	As of December 31,			As of
	2023	2024	2025	April 30,
	%	%	%	2026
Annual growth rate of revenue for forecast period				
BPO Project CGU	5.06–10.00	3.04–5.13	3.00–4.99	3.00–4.99
SAP Project CGU	1.93–2.00	1.96–2.00	1.03–1.04	1.03–1.04
WinKey Tech CGU	2.00–4.98	2.00–4.75	5.00	4.81–4.85
Shanghai Dingyi CGU	N/A	2.95–38.00	5.00–20.00	5.00–10.00
Pre-tax discount rate				
BPO Project CGU	16.40	14.00	13.00	13.15
SAP Project CGU	16.40	14.00	13.00	13.15
WinKey Tech CGU	16.40	14.00	11.60–13.00	11.77–13.15
Shanghai Dingyi CGU	N/A	12.10	12.44	12.31

The headroom measured by the excess of the recoverable amount over the carrying amount of the above CGUs as follows:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB’000	RMB’000	RMB’000	2026
BPO Project CGU	385	264	5,795	5,160
SAP Project CGU	85,716	241,870	234,494	234,076
WinKey Tech CGU	812	1,566	4,019	4,771
Shanghai Dingyi CGU	N/A	2,843	4,553	4,899

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A CGU to which goodwill has been allocated is tested for impairment by the management annually, and whenever there is an indication that the unit may be impaired.

The following table shows the amount that these two assumptions would need to be individually for the estimated recoverable amount to be equal to the carrying amount.

	As of December 31,		2025	As of April 30,
	2023	2024	2025	2026
	%	%	%	%
Average annual growth rate of revenue for forecast period				
BPO Project CGU	7.90	4.29	3.55	3.22
SAP Project CGU	0.6	(1.7)	(2.26)	(3.31)
WinKey Tech CGU	3.09	3.68	2.55	1.68
Shanghai Dingyi CGU	N/A	12.04	11.23	8.30
Pre-tax discount rate				
BPO Project CGU	16.60	14.13	14.54	16.16
SAP Project CGU	23.22	32.11	29.03	35.50
WinKey Tech CGU	18.10	15.70	15.61	16.57
Shanghai Dingyi CGU	N/A	18.04	13.54	12.91

23. INVESTMENTS IN SUBSIDIARIES

The Company

	As of December 31,		2025	As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries				
— Unlisted shares, at cost	723,429	767,521	783,521	783,521

The Company had direct and indirect equity interests in the following principal subsidiaries during the Track Record Period:

Name of subsidiaries	Date and place of incorporation/ establishment	Paid-in capital/ Registered capital	December 31, 2023		December 31, 2024		December 31, 2025		April 30, 2026		Principal business activities
			Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
			%	%	%	%	%	%	%	%	
Hand Japan Co. Ltd. (漢得日本株式會社) (“Hand Japan”)	August 17, 2007, Japan	¥30,000,000	100	—	100	—	100	—	100	—	Provision of software services
Hand International Pte. Ltd. (“Hand International”)	December 19, 2011, Singapore	USD14,000,000	100	—	100	—	100	—	100	—	Provision of software services
上海漢得微揚信息技術有限公司	March 23, 2015, Mainland China	RMB10,000,000	51	—	51	—	51	—	51	—	Software services
Shanghai Hand Vyung Information Technology Co., Ltd. (notes (i) (ii) (iii))											
上海夏爾軟件有限公司	October 21, 2022, Mainland China	RMB20,000,000	—	100	—	100	—	100	—	100	Software services
Shanghai Share Software Co., Ltd. (notes (i) (ii) (iii))											
上海得逸信息技術有限公司	August 20, 2018, Mainland China	RMB20,000,000	75	—	75	—	75	—	75	—	Software services
Shanghai Deyi Information Technology Co., Ltd. (notes (i) (ii) (iii))											
西安漢得信息技術有限公司	October 18, 2022, Mainland China	RMB200,000,000	100	—	100	—	100	—	100	—	Software and Information Technology Services
Xian Hand Information Technology Co., Ltd. (notes (i) (ii) (iii))											
上海甄聯科技有限公司	July 2, 2021, Mainland China	RMB20,000,000	90	—	90	—	90	—	90	—	Software and Information Technology Services
Shanghai Zhenpeng Technology Co., Ltd. (notes (i) (ii) (iii))											
上海億碩科技有限公司	September 17, 2019, Mainland China	RMB11,111,110	54	—	54	—	54	—	54	—	Software services
Shanghai Yiai Technology Co., Ltd. (notes (i) (ii) (iii))											

Notes:

- (i) The English names of these subsidiaries registered in the Mainland China are translated for identification only as they do not have official English names.

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- (ii) A limited liability company operating in the Mainland China.
- (iii) The statutory financial statements of these subsidiaries for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with relevant accounting principles and financial regulations applicable in the PRC and were audited by BDO China Shu Lun Pan Certified Public Accountants LLP, respectively.

24. INVESTMENTS IN ASSOCIATES

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
At the beginning of the year/period	72,276	57,864	50,095	32,503
Additions	8,000	30,495	77	5,741
Disposals (Note(i))	(1,258)	(19,495)	(10,173)	—
Share of loss of associates, net	(30,493)	(19,871)	(7,718)	(4,054)
Gains on deemed disposal of investments in associates (Note(ii))	9,339	—	—	—
Others	—	1,102	222	(33)
End of the year/period	57,864	50,095	32,503	34,157

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
At the beginning of the year/period	47,801	33,727	25,029	13,919
Additions	8,000	11,000	—	5,741
Disposals	(920)	—	(4,383)	—
Share of loss of associates, net	(30,493)	(19,871)	(6,983)	(4,710)
Gains on deemed disposal of investments in associates (Note(ii))	9,339	—	—	—
Others	—	173	256	—
End of the year/period	33,727	25,029	13,919	14,950

Note:

- (i) During the four months period ended April 30, 2026, the Group has disposed its remaining interest in an associate to the controlling holding company of the associate at a cash consideration of RMB69,000 and recorded a gain of disposal of RMB69,000. The net carrying amount of the associate is Nil on completion date of disposal.
- (ii) During the year ended December 31, 2023, certain associates of the Company had capital injections from other investors. The proportion held by the Company of these associates has been diluted. The Company still adopts the equity method of accounting for these associates. The related effect of deemed disposal is recognised in profit or loss.

The directors of the Company considered that all investments in associates are not individually material. The carrying amount and the Group’s share of the results of individually immaterial associates are shown in aggregate as below:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Aggregate carrying amount of the Group’s associates in Historical Financial Information, using equity method	57,864	50,095	32,503	34,157
Aggregate amounts of the Group’s share of:				
Loss from operations	(30,493)	(19,871)	(7,718)	(4,054)
Other comprehensive income	—	—	—	—
Total comprehensive expense	(30,493)	(19,871)	(7,718)	(4,054)

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25. FINANCIAL ASSETS AT FVTPL, FVTOCI AND DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Non-current assets				
Financial assets at FVTPL				
— Unlisted equity investments	52,657	58,800	61,403	61,543
Financial assets at FVTOCI				
— Unlisted equity investments (<i>Note i</i>)	634,601	651,680	683,970	688,319
Current assets				
Derivatives financial instruments				
— Foreign currency forward contracts (<i>Note ii</i>)	1,511	—	—	—
Financial assets at FVTPL (<i>Note iii</i>)	17,005	—	—	743,822
	18,516	—	—	743,822

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Non-current assets				
Financial assets at FVTPL				
— Unlisted equity investments	52,657	58,800	61,403	61,543
Financial assets at FVTOCI				
— Unlisted equity investments (<i>Note i</i>)	344,951	347,030	369,260	373,109
Current assets				
Derivatives financial instrument				
Financial assets at FVTPL (<i>Note iii</i>)	—	—	—	430,691

Please refer to note 43 for the disclosures on the valuation basis and the sensitivity analysis of significant unobservable inputs of the above investments.

Note i: These investments are not held for trading, instead they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments as accounted for financial assets at FVTOCI.

Note ii: In October 2023, the Group entered 2 foreign currency forward contracts designated as hedging instruments in cash flow hedges of forecast sales in United States Dollars (US\$) and forecast purchases in RMB. The 2 contracts had a maturity period of 3 months. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast sales and purchases transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign exchange forward contracts are identical to the hedged risk components. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as at December 31, 2023 are recognised in the consolidated statement of comprehensive income in the period or periods during which the hedged forecast transaction affects the consolidated statement of comprehensive income.

The derivative financial instruments are settled on gross basis with maximum exposure to credit risk at RMB60,673,000 as at December 31, 2023.

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Note iii: The Group maintained a portfolio of structured deposit products issued by licensed banks. During the Track Record Period, interest income from the structured deposit products has recognized as fair value gains on financial assets at FVTPL, which are set out in note 8.

These structured deposit products have terms ranging from one to two months, and linked to indices performance and foreign exchange fluctuation.

26. TRADE AND BILLS RECEIVABLE AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
— Third parties	1,820,888	2,029,612	2,187,413	2,330,747
— Related parties	26,699	31,423	21,121	26,844
	1,847,587	2,061,035	2,208,534	2,357,591
Less: Impairment loss for trade receivables	(693,371)	(717,455)	(758,085)	(776,891)
Sub-total	1,154,216	1,343,580	1,450,449	1,580,700
Bills receivables				
— Commercial	1,146	—	—	—
— Bank	47,530	52,916	51,476	50,305
	48,676	52,916	51,476	50,305
Less: Impairment loss for bill receivables	(38)	—	—	—
Sub-total	48,638	52,916	51,476	50,305
Trade and bills receivables	1,202,854	1,396,496	1,501,925	1,631,005
Prepayment and other receivables				
— Current				
Deposits	59,675	54,444	52,673	55,239
Amounts due from related parties				
(Note 46)	25,430	—	5,695	238
Prepayments to suppliers	43,777	46,774	27,986	42,713
VAT recoverable	20,218	14,448	9,728	7,223
Interest receivable	7,510	7,200	1,610	1,415
Prepaid [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	10,564	9,801	9,384	7,830
	167,174	132,667	114,447	133,891
Less: Impairment loss for other receivables	(32,531)	(28,719)	(27,002)	(28,776)
	134,643	103,948	87,445	105,115
— Non-current				
Prepayment for long-term assets	12,007	—	—	—
Others	822	382	87	17
	12,829	382	87	17

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	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Trade receivables				
— Third parties	1,591,950	1,742,319	1,858,329	1,990,634
— Related parties	24,044	25,374	13,139	15,939
	1,615,994	1,767,693	1,871,468	2,006,573
Less: Impairment for trade receivables	(643,120)	(655,514)	(685,611)	(701,859)
	972,874	1,112,179	1,185,857	1,304,714
Bills receivables				
— Commercial	960	—	—	—
— Bank	39,305	43,505	42,107	40,805
	40,265	43,505	42,107	40,805
Less: Impairment loss for bill receivables	(29)	—	—	—
Sub-total	40,236	43,505	42,107	40,805
Total trade and bill receivables	1,013,110	1,155,684	1,227,964	1,345,519
Prepayment and other receivables				
— Current				
Deposits	52,476	48,297	46,342	47,840
Amounts due from related parties (Note 46)	25,457	—	5,410	238
VAT recoverable	12,461	—	—	—
Prepayments to suppliers	34,398	37,495	21,950	33,430
Interest receivable	6,690	3,783	663	53
Prepaid [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	8,868	3,100	4,575	6,575
	140,350	92,675	86,311	107,497
Less: Impairment loss for other receivables	(26,725)	(21,873)	(21,575)	(22,467)
	113,625	70,802	64,736	85,030
— Non-current				
Prepayment for long-term assets	2,231	—	—	—
Others	752	366	87	17
	2,983	366	87	17

Details of the trade and other receivables due from related parties are set out in Note 46.

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The credit period granted to customers is generally within 60 days during the Track Record Period. The following is aging analysis of trade receivables (net of impairment losses), presented based on the respective revenue recognition dates, at the end of each financial period during the Track Record Period:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Within 1 year	1,039,433	1,195,052	1,276,777	1,393,689
1 to 2 years	193,822	236,745	295,552	280,562
2 to 3 years	96,168	94,214	93,534	139,396
Over 3 years	518,164	535,024	542,671	543,944
	1,847,587	2,061,035	2,208,534	2,357,591
Less: Impairment loss for trade receivables	(693,371)	(717,455)	(758,085)	(776,891)
	1,154,216	1,343,580	1,450,449	1,580,700

Movements in lifetime ECL that have been recognized for trade receivables in accordance with the simplified approach set out in IFRS 9 during the Track Record Period:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
At the beginning of the year	634,688	693,371	717,455	758,085
Impairment losses recognized	98,837	46,981	74,517	19,074
Amounts written off as uncollectible	(40,517)	(27,194)	(33,835)	—
Exchange difference	363	4,297	(52)	(268)
At the end of the year	693,371	717,455	758,085	776,891

The Company

The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the respective revenue recognition dates, at the end of each financial period during the Track Record Period:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Within 1 year	853,443	960,959	1,011,555	1,116,312
1 to 2 years	187,626	218,753	269,699	255,413
2 to 3 years	87,713	90,989	88,580	131,910
Over 3 years	487,212	496,992	501,634	502,889
	1,615,994	1,767,693	1,871,468	2,006,573
Less: Impairment loss for trade receivables	(643,120)	(655,514)	(685,611)	(701,859)
	972,874	1,112,179	1,185,857	1,304,714

Movement in lifetime ECL that has been recognized for trade receivables of the Company in accordance with the simplified approach set out in IFRS 9 during the Track Record Period:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
At the beginning of the year	591,511	643,120	655,514	685,611
Impairment losses recognized	92,126	38,348	63,932	16,248
Amounts written off as uncollectible	(40,517)	(25,954)	(33,835)	—
At the end of year	643,120	655,514	685,611	701,859

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27. DEFERRED TAXATION

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets	191,863	209,599	222,962	224,668
Deferred tax liabilities	(106,119)	(115,299)	(117,029)	(116,943)
	<u>85,744</u>	<u>94,300</u>	<u>105,933</u>	<u>107,725</u>

The following are the major deferred tax assets and liabilities recognized and movements during the Track Record Period:

DEFERRED TAX ASSETS

	Impairment allowance	Share-based Payment	Deferred income	Unused Tax Losses	Provision	Unrealized intercompany profits	Lease Liabilities	Other	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As of January 1, 2023	118,288	5,946	832	15,557	—	—	1,584	749	142,956
Credited/(charged) to profit or loss	2,321	(2,450)	(231)	46,270	—	68	(1,584)	(152)	44,242
Movement through business combinations	76	—	—	—	—	—	—	—	76
Credited to reserve	—	—	—	4,589	—	—	—	—	4,589
As of December 31, 2023 and January 1, 2024	120,685	3,496	601	66,416	—	68	—	597	191,863
Credited/(charged) to profit or loss	1,272	11,585	(227)	4,211	—	291	730	(597)	17,265
Movement through business combinations	471	—	—	—	—	—	—	—	471
As of December 31, 2024 and January 1, 2025	122,428	15,081	374	70,627	—	359	730	—	209,599
Credited/(charged) to profit or loss	4,881	3,019	(275)	2,653	118	1,734	1,233	—	13,363
As of December 31, 2025 and January 1, 2026	127,309	18,100	99	73,280	118	2,093	1,963	—	222,962
Credited/(charged) to profit or loss	1,476	1,555	(23)	(238)	(104)	321	(676)	—	1,706
As of April 30, 2026	<u>128,785</u>	<u>19,655</u>	<u>77</u>	<u>73,042</u>	<u>14</u>	<u>1,709</u>	<u>1,287</u>	<u>—</u>	<u>224,668</u>

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DEFERRED TAX LIABILITIES

	Investment in associates RMB'000	Financial assets at FVTOCI RMB'000	Unrealized profit on internal transactions RMB'000	Financial assets at FVTPL RMB'000	Appraisal increment of assets in business combinations under non-common control RMB'000	Right-of-use assets RMB'000	Total RMB'000
As of January 1, 2023	5,373	95,676	1,393	—	—	1,571	104,013
Charged/(credited) to profit or loss	415	(153)	(1,393)	4,004	158	(1,122)	1,909
Charged to other comprehensive income	—	45	—	—	—	—	45
Exchange difference	—	152	—	—	—	—	152
As of December 31, 2023 and January 1, 2024	5,788	95,720	—	4,004	158	449	106,119
Charged/(credited) to profit or loss	4,049	—	—	922	(974)	436	4,433
Charged to other comprehensive income	—	312	—	—	—	—	312
Movement through business combinations	—	—	—	—	4,435	—	4,435
As of December 31, 2024 and January 1, 2025	9,837	96,032	—	4,926	3,619	885	115,299
Charged/(credited) to profit or loss	(3,586)	—	—	16	(573)	1,274	(2,869)
Charged to other comprehensive income	—	4,599	—	—	—	—	4,599
As of December 31, 2025 and January 1, 2026	6,251	100,631	—	4,942	3,046	2,159	117,029
Charged/(credited) to profit or loss	—	—	—	432	(258)	(406)	(232)
Charged to other comprehensive income	—	146	—	—	—	—	146
As of April 30, 2026	6,251	100,777	—	5,374	2,788	1,753	116,943

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The Company

The following is a summary of the deferred tax balances of the Company for financial reporting purposes:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Deferred tax assets	189,894	202,777	213,524	215,653
Deferred tax liabilities	(51,055)	(52,725)	(57,349)	(57,953)
	<u>138,839</u>	<u>150,052</u>	<u>156,175</u>	<u>157,700</u>

The following are the major deferred tax assets and liabilities recognized and movements during the Track Record Period:

DEFERRED TAX ASSETS

	Impairment allowance RMB'000	Share-based Payment RMB'000	Deferred income RMB'000	Unused tax losses RMB'000	Provision RMB'000	Lease liabilities RMB'000	Other RMB'000	Total RMB'000
As of January 1, 2023	110,461	5,946	828	10,164	—	1,370	749	129,518
Credited/(charged) to profit or loss	11,637	(2,450)	(227)	52,938	—	(1,370)	(152)	60,376
As of December 31, 2023 and January 1, 2024	122,098	3,496	601	63,102	—	—	597	189,894
Credited/(charged) to profit or loss	(1,985)	11,585	(227)	3,377	—	730	(597)	12,883
As of December 31, 2024 and January 1, 2025	120,113	15,081	374	66,479	—	730	—	202,777
Credited/(charged) to profit or loss	2,722	3,019	(274)	3,908	139	1,233	—	10,747
As of December 31, 2025 and January 1, 2026	122,835	18,100	100	70,387	139	1,963	—	213,524
Credited/(charged) to profit or loss	1,290	1,555	(22)	—	(18)	(676)	—	2,129
As of April 30, 2026	<u>124,125</u>	<u>19,655</u>	<u>78</u>	<u>70,387</u>	<u>121</u>	<u>1,287</u>	<u>—</u>	<u>215,653</u>

DEFERRED TAX LIABILITIES

	Financial assets at FVTOCI RMB'000	Financial assets at FVTPL RMB'000	Right-of-use assets RMB'000	Total RMB'000
As of January 1, 2023	46,559	—	1,356	47,915
(Credited)/charged to profit or loss	—	4,004	(908)	3,096
(Credited)/charged to other comprehensive income	44	—	—	44
As of December 31, 2023 and January 1, 2024	46,603	4,004	448	51,055
(Credited)/charged to profit or loss	—	921	437	1,358
(Credited)/charged to other comprehensive income	312	—	—	312
As of December 31, 2024 and January 1, 2025	46,915	4,925	885	52,725
(Credited)/charged to profit or loss	—	16	1,274	1,290
(Credited)/charged to other comprehensive income	3,334	—	—	3,334
As of December 31, 2025 and January 1, 2026	50,249	4,941	2,159	57,349
(Credited)/charged to profit or loss	—	432	(406)	26
(Credited)/charged to other comprehensive income	578	—	—	578
As of April 30, 2026	<u>50,827</u>	<u>5,373</u>	<u>1,753</u>	<u>57,953</u>

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28. INVENTORIES

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Goods-in-transit	32,763	—	—	—
Work in progress	310,776	252,165	247,473	268,214
	343,539	252,165	247,473	268,214
Less: Impairment	(46,330)	(31,541)	(24,221)	(19,770)
	297,209	220,624	223,252	248,444

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Goods-in-transit	32,763	—	—	—
Work in progress	287,891	219,275	248,345	268,346
	320,654	219,275	248,345	268,346
Less: Impairment	(38,928)	(21,737)	(23,390)	(16,790)
	281,726	197,538	224,955	251,556

29. CONTRACT ASSETS

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Gross contract assets	310,240	315,721	320,769	367,286
Less: Impairment	(38,163)	(47,476)	(48,924)	(55,149)
	272,077	268,245	271,845	312,137
Impairment				
At the beginning of the year/period	61,095	38,163	47,476	48,924
Impairment losses (reversed)/recognized	(20,834)	9,417	2,015	6,225
Amounts written off as uncollectible	(2,098)	(104)	(567)	—
At the end of year/period	38,163	47,476	48,924	55,149

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Gross contract assets	306,465	307,480	316,603	363,882
Less: Impairment	(37,788)	(46,921)	(48,716)	(54,979)
	268,677	260,559	267,887	308,903
Impairment				
At the beginning of the year/period	60,834	37,788	46,921	48,716
Impairment losses (reversed)/recognized	(20,948)	9,234	2,362	6,263
Amounts written off as uncollectible	(2,098)	(101)	(567)	—
At the end of year/period	37,788	46,921	48,716	54,979

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Contract assets are generally the service provided for some on-going contracts where the payment from customers is subject to the final completion of the full contract term and the final payments of revenue contracts which are due at the end of the quality assurance period. Contract assets are recorded as the Group has no right on these amounts of consideration when the revenue is recognized.

Details of contract assets with related parties are set out in Note 46.

30. BUSINESS COMBINATION

During the Track Record Period, the Group has completed several acquisitions of subsidiaries, of which are detailed as below:

(a) For the year ended December 31, 2023

Name of the subsidiary acquired	Vendor	Percentage of equity interests acquired	Principal activity	Date of completion
Qian Hai WinKey Tech Co., Ltd.	Independent third parties	51%	Provision of digital marketing products and marketing services	December 2023

Acquisition of Qian Hai WinKey Tech Co., Ltd. (“WinKey Tech”)

In August 2023, the Company entered into an equity transfer agreement with the shareholder of WinKey Tech to acquire a total of 51% equity interests in WinKey Tech for a cash consideration of approximately RMB8,467,000.

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value RMB’000
Cash and cash equivalents	6,935
Trade receivables	1,852
Prepayments, deposits and other receivables	1,356
Inventories	1,861
Other non-current assets	1,586
Trade payables	(409)
Other payables and accruals	(1,173)
Contract liabilities	(1,333)
Other non-current liabilities	(158)
Net identifiable assets acquired	10,517
Cash consideration paid	8,467
Add: Non-controlling interests	5,153
Less: Fair value of net identifiable assets acquired	(10,517)
Goodwill as of acquisition date (Note 22)	3,103
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	8,467
Less: Cash and cash equivalents acquired	(6,935)
	1,532

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB2,881,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB3,428,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was RMB547,000. Goodwill reflected the expected synergies from integrating the acquired companies’ specialised digitalization and intelligenisation solution know-how with the Group’s existing business, the value of the assembled workforce, and other intangible assets that do not qualify for separate recognition, including established customer relationships and the future growth potential from business cooperation initiatives.

The non-controlling interests recognised at the acquisition date were measured at 49% of the net assets acquired.

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From the date of the acquisition to December 31, 2023, WinKey Tech did not contribute any revenue and profit to the Group as the acquisition was completed in December 2023. Had the acquisition of Winkey Tech been completed on January 1, 2023, revenue for the year of the Group would have been RMB2,991,159,000, and loss for the year would have been RMB12,879,000. The [REDACTED] information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2023, nor is it intended to be a projection of future results.

(b) For the year ended December 31, 2024

Acquisition of Shanghai Dingyi Information Technology Co., Ltd. (“Shanghai Dingyi”)

In January 2024, The Company entered into a debt-to-equity conversion agreement with the shareholder of Shanghai Dingyi to convert its receivables due from Shanghai Dingyi to equity of Shanghai Dingyi. The gross amount and carrying amount of receivables due from Shanghai Dingyi was approximately RMB38,091,000 and RMB25,326,000, respectively, representing 35.24% of the enlarged equity subsequent to the conversion.

The acquisition was completed in January 2024. The Company previously held 27.85% equity interest in the investee. Upon the completion, the Company holds 63.09% equity interest of the investee and obtained control.

Name of the subsidiary acquired	Vendor	Percentage of equity interests acquired	Principal activity	Date of completion
Shanghai Dingyi Information Technology Co., Ltd.	Independent third parties	35.24%	Provision of digital operating products and service to hospital	January 2024

Details of the fair value of identifiable assets and liabilities acquired are as follows:

	Fair value RMB’000
Cash and cash equivalents	1,776
Trade receivables	9,924
Prepayments, deposits and other receivables	212
Inventories	16,927
Intangible assets	33,018
Other assets	1,699
Borrowings	(5,686)
Trade payables	(3,300)
Other payables and accruals	(4,267)
Contract liabilities	(3,725)
Deferred tax liabilities	(4,435)
Other liabilities	(785)
Net identifiable assets acquired	41,358
Fair value of amount due from Shanghai Dingyi	25,326
Fair value of the 43% equity previously held	19,495
Add: Non-controlling interests	13,689
Less: Fair value of net identifiable assets acquired	(41,358)
Goodwill as of acquisition date (Note 22)	17,152
Net cash inflow arising on acquisition of a subsidiary:	
Cash consideration paid	—
Less: Cash and cash equivalents acquired	(1,776)
	(1,776)

The fair value of trade and other receivables at the date of acquisition amounted to approximately RMB10,128,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately RMB14,749,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was RMB4,621,000. Goodwill reflected the expected synergies from integrating the acquired companies’ specialised digitalization and intelligenisation solution know-how with the Group’s existing business, the value of the assembled workforce, and other intangible assets that do not qualify for separate recognition, including established customer relationships and the future growth potential from business cooperation initiatives.

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The non-controlling interests recognised at the acquisition date was measured at 36.91% of the net assets acquired, with the adjustment of paid in capital by each shareholders.

Since the acquisition date, Shanghai Dingyi has contributed approximately RMB39,548,000 to the Group’s revenue and a net profit of approximately RMB3,696,000 to the overall result of the Group for the year ended December 31, 2024. Had the acquisition of Shanghai Dingyi been completed on January 1, 2024, revenue for the year of the Group would have been RMB3,230,668,000, and profit for the year would have been RMB189,145,000. The [REDACTED] information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2024, nor is it intended to be a projection of future results.

31. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS, TIME DEPOSITS AND CERTIFICATES OF DEPOSITS

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Cash and cash equivalents	1,202,592	1,095,782	1,721,420	835,511
Restricted bank deposits	1,512	3,008	5,139	5,853
Term deposits and certificates of deposits	335,791	518,968	282,386	302,719
	<u>1,539,895</u>	<u>1,617,758</u>	<u>2,008,945</u>	<u>1,144,083</u>

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Cash and cash equivalents	521,661	586,688	1,013,723	448,039
Restricted bank deposits	1,350	2,560	3,090	3,738
Term deposits and certificates of deposits	66,932	85,000	—	20,000
	<u>589,943</u>	<u>674,248</u>	<u>1,016,813</u>	<u>471,777</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Majority of the term deposits and certificates of deposits are made for varying periods of between one months and six months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposits and certificates of deposits rates.

32. TRADE, OTHER PAYABLES AND ACCRUALS

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Trade payables				
— Third parties	46,138	58,069	82,474	64,886
— Related parties	7,538	1,949	1,318	419
Trade and bills payables	<u>53,676</u>	<u>60,018</u>	<u>83,792</u>	<u>65,305</u>
Other payables and accruals:				
Salary and bonus payables	248,713	220,582	234,526	163,760
Other taxes payable	47,475	36,154	67,244	37,302
Accrued expense	40,212	38,741	25,673	29,211
Payable related to 2023 ESOP	31,360	53,710	—	—
Other	15,769	17,542	22,075	21,348
	<u>383,529</u>	<u>366,729</u>	<u>349,518</u>	<u>251,621</u>
Total trade and other payables and accruals	<u>437,205</u>	<u>426,747</u>	<u>433,310</u>	<u>316,926</u>

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The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Trade payables				RMB'000
— Third parties	32,778	34,570	48,609	42,213
— Related parties	—	—	1,318	420
	<u>32,778</u>	<u>34,570</u>	<u>49,927</u>	<u>42,633</u>
Other payables and accruals:				
Salary and bonus payables	169,987	142,103	148,926	103,566
Other taxes payable	22,734	17,633	38,064	15,152
Accrued expense	68,750	30,672	18,262	22,582
Payable related to 2023 ESOP	—	53,710	—	—
Other	9,528	10,128	17,210	16,344
	<u>270,999</u>	<u>254,246</u>	<u>222,462</u>	<u>157,644</u>
Total trade and other payables and accruals	<u>303,777</u>	<u>288,816</u>	<u>272,389</u>	<u>200,277</u>

Details of the trade and other payables due to related parties are set out in Note 46.

The following is an aging analysis of trade payables presented based on transaction date at the end of each of the reporting year/period:

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Within 1 year	51,738	55,553	72,824	54,816
Over 1 year	1,938	4,465	10,968	10,489
	<u>53,676</u>	<u>60,018</u>	<u>83,792</u>	<u>65,305</u>

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Within 1 year	32,110	30,607	41,641	33,830
Over 1 year	668	3,963	8,286	8,803
	<u>32,778</u>	<u>34,570</u>	<u>49,927</u>	<u>42,633</u>

Credit period with suppliers are mainly within 60 days.

33. CONTRACT LIABILITIES

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
— Third parties	156,238	176,101	160,768	160,587
— Related parties	153	85	—	—
	<u>156,391</u>	<u>176,186</u>	<u>160,768</u>	<u>160,587</u>

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The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
— Third parties	132,795	135,168	139,203	139,771

Usually 20% to 30% of contract sum is received upon signing the contracts with customers with revenue recognising based on a point in time. These deposits are recognised as contract liabilities until the related performance obligation is performed and the corresponding balance is transferred to revenue.

Details of contract liabilities with related parties are set out in Note 46.

34. BORROWINGS

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Current bank borrowings, unsecured	396,000	398,798	426,204	577,412

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Current bank borrowings, unsecured	396,000	398,798	421,204	570,412

The carrying amounts of the Group’s and the Company’s current interest-bearing bank borrowings approximate to their fair values.

As at December 31, 2023, 2024, 2025, and April 30, 2026, the borrowings of the Group of RMB10,000,000, RMB148,000, RMB55,000,000 and RMB104,543,426 are subject to variable interest rate ranged from 3.00% to 3.20%, 2.45% to 2.65%, 2.10% to 2.70% and 2.11% to 2.70%, respectively.

As at December 31, 2023, 2024, 2025, and April 30, 2026, the borrowings of the Company of RMB10,000,000, RMB148,000, RMB50,000,000 and RMB99,543,426 are subject to variable interest rate ranged from 3.00% to 3.20%, 2.45% to 2.65%, 2.10% to 2.11% and 2.11% to 2.65%, respectively.

As at December 31, 2023, 2024, 2025, and April 30, 2026, the fixed annual interest rate on the remaining borrowing balances of the Group and the Company were ranged from 2.10% to 3.20%, 1.25% to 3.65%, 1.40% to 2.20% and 1.40% to 2.70%, respectively.

35. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group’s and the Company’s lease liabilities at the end of each reporting period:

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Within one year	6,210	3,807	7,584	7,525
More than one year but within two years	1,844	1,867	7,144	4,601
More than two years but within five years	554	957	886	716
Total lease payments	8,608	6,631	15,614	12,842
Interest	(484)	(295)	(386)	(311)
	8,124	6,336	15,228	12,531
Less: Amounts due for settlement within 12 months shown under current liabilities	6,004	3,624	7,314	7,289
Amount due for settlement after 12 months shown under non-current liabilities	2,120	2,712	7,914	5,242

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The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Within one year	5,874	3,487	6,570	5,822
More than one year but within two years	1,844	1,538	6,654	2,893
More than two years but within five years	554	—	138	46
Total lease payments	8,272	5,025	13,362	8,761
Interest	(477)	(157)	(273)	(177)
	7,795	4,868	13,089	8,584
Less: Amounts due for settlement within 12 months shown under current liabilities	5,675	3,355	6,356	5,675
Amount due for settlement after 12 months shown under non-current liabilities	2,120	1,513	6,733	2,909

The Group and the Company have lease contracts for offices used generally have lease terms between 1 year and 6 years in its operations. Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The lease contracts of factories comprise only fixed payments over the lease terms and do not include any extension nor termination options.

Lump sum payments were made upfront to acquire the leased land from the owners with no ongoing payments will be made under the terms of these land leases. The lease period of the land is 50 years.

36. CONVERTIBLE BONDS

The Group and the Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Liability component as of January 1	827,917	—	—	—
Interest accrual	10,663	—	—	—
Interest payment	—	—	—	—
Conversion	(835,654)	—	—	—
Repayment during the year	(2,926)	—	—	—
Liability component as of December 31/April 30	—	—	—	—

On November 23, 2020, the Company issued 9,371,500 convertible bonds for an aggregate principal amount of RMB937 million. The interest rate of the convertible bonds is as below:

First year:	0.40%
Second year:	0.60%
Third year:	1.00%
Fourth year:	1.50%
Fifth year:	2.00%
Sixth year:	2.50%

The maturity date of the convertible bonds is the sixth anniversary from the issuance date (November 22, 2026) and can be convertible to ordinary shares of the Company at the holder’s option at the conversion price of RMB9.72 per share during the period from May 27, 2021 to the maturity date of the convertible bonds, but subject to the adjustment following the conversion terms if the Company triggers anti-dilution provisions. As of December 31, 2022 and April 27, 2023, the adjusted conversion rate was RMB9.82 per share and RMB9.82 per share, respectively.

During their conversion period, if the closing prices of the Company’s A-shares are no less than 130% (inclusive) of the conversion price for at least 15 trading days in 30 consecutive trading days, the Company has the right to redeem all or part of the outstanding convertible bonds at their par value plus the current accrued interest.

During the last 2 years of conversion period, if the closing prices of the Company’s A-shares are lower than 70% (inclusive) of the conversion price for at least 30 trading days, the holders of the convertible bond have the right to require the Company to redeem all or part of the outstanding convertible bonds at their par value plus the current accrued interest.

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The early redemption option is considered as closely related to the host debt. The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the convertible bonds. The remainder of the proceeds (RMB170,120,000) is allocated to the conversion option and recognized in other reserve and not subsequently remeasured. The effective interest rate of convertible bonds is 4.89%.

During the years ended December 31, 2023, 9,338,495 convertible bonds with principal amount of RMB933,850,000 were converted into 95,094,710 A shares of the Company.

On April 6, 2023, the early redemption condition has been fulfilled and the Company exercised its right to redeem the remaining convertible bonds. On April 28, 2023, the convertible bonds were fully redeemed upon 28,939 convertible bonds were redeemed for an aggregate amount of RMB2,926,000.

37. DEFERRED INCOME

The Group and the Company

	Assets related RMB'000	Income related RMB'000	Total RMB'000
Non-current:			
As of January 1, 2023	4,962	556	5,518
Credited to profit or loss	(1,234)	(278)	(1,512)
As of December 31, 2023 and January 1, 2024	3,728	278	4,006
Credited to profit or loss	(1,235)	(278)	(1,513)
As of December 31, 2024 and January 1, 2025	2,493	—	2,493
Credited to profit or loss	(1,830)	—	(1,830)
As of December 31, 2025 and January 1, 2026	663	—	663
Credited to profit or loss	(151)	—	(151)
As of April 30, 2026	512	—	512

Note: The amounts primarily consist of incentives provided by local authorities. These funds are recognized as deferred income and systematically released to statement of profit or loss over the estimated useful lives of the related property, plant and equipment or the designated period. For grants related to income, the amounts received are recognized in profit or loss over the periods necessary to match them with the related costs they are intended to compensate.

38. SHARE CAPITAL

The Group and Company

	Number of ordinary shares '000	RMB'000
Ordinary shares of RMB1.00 each		
As of January 1, 2023	867,927	867,927
— Upon exercise of options under share option scheme (note 40)	21,320	21,320
— Upon conversion of convertible bonds (note 36)	95,095	95,095
As of December 31, 2023 and January 1, 2024	984,342	984,342
— Upon exercise of options under share option scheme (note 40)	504	504
As of December 31, 2024 and January 1, 2025	984,846	984,846
— Upon exercise of options under share option scheme (note 40)	37,657	37,657
As of December 31, 2025 and January 1, 2026	1,022,503	1,022,503
— Upon exercise of options under share option scheme (note 40)	969	969
As of April 30, 2026	1,023,472	1,023,472

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39. TREASURY SHARES AND RESERVES

The Group and Company

Treasury Shares

	2023		As of December 31, 2024		2025		As of April 30, 2026	
	Number of shares	RMB'000	Number of shares	RMB'000	Number of shares	RMB'000	Number of shares	RMB'000
Opening balance	7,264,018	69,792	12,541,690	81,529	12,541,690	58,593	541,690	4,883
Repurchase of shares (note i)	5,277,672	48,083	—	—	—	—	—	—
2023 ESOP (note ii)	—	(36,346)	—	(22,936)	(12,000,000)	(53,710)	—	—
Closing balance	12,541,690	81,529	12,541,690	58,593	541,690	4,883	541,690	4,883

Treasury shares are own equity instruments which are held by the Company or the Group and are recognized directly in equity at cost. No gain or loss is recognized in the consolidated statements of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

Notes:

- (i) During the year ended December 31, 2023, the Company has acquired shares in the open market for distribution of dividend.
- (ii) During the years ended December 31, 2023 and 2024, amounts of RMB36,346,000 and RMB22,936,000, representing the difference between repurchase cost by the Company and subscription price, were transferred from share premium to treasury shares upon granting 7,000,018 and 4,999,982 shares under 2023 ESOP. During the year ended December 31, 2025, an amount of RMB53,710,000 was released to share premium from treasury shares upon fulfilment of relevant conditions.

Description of each of the reserve

Notes:

(a) Other reserve

The amount mainly represents reserve created upon issuance of convertible bonds and group reorganization in prior years.

(b) Share option reserve

Balance represents accumulated value of services received from employees in exchange for share options granted as part of a share-based compensation plan.

(c) Translation reserve

The amount represents exchange differences arising upon translation of the net assets of foreign operations into presentation currency of the Company.

(d) Investment revaluation reserve

The amount represents surplus of deficits arising from the fair value changes or financial assets measured at FVOCI.

(e) Cash flow hedge reserve

The changes in the fair value relating to the effective portion of hedging instruments that are designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated in hedging reserve in equity.

(f) Statutory reserve

In accordance with the articles of association of subsidiaries established in the PRC, these subsidiaries are required to transfer 10% of the profit after taxation in accordance to China Accounting Standards for Business Enterprises to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve shall be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years’ losses, expand the existing operations or convert into additional capital of the subsidiaries.

(g) Retained earnings

Cumulative income and expenditure, including net gains and losses recognized in profit or loss.

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40. SHARE-BASED PAYMENT

During the Track Record Period, the Company operated several restricted share schemes, share option schemes and employee share ownership plan. The schemes and plan are designed to provide an incentive to attract and retain employees of the Group and to align the long-term interests of employees and shareholders. Eligible participants of these restricted share schemes include directors, senior management, core technical personnel, and key staff in management, technology, and business fields of the Group. Under these schemes and plan, restricted shares or options are granted to eligible participants subject to vesting conditions basing on the Group’s performance and individual appraisal results.

The Group uses the Black-Scholes valuation model to determine the estimated fair value for each of the restricted share and option granted.

	2021 Share Option Scheme	2021 Second Share Option Scheme	2024 Restricted Share Scheme
Share price on grant date	RMB6.97	RMB8.72	RMB6.33
Exercise price/subscription price	RMB7.77	RMB7.77	RMB3.36 and 3.38
Expected volatility (<i>note i</i>)	17.94%–21.74%	17.78%–22.27%	—
Expected life	1–3 years	1–3 years	1–2 years
Risk-free rate	1.50%–2.75%	1.50%–2.75%	—
Expected dividend yield	1.099%	—	—
Weighted average fair value on grant date	RMB0.45	RMB1.44	RMB3.04

Note (i): Expected volatility of 2021 share option scheme and 2021 Second Share Option scheme is based on the historical volatility of Shenzhen Stock Exchange Component Index and Shenzhen Stock Exchange Growth Enterprise Index, respectively.

Note (ii): The risk-free interest rate is based on the China Bond Government Bond Yield Curve at the time of grant for the period equal to the expected life.

Note (iii): Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant.

2021 Share Option Scheme

As approved by shareholders meeting on February 1, 2021, the Company granted 51,200,000 share options of ordinary shares to 912 employees at an exercise price of RMB7.77 per share (“2021 Share Option Scheme”).

The lock-up periods, performance target and allocation basis of the 2021 Share Option are summarised in the table below:

Unlocking period	Performance target	Allocation
— From the first trading date after 12-month period from date of grant to the last trading date of the 24-month from the date of grant	— Net profit growth in 2022 compared to 2019 is not less than 15%	50%
— From the first trading date after 24-month period from date of grant to the last trading date of the 36-month from the date of grant	— Net profit growth in 2023 compared to 2019 is not less than 25%	30%
— From the first trading date after 36-month period from date of grant to the last trading date of the 48-month from the date of grant	— Net profit growth in 2024 compared to 2019 is not less than 35%	20%

2021 Second Share Option Scheme

As approved by shareholders meeting on December 23, 2021 and directors meeting on January 14, 2022, the Company granted 49,370,000 share options of ordinary shares to 153 directors and employees at a grant price of RMB7.77 per share (“2021 Second Share Option Scheme”).

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The lock-up periods, performance target and allocation basis of the 2021 Second Share Option are summarised in the table below:

Unlocking period	Performance target	Allocation
— From the first trading date after 12-month period from date of grant to the last trading date of the 24-month from the date of grant	— Net profit growth in 2022 compared to 2020 is not less than 80%	30%
— From the first trading date after 24-month period from date of grant to the last trading date of the 36-month from the date of grant	— Net profit growth in 2023 compared to 2020 is not less than 100%	30%
— From the first trading date after 36-month period from date of grant to the last trading date of the 48-month from the date of grant	— Net profit growth in 2024 compared to 2020 is not less than 120%	40%

2024 Restricted Share Scheme

As approved by shareholders meeting on May 6, 2024 and directors meeting on June 3, 2024, the Company granted 33,980,000 restricted ordinary shares (par value of RMB1 per share) to 268 employees at a grant price of RMB3.38 per share. On September 30, 2024, the directors further granted 8,000,000 restricted ordinary shares (par value of RMB1 per share) to 63 employees at a grant price of RMB3.36 per share. The restricted ordinary shares of 41,980,000 granted on June 3, 2024 and September 30, 2024 were collectively referred as 2024 Restricted Share Scheme.

The lock-up periods, the allocation basis of the 2024 Restricted Share Scheme are summarised in the table below:

Unlocking period	Allocation
From the first trading date after 12-month period from date of grant to the last trading date of the 24-month from the date of grant	50%
From the first trading date after 24-month period from date of grant to the last trading date of the 36-month from the date of grant	50%

2023 Employee Share Ownership Plan

On October 30, 2023 shareholders meeting of the Company, an employee share ownership plan was approved to 4 senior management, with a scale not exceeding 12,000,000 shares at a purchase price of RMB4.48 per share (“2023 ESOP”). The shares granted by the Company under the 2023 ESOP are subject to a 12-month lock-up period. At the end of the lock-up period, the shares will be distributed to the participants subject to meeting relevant performance evaluation criteria. During the years ended December 31, 2023 and 2024, shares of 7,000,018 and 4,999,982 have been repurchased in the market and transferred to a designated accounts as treasury share, respectively. Those shares have been subscribed by participants at RMB4.48 per share and RMB4.47 per share at the respective years. On May 28, 2025, 12,000,000 shares under 2023 ESOP become exercisable upon the directors of the Company approving all the conditions of the 2023 ESOP have been met. Fair value of shares under 2023 ESOP is estimated with reference to market price on grant date.

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Set out below are details of the movements of the outstanding share options granted under the share option schemes restricted share scheme and 2023 ESOP during the Track Record Period:

	2023		As of December 31, 2024		2025		As of April 30, 2026	
	Weighted average exercise price RMB	Number	Weighted average exercise price RMB	Number	Weighted average exercise price RMB	Number	Weighted average exercise price RMB	Number
2021 Share Option Scheme								
Outstanding at the beginning of the year/period	7.77	27,639,352	7.77	10,498,965	—	—	—	—
Vested and exercised	7.77	(14,278,370)	7.77	(233,427)	—	—	—	—
Forfeited	7.77	(2,862,017)	7.77	(10,265,538)	—	—	—	—
Outstanding at the end of the year/period	7.77	10,498,965	—	—	—	—	—	—
Remaining contractual life	N/A	13 month	N/A	1 month	—	—	—	—
Exercisable option at the end of the year/period	N/A	3,312,965	—	—	—	—	—	—
2021 Second Share Option Scheme								
Outstanding at the beginning of the year/period	7.77	49,370,000	7.77	41,028,100	7.77	18,940,000	7.77	969,000
Granted	—	—	—	—	—	—	—	—
Vested and exercised	7.77	(7,041,900)	7.77	(270,084)	7.77	(17,899,000)	7.77	(969,000)
Forfeited	7.77	(1,300,000)	7.77	(21,818,016)	7.77	(72,000)	—	—
Outstanding at the end of the year/period	7.77	41,028,100	7.77	18,940,000	7.77	969,000	—	—
Remaining contractual life	N/A	25 months	N/A	13 months	N/A	1 month	—	—
Exercisable option at the end of the year/period	N/A	7,379,100	N/A	—	N/A	969,000	—	—
2024 Restricted Share Scheme								
Outstanding at the beginning of the year/period	—	—	—	—	3.38	41,980,000	3.38	20,952,000
Granted	—	—	3.38	41,980,000	—	—	—	—
Vested	—	—	—	—	3.38	(19,758,000)	—	—
Forfeited	—	—	—	—	3.37	(1,270,000)	—	—
Outstanding at the end of the year/period	—	—	3.38	41,980,000	3.38	20,952,000	3.38	20,952,000
Remaining contractual life	N/A	—	N/A	18–21 months	N/A	6–9 months	N/A	2–5 months
2023 ESOP								
Outstanding at the beginning of the year/period	—	—	4.48	7,000,018	4.48	12,000,000	—	—
Granted and subscribed	4.48	7,000,018	4.47	4,999,982	—	—	—	—
Exercised	—	—	—	—	4.48	(12,000,000)	—	—
Outstanding at the end of the year/period	—	7,000,018	4.48	12,000,000	—	—	—	—

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41. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities comprising the Group will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group’s overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of lease liabilities, borrowings (net of cash and cash equivalents), convertible bonds and equity attributable to owners of the Company (comprising capital and reserves).

Management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts.

42. OVERVIEW OF THE GROUP’S EXPOSURE TO CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group’s maximum exposure to credit risk which causes a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of the financial position.

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s history of making payments when due and current ability to pay and consider information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collaterals from customers.

The Group measures impairment for trade receivables at an amount equal to lifetime ECLs, which is assessed for impairment on individual basis and collective basis based on different credit risk characteristics. For collective group basis, as there are three different customer segments which have different loss patterns, the Group measures impairment of the three different customer segments separately.

Trade receivables and contract assets are categorized as follows for assessment purpose:

- Group 1 — individual: credit impaired receivables and contract assets
- Group 2 — collective: other trade receivables and contract assets from state-owned enterprise customer
- Group 3 — collective: other trade receivables and contract assets from other customers
- Group 4 — collective: others

As of December 31, 2023, 2024, 2025, and April 30, 2026, the gross amount of trade receivables and contract assets in these categories are as follows:

		As of December 31,			As of
		2023	2024	2025	April 30, 2026
Group 1	Trade receivables	49,230	47,961	75,778	75,420
	Contract assets	5,096	6,900	5,086	5,147
Group 2	Trade receivables	618,808	752,240	730,036	830,476
	Contract assets	119,586	121,179	125,965	154,320
Group 3	Trade receivables	1,165,933	1,253,446	1,393,880	1,434,723
	Contract assets	185,558	187,642	189,718	207,819
Group 4	Trade receivables	13,616	7,388	8,840	16,972

The Group individually assessed the recoverability of the balance with customers under Group 1 which are considered credit impaired with 100%, 86%, 65% and 67% of the gross amount were impaired as of December 31, 2023, 2024, 2025, and April 30, 2026, respectively.

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The impairment of Group 2 as of December 31, 2023, 2024, 2025, and April 30, 2026 was determined as follows:

As of December 31, 2023				
	Gross amount		Loss allowance	Expected loss rate
	Trade receivables	Contract assets		
	RMB'000	RMB'000	RMB'000	%
Within 1 year	399,389	97,446	14,905	3%
1–2 year	103,941	12,386	17,449	15%
2–3 year	27,756	6,929	12,140	35%
3–4 year	23,805	2,825	17,309	65%
4–5 year	22,110	—	17,688	80%
Over 5 years	41,807	—	41,808	100%
	<u>618,808</u>	<u>119,586</u>	<u>121,299</u>	<u>16%</u>
As of December 31, 2024				
	Gross amount		Loss allowance	Expected loss rate
	Trade receivables	Contract assets		
	RMB'000	RMB'000	RMB'000	%
Within 1 year	491,149	92,997	17,524	3%
1–2 year	118,661	12,475	19,670	15%
2–3 year	48,163	6,634	19,179	35%
3–4 year	16,401	6,248	14,721	65%
4–5 year	19,338	2,825	17,730	80%
Over 5 years	58,528	—	58,529	100%
	<u>752,240</u>	<u>121,179</u>	<u>147,353</u>	<u>17%</u>
As of December 31, 2025				
	Gross amount		Loss allowance	Expected loss rate
	Trade receivables	Contract assets		
	RMB'000	RMB'000	RMB'000	%
Within 1 year	481,471	102,551	17,521	3%
1–2 year	98,164	9,760	16,189	15%
2–3 year	39,697	4,643	15,519	35%
3–4 year	32,869	1,209	22,150	65%
4–5 year	12,478	5,180	14,127	80%
Over 5 years	65,357	2,622	67,979	100%
	<u>730,036</u>	<u>125,965</u>	<u>153,485</u>	<u>18%</u>
As of April 30, 2026				
	Gross amount		Loss allowance	Expected loss rate
	Trade receivables	Contract assets		
	RMB'000	RMB'000	RMB'000	%
Within 1 year	555,711	126,914	20,479	3%
1–2 year	125,928	13,229	20,874	15%
2–3 year	36,842	4,895	14,608	35%
3–4 year	31,529	1,289	21,332	65%
4–5 year	12,606	2,142	11,799	80%
Over 5 years	67,860	5,851	73,710	100%
	<u>830,476</u>	<u>154,320</u>	<u>162,802</u>	<u>17%</u>

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The impairment of Group 3 as of December 31, 2023, 2024, 2025, and April 30, 2026 was determined as follows:

As of December 31, 2023				
	Gross amount		Loss	Expected
	Trade	Contract assets	allowance	loss rate
	receivables			
	RMB'000	RMB'000	RMB'000	%
Within 1 year	626,428	163,483	39,497	5%
1–2 year	78,155	12,453	45,305	50%
2–3 year	53,465	7,686	61,151	100%
3–4 year	57,408	1,936	59,344	100%
4–5 year	106,393	—	106,393	100%
Over 5 years	244,084	—	244,084	100%
	<u>1,165,933</u>	<u>185,558</u>	<u>555,774</u>	<u>41%</u>
As of December 31, 2024				
	Gross amount		Loss	Expected
	Trade	Contract assets	allowance	loss rate
	receivables			
	RMB'000	RMB'000	RMB'000	%
Within 1 year	687,774	159,753	42,377	5%
1–2 year	116,002	15,608	65,805	50%
2–3 year	34,080	5,949	40,029	100%
3–4 year	45,612	4,636	50,248	100%
4–5 year	51,758	1,696	53,454	100%
Over 5 years	318,220	—	318,220	100%
	<u>1,253,446</u>	<u>187,642</u>	<u>570,133</u>	<u>40%</u>
As of December 31, 2025				
	Gross amount		Loss	Expected
	Trade	Contract assets	allowance	loss rate
	receivables			
	RMB'000	RMB'000	RMB'000	%
Within 1 year	786,466	154,742	47,060	5%
1–2 year	152,393	24,727	88,560	50%
2–3 year	52,230	686	52,916	100%
3–4 year	30,730	4,267	34,997	100%
4–5 year	41,414	3,863	45,277	100%
Over 5 years	330,647	1,433	332,080	100%
	<u>1,393,880</u>	<u>189,718</u>	<u>600,890</u>	<u>38%</u>
As of April 30, 2026				
	Gross amount		Loss	Expected
	Trade	Contract assets	allowance	loss rate
	receivables			
	RMB'000	RMB'000	RMB'000	%
Within 1 year	820,960	173,685	49,732	5%
1–2 year	148,389	16,991	82,690	50%
2–3 year	61,878	6,803	68,681	100%
3–4 year	30,852	4,237	35,090	100%
4–5 year	35,817	3,866	39,683	100%
Over 5 years	336,827	2,237	339,064	100%
	<u>1,434,723</u>	<u>207,819</u>	<u>614,940</u>	<u>37%</u>

The expected loss rate of customers in Group 4 is assessed at 1%.

For customers in Group 2, 3 and 4, expected loss rates are calculated based on actual loss patterns over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables. Expected credit loss of customers in Group 1 is assessed individually by taking account of the severity of credit-impaired events, advice from legal counsel and financial background of counterparties.

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For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Except for the credit-impaired other receivables, there are no significant increase in credit risk of the remaining other receivables since initial recognition and the Group provided impairment based on 12m ECL.

43. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Financial assets				
Amortized cost				
Trade and bills receivables	1,202,854	1,396,496	1,501,925	1,631,005
Restricted bank deposits	1,512	3,008	5,139	5,853
Cash and cash equivalents	1,202,592	1,095,782	1,721,420	835,511
Term deposits and certificates of deposits	335,791	518,968	282,386	302,719
Other receivables	18,074	17,001	10,994	32,499
	2,760,823	3,031,255	3,521,864	2,807,587
Financial assets at FVTOCI:				
Equity investment measured at FVOCI	634,601	651,680	683,970	688,319
Financial assets at FVTPL	69,662	58,800	61,403	805,365
Derivative financial instruments	1,511	—	—	—
	705,774	710,480	745,373	1,493,684
Total	3,466,597	3,741,735	4,267,237	4,301,271

The Group

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Financial liabilities				
Amortized cost				
Trade and other payables	396,993	388,006	407,637	287,715
Borrowings	396,000	398,798	426,204	577,412
Lease liabilities — current	6,004	3,624	7,314	7,289
Lease liabilities — non-current	2,120	2,712	7,914	5,242
Total	801,117	793,140	849,069	877,658

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The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Financial assets				
Amortized cost				
Trade and bills receivables	1,013,110	1,155,684	1,227,964	1,345,519
Amount due from subsidiaries	1,287,743	1,355,033	1,337,660	1,336,105
Cash and cash equivalents	521,661	586,688	1,013,723	448,039
Restricted bank deposits	1,350	2,560	3,090	3,738
Term deposits and certificates of deposits	66,932	85,000	—	20,000
Other receivables	15,558	6,883	5,238	6,628
	2,906,354	3,171,848	3,587,675	3,160,029
Financial assets at FVTOCI:				
Equity investment measured at FVOCI	344,951	347,030	369,260	373,109
Financial assets at FVTPL	52,657	58,800	61,403	492,234
	397,608	405,830	403,663	865,343
Total	3,303,962	3,577,678	4,018,338	4,025,372

The Company

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Financial liabilities				
Amortized cost				
Amount due to subsidiaries	525,433	568,339	600,916	575,675
Trade and other payables	235,027	258,144	254,127	177,695
Borrowings	396,000	393,798	421,204	570,412
Lease liabilities — current	5,675	3,355	6,356	5,675
Lease liabilities — non-current	2,120	1,513	6,733	2,909
Total	1,164,255	1,255,149	1,289,336	1,332,366

b) Financial risk management objectives and policies

The Group’s major financial instruments include trade, bills and other receivables, cash and cash equivalents, restricted bank deposits, term deposits and certificates of deposits, financial assets at FVTPL, financial assets at FVTOCI, financial derivative instruments, trade and other payables, borrowings, convertible bonds and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group and the Company manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group’s activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group’s exposure to these risks or the manner in which it managed and measured the risks during each of the reporting period.

(a) Foreign currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, daily expenditures, and cash and cash equivalents, which expose the Group to foreign currency risk.

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The carrying amounts of the Group’s foreign currencies denominated monetary assets and liabilities at the end of each reporting period are as follows:

The Group

	Assets			As of April 30, 2026 RMB'000
	As of December 31,			
	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	
USD	417,561	500,168	542,638	362,163
SGD	307,162	303,855	307,450	305,429
JPY	77,463	98,470	86,279	81,901
Total	802,186	902,493	936,367	749,493
	Liabilities			As of April 30, 2026 RMB'000
	As of December 31,			
	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	
USD	1,201	2,352	7,408	2,060
SGD	1,674	3,120	2,045	2,601
JPY	7,019	11,219	7,520	5,453
Total	9,894	16,691	16,973	10,114

The Company

	Assets			As of
	As of December 31,			April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
USD	221,666	398,769	423,550	247,102
SGD	49,089	20,087	—	—
JPY	26,989	51,607	11,256	14,097
Total	297,744	470,463	434,806	261,199
	Liabilities			As of
	As of December 31,			April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
USD	1,249	6,027	189	—
SGD	22,879	20,067	—	—
JPY	659	2,356	—	—
Total	24,787	28,450	189	—

Sensitivity analysis

The following table details the Group’s sensitivity to a 5% increase and decrease in RMB against USD, SGD and JPY. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding USD, SGD and JPY denominated monetary items for a 5% change in the foreign currency rates against RMB at the end of each of the reporting period during the Track Record Period. The negative number below indicates an increase in loss before taxation/a decrease in profit before tax and equity where RMB strengthens 5% against USD, SGD and JPY. For a 5% weakening of RMB against USD, SGD and JPY there would be an equal and opposite impact on the (loss)/profit before tax and equity with positive numbers.

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The Group

	Increase/ (decrease) by	Impact on profit/(loss) before tax	Impact on equity
As of December 31, 2023			
USD	5%	20,818	17,695
USD	(5%)	(20,818)	(17,695)
SGD	5%	15,274	12,983
SGD	(5%)	(15,274)	(12,983)
JPY	5%	3,522	2,994
JPY	(5%)	(3,522)	(2,994)
As of December 31, 2024			
USD	5%	24,891	21,157
USD	(5%)	(24,891)	(21,157)
SGD	5%	15,037	12,781
SGD	(5%)	(15,037)	(12,781)
JPY	5%	4,363	3,708
JPY	(5%)	(4,363)	(3,708)
As of December 31, 2025			
USD	5%	26,761	22,747
USD	(5%)	(26,761)	(22,747)
SGD	5%	15,270	12,980
SGD	(5%)	(15,270)	(12,980)
JPY	5%	3,938	3,347
JPY	(5%)	(3,938)	(3,347)
As of April 30, 2026			
USD	5%	18,005	15,304
USD	(5%)	(18,005)	(15,304)
SGD	5%	15,141	12,870
SGD	(5%)	(15,141)	(12,870)
JPY	5%	3,822	3,249
JPY	(5%)	(3,822)	(3,249)

The Company

	Increase/ (decrease) by	Impact on profit/(loss) before tax	Impact on equity
As of December 31, 2023			
USD	5%	11,021	9,368
USD	(5%)	(11,021)	(9,368)
SGD	5%	1,311	1,114
SGD	(5%)	(1,311)	(1,114)
JPY	5%	1,317	1,119
JPY	(5%)	(1,317)	(1,119)
As of December 31, 2024			
USD	5%	19,637	16,692
USD	(5%)	(19,637)	(16,692)
SGD	5%	1	1
SGD	(5%)	(1)	(1)
JPY	5%	2,463	2,093
JPY	(5%)	(2,463)	(2,093)
As of December 31, 2025			
USD	5%	21,168	17,993
USD	(5%)	(21,168)	(17,993)
JPY	5%	563	478
JPY	(5%)	(563)	(478)
As of April 30, 2026			
USD	5%	12,355	10,502
USD	(5%)	(12,355)	(10,502)
JPY	5%	705	599
JPY	(5%)	(705)	(599)

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(b) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its restricted bank deposits, term deposits and certificates of deposits, cash and cash equivalents, convertible bonds and lease liabilities. The Group and the Company are exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and economic outlook. The management will review the proportion of borrowings in fixed and variable rates and ensure they are within reasonable range.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group and the Company’s post-tax profit for the year/period would decrease/increase by RMB85,000, RMB1,000, RMB468,000 and RMB296,000 for the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2026, respectively. This is mainly attributable to the Group’s exposure to interest rates on its variable-rate borrowings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s and the Company’s counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group’s and the Company’s credit risk exposures are primarily attributable to trade, bills and other receivables, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, term deposits and certificates of deposits. The Group and the Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables arising from contracts with customers and bills receivables

In order to minimize the credit risk, the management of the Group and the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group’s and the Company’s credit risk is significantly reduced.

The Group has concentration of credit risk as 5.58%, 4.17%, 4.89% and 6.44% of the total trade receivables was due from the Group’s largest debtor as of December 31, 2023, 2024, 2025, and April 30, 2026, respectively. The Group has concentration of credit risk as 14.70%, 10.46%, 12.78% and 14.87% of the total trade receivables was due from the Group’s top five largest debtors as of December 31, 2023, 2024, 2025, and April 30, 2026, respectively.

For trade receivables, the Group and the Company has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the Group’s ageing of outstanding balances. Details of the quantitative disclosures are set out below in note 42.

For bills receivables, the Group has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. All bills receivables are held at reputable financial institutions and there is no significant concentration risk to a single counterparty and there is no history of defaults from these counterparties. Therefore, based on the counterparties are reputable financial institutions with no default history in recent years, the lifetime ECL on bills receivables is considered to be insignificant and therefore minimal impairment was recognized.

Other receivables

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group and the Company provided impairment based on 12 months ECL. The Group individually assessed the recoverability of the balance other receivables which are considered credit impaired with 34%, 45%, 42% and 45% of the gross amount were impaired as of December 31, 2023, 2024, 2025, and April 30, 2026, respectively.

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Restricted bank deposits/time deposits/certificates of deposits held/bank deposits

The Group expects that there is no significant credit risk associated with restricted bank deposits, time deposits, certificates of deposits held and bank deposits since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group also expects that there is no significant credit risk associated with amounts due from related parties since counterparties are mainly related parties with good reputation.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintains a level of bank balances and cash deemed adequate by the management to finance the operations of the Group and the Company, and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of borrowings, if necessary.

The following tables detail the Group’s and the Company’s remaining contractual maturity for its financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of and financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived based on management’s best estimates at the end of each reporting period.

The Group

	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of December 31, 2023	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	396,993	—	—	—	396,993	396,993
Borrowings	396,000	—	—	—	396,000	396,000
Lease liabilities	6,210	1,844	554	—	8,608	8,124
Total	799,203	1,844	554	—	801,601	801,117
	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of December 31, 2024	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	388,006	—	—	—	388,006	388,006
Borrowings	398,798	—	—	—	398,798	398,798
Lease liabilities	3,807	1,867	957	—	6,631	6,336
Total	790,611	1,867	957	—	793,435	793,140
	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of December 31, 2025	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	407,637	—	—	—	407,637	407,637
Borrowings	426,204	—	—	—	426,204	426,204
Lease liabilities	7,584	7,144	886	—	15,614	15,228
Total	841,425	7,144	886	—	849,455	849,069
	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of April 30, 2026	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	287,715	—	—	—	287,715	287,715
Borrowings	577,412	—	—	—	577,412	577,412
Lease liabilities	7,520	4,601	713	—	12,834	12,531
Total	872,647	4,601	713	—	877,961	877,658

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The Company

	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of December 31, 2023	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to subsidiaries	525,433	—	—	—	525,433	525,433
Trade and other payables	235,027	—	—	—	235,027	235,027
Borrowings	396,000	—	—	—	396,000	396,000
Lease liabilities	5,874	1,844	554	—	8,272	7,795
Total	1,162,334	1,844	554	—	1,164,732	1,164,255
	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of December 31, 2024	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to subsidiaries	568,339	—	—	—	568,339	568,339
Trade and other payables	258,144	—	—	—	258,144	258,144
Borrowings	393,798	—	—	—	393,798	393,798
Lease liabilities	3,487	1,538	—	—	5,025	4,868
Total	1,223,768	1,538	—	—	1,225,306	1,225,149
	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of December 31, 2025	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to subsidiaries	600,916	—	—	—	600,916	600,916
Trade and other payables	253,203	—	—	—	253,203	253,203
Borrowings	421,204	—	—	—	421,204	421,204
Lease liabilities	6,570	6,654	138	—	13,362	13,089
Total	1,281,893	6,654	138	—	1,288,685	1,288,412
	On demand or less than one year	Within one to two years	Two to five years	More than five years	Total undiscounted cash flow	Carrying amount
As of April 30, 2026	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to subsidiaries	575,675	—	—	—	575,675	575,675
Trade and other payables	176,891	—	—	—	176,891	176,891
Borrowings	570,412	—	—	—	570,412	570,412
Lease liabilities	5,822	2,894	46	—	8,762	8,584
Total	1,328,800	2,894	46	—	1,331,740	1,331,562

Fair value measurement

c) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in Historical Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS.

- (i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- (ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as of December 31, 2023, 2024, 2025, and April 30, 2026.

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The following table presents the Group’s financial assets that are measured at fair value as of December 31, 2023, 2024, 2025, and April 30, 2026, respectively.

As of December 31, 2023	Level 1 <i>RMB’000</i>	Level 2 <i>RMB’000</i>	Level 3 <i>RMB’000</i>	Total <i>RMB’000</i>
— Financial assets at FVTPL	—	17,005	52,657	69,662
— Financial assets at FVTOCI	—	—	634,601	634,601
— Derivative financial instruments	—	1,511	—	1,511
Total	—	18,516	687,258	705,774
As of December 31, 2024	Level 1 <i>RMB’000</i>	Level 2 <i>RMB’000</i>	Level 3 <i>RMB’000</i>	Total <i>RMB’000</i>
— Financial assets at FVTPL	—	—	58,800	58,800
— Financial assets at FVTOCI	—	—	651,680	651,680
Total	—	—	710,480	710,480
As of December 31, 2025	Level 1 <i>RMB’000</i>	Level 2 <i>RMB’000</i>	Level 3 <i>RMB’000</i>	Total <i>RMB’000</i>
— Financial assets at FVTPL	—	—	61,403	61,403
— Financial assets at FVTOCI	—	—	683,970	683,970
Total	—	—	745,373	745,373
As of April 30, 2026	Level 1 <i>RMB’000</i>	Level 2 <i>RMB’000</i>	Level 3 <i>RMB’000</i>	Total <i>RMB’000</i>
— Financial assets at FVTPL	—	743,822	61,543	805,365
— Financial assets at FVTOCI	—	—	688,319	688,319
Total	—	743,822	749,862	1,493,684

During the Track Record Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movements in Level 3 items for the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2026.

	As of December 31,			As of
	2023	2024	2025	April 30,
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Opening balance	657,767	687,258	710,480	745,373
Additions	2,500	15,000	7,500	—
Disposal	—	—	—	(250)
Change in fair value of financial assets at FVTPL	26,696	6,143	103	390
Change in fair value of financial assets at FVOCI	295	2,079	27,290	4,349
Closing balance	687,258	710,480	745,373	749,862

The fair values of financial assets at FVTPL and financial assets at FVTOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to sales (“EV/S”) and enterprise value to research and development expenses (“EV/R&D”) multiple and price to earnings (“P/E”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable at the end each of the reporting year/period during the Track Record Period.

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Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of foreign exchange forward contracts in Level 2 is determined by discounting the difference between the contractual forward price and the current forward price of foreign exchange rate. The discount rate used is derived from the relevant government bond yield curve as at the end of the reporting period plus an adequate constant credit spread.

The fair value of structured deposits in Level 2 is determined by using a discounted cash flow valuation based on observable market interest rates and yield curve adjusted with credit risk of counterparties.

Valuation techniques and inputs used in Level 3 fair value measurements

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at December 31, 2023, 2024, 2025, and April 30, 2026:

Items	Valuation technique	Significant unobservable input	Range
Financial assets at FVTPL	Market comparable companies	Average EV/S multiple of peers	2023: 3%–12% 2024: 1%–12% 2025: 3%–25% April 30, 2026: 4%–27%
		Average P/E multiple of peers	2023: 29% 2024: — 2025: — April 30, 2026: —
		Discount for lack of marketability (DLOM)	2023: 32% 2024: 26%–34% 2025: 31%–34% April 30, 2026: 31%–36%

The fair value of unlisted financial assets at FVTPL is determined using the EV/S or P/E multiple of comparable listed companies. The fair value measurement is positively correlated to average EV/S multiple of peers. As at December 31, 2023, 2024, 2025, and April 30, 2026, it is estimated that with all other variables held constant, an increase in average EV/S multiple of peers by 5% would have increased the Group’s profit or loss by RMB10,070,000, RMB49,209,000, RMB20,231,000 and RMB32,282,000, respectively. The fair value measurement is positively correlated to average P/E multiple of peers. As at December 31, 2023, it is estimated that with all other variables held constant, an increase in average P/E multiple of peers by 5% would have increased the Group’s profit or loss by RMB31,318,000. The fair value measurement is negatively correlated to the DLOM. As at December 31, 2023, 2024, 2025, and April 30, 2026, it is estimated that with all other variables held constant, an increase in DLOM by 5% would have decreased the Group’s profit or loss by RMB46,209,000, RMB44,358,000, RMB28,976,000 and RMB55,534,000, respectively.

Items	Valuation technique	Significant unobservable input	Range
Financial assets at FVTOCI	Market comparable companies	Average EV/S multiple of peers	2023: 16%–31% 2024: 2%–5% 2025: 2%–9% April 30, 2026: 3%–11%
		Average EV/R&D multiple of peers	2023: 15%–30% 2024: 18%–36% 2025: 22%–49% April 30, 2026: 24%–51%
		DLOM	2023: 32% 2024: 34% 2025: 27%–31% April 30, 2026: 26%–36%

The fair values of unlisted financial assets at FVTOCI are determined using EV/S multiple and EV/R&D multiple of comparable listed companies. The fair value measurement is positively correlated to average EV/S multiple of peers. As at December 31, 2023, 2024, 2025, and April 30, 2026, it is estimated that with all other variables held constant, an increase in average EV/S multiple of peers by 5% would have increased the Group’s other comprehensive income by RMB2,921,000, RMB3,509,000, RMB5,686,000 and RMB5,472,000, respectively. The fair value measurement is positively correlated to average EV/R&D multiple of peers. As at December 31, 2023, 2024, 2025, and April 30, 2026, it is estimated that with all other variables held constant, an increase in average EV/R&D multiple of peers by 5% would have increased the Group’s other comprehensive income by RMB30,448,000, RMB35,291,000, RMB39,936,000 and RMB37,047,000, respectively. The fair value measurement is negatively correlated to the DLOM. As at December 31,

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2023, 2024, 2025, and April 30, 2026, it is estimated that with all other variables held constant, an increase in DLOM by 5% would have decreased the Group’s other comprehensive income by RMB91,626,000, RMB48,962,000, RMB65,373,000 and RMB71,790,000, respectively.

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Dividend payables <i>RMB'000</i>	Total <i>RMB'000</i>
As of January 1, 2023	437,665	10,355	—	448,020
Proceeds from borrowings	840,464	—	—	840,464
Repayment of borrowings	(882,129)	—	—	(882,129)
Repayment of leases liabilities	—	(14,146)	—	(14,146)
Dividends paid to the Company’s shareholders	—	—	(57,755)	(57,755)
Non-cash movement	—	11,915	57,755	69,670
As of December 31, 2023 and January 1, 2024	396,000	8,124	—	404,124
Proceeds from borrowings	705,823	—	—	705,823
Repayment of borrowings	(708,711)	—	—	(708,711)
Repayment of leases liabilities	—	(8,069)	—	(8,069)
Dividends paid to the Company’s shareholders	—	—	(19,636)	(19,636)
Dividends paid to non-controlling interests in subsidiaries	—	—	(3,933)	(3,933)
Non-cash movement	5,686	6,281	23,569	35,536
As of December 31, 2024 and January 1, 2025	398,798	6,336	—	405,134
Proceeds from borrowings	591,999	—	—	591,999
Repayment of borrowings	(576,126)	—	—	(576,126)
Repayment of leases liabilities	—	(9,669)	—	(9,669)
Dividends paid to the Company’s shareholders	—	—	(47,182)	(47,182)
Dividends paid to non-controlling interests in subsidiaries	—	—	(3,840)	(3,840)
Non-cash movement	11,533	18,561	51,022	81,116
As of December 31, 2025	426,204	15,228	—	441,432
As of January 1, 2025	398,798	6,336	—	405,134
Proceeds from borrowings	145,435	—	—	145,435
Repayment of borrowings	(83,880)	—	—	(83,880)
Repayment of leases liabilities	—	(1,901)	—	(1,901)
Non-cash movement	(52)	312	—	260
As of April 30, 2025 (unaudited)	460,301	4,747	—	465,048
As of January 1, 2026	426,204	15,228	—	441,432
Proceeds from borrowings	255,543	—	—	255,543
Repayment of borrowings	(105,000)	—	—	(105,000)
Repayment of leases liabilities	—	(5,196)	—	(5,196)
Non-cash movement	665	2,499	—	3,164
As of April 30, 2026	577,412	12,531	—	589,943

For the years ended December 31, 2023, 2024, 2025, and four months ended April 30, 2026, non-cash movements in borrowings were primarily due to set-offs against term deposits and exchange differences, movements in lease liabilities resulted from new lease contracts and exchange fluctuations, and movements in dividend payables result from dividend declared.

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

APPENDIX I

ACCOUNTANTS’ REPORT

45. CAPITAL COMMITMENTS

At the end of each reporting period, capital commitments contracted but not provided for purchase of property, plant and equipment, intangible assets and land-use-rights assets at the end of reporting period in the Track Record Period are as follows:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Capital expenditure contracted for but not provided	2,931	1,300	64	—

46. RELATED PARTY TRANSACTIONS AND BALANCES

The Group

During the reporting period, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Names of related parties	Relationship
上海漢得知雲軟件有限公司(漢得知雲) (Knowledge Platform Pte.Ltd.)	Associate prior to November 21, 2023 as Mr. Huang Yiquan retired as the Chairman of 漢得知雲 on that date
上海甄實建築科技有限公司(上海甄實) (Shanghai Zhenshi Construction Technology Co., Ltd.)	Associate
上海甄一科技有限公司(上海甄一) (Shanghai Zhenyi Technology Co., Ltd.)	Associate
上海甄零科技有限公司(上海甄零) (Shanghai Zhenling Technology Co., Ltd.)	Associate
ARK Systems Co., Ltd. (ARK Systems)	Associate
上海鼎醫信息技術有限公司(上海鼎醫) (Shanghai Dingyi Information Technology Co., Ltd.)	A subsidiary except the period from January 1, 2023 to January 31, 2024 which 上海鼎醫 was an associate
上海甄知科技有限公司(上海甄知) (Shanghai Zhenzhi Technology Co., Ltd.)	Associate
共享智能鑄造產業創新中心有限公司(共享智能) (Shared Intelligent Casting Industry Innovation Center Co., Ltd.)	Mr. Huang Yiquan, the director of the Company, is also a director of 共享智能
北京百度網訊科技有限公司(百度網訊) (Beijing Baidu Netcom Science and Technology Co., Ltd.)	百度網訊 was no longer a shareholder of the Company with 5% or more shareholding with effective from January 1, 2023

Note: The English names of the related parties registered in the PRC mentioned above are for identification purpose only as they do not have official English names.

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(a) Transactions with related parties

(i) Revenue from related parties

The Group

Name of related party	Year ended December 31,			Four months ended April 30,	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (unaudited)	2026 RMB'000
Shanghai Zhenshi Construction Technology Co., Ltd.	26	—	—	—	15
Shanghai Zhenling Technology Co., Ltd.	2,424	4,645	9,095	1,121	4,937
Shanghai Zhenyi Technology Co., Ltd.	742	5,589	4,258	343	1,133
Shanghai Dingyi Information Technology Co., Ltd.	2,060	—	—	—	—
Shanghai Zhenzhi Technology Co., Ltd.	5,236	5,410	1,988	1,394	—
ARK Systems	—	—	207	92	—
Shared Intelligent Casting Industry Innovation Center Co., Ltd.	—	66	67	—	79
	<u>10,488</u>	<u>15,710</u>	<u>15,615</u>	<u>2,950</u>	<u>6,164</u>

(ii) Fees paid to related parties for services/goods

The Group

Name of related party	Year ended December 31,			Four months ended April 30,	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (unaudited)	2026 RMB'000
Knowledge Platform Pte.Ltd.	259	259	—	—	—
Shanghai Zhenling Technology Co., Ltd.	7,034	10,347	9,119	1,302	1,137
Shanghai Zhenyi Technology Co., Ltd.	2,572	3,778	4,830	1,187	584
Shanghai Dingyi Information Technology Co., Ltd.	3,105	—	—	—	—
Shanghai Zhenzhi Technology Co., Ltd.	7,157	7,760	5,681	2,450	—
	<u>20,127</u>	<u>22,144</u>	<u>19,630</u>	<u>4,938</u>	<u>1,721</u>

(b) Related party balances

(i) Gross trade receivables

The Group

Name of related party	As at December 31,			As of
	2023 RMB'000	2024 RMB'000	2025 RMB'000	April 30, 2026 RMB'000
Knowledge Platform Pte.Ltd	8,761	8,761	—	—
Shanghai Zhenshi Construction Technology Co., Ltd	6,854	6,854	6,854	6,854
Shanghai Zhenling Technology Co., Ltd	726	3,333	9,075	13,198
Shanghai Zhenyi Technology Co., Ltd	1,422	4,328	5,192	6,792
Shanghai Dingyi Information Technology Co., Ltd.	3,152	—	—	—
Shanghai Zhenzhi Technology Co., Ltd.	5,784	8,147	—	—
	<u>26,699</u>	<u>31,423</u>	<u>21,121</u>	<u>26,844</u>

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ACCOUNTANTS’ REPORT

The balances are unsecured, non-interest bearing and aged within one year as at December 31, 2023, 2024, 2025, and April 30, 2026.

(ii) *Gross Contract assets*

The Group

Name of related party	As at December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Shanghai Zhenling Technology Co., Ltd.	288	—	1,197	1,704
Shanghai Zhenyi Technology Co., Ltd.	525	1,938	1,883	797
Shanghai Dingyi Information Technology Co., Ltd.	143	—	—	—
Shanghai Zhenzhi Technology Co., Ltd.	—	625	—	—
Shared Intelligent Casting Industry Innovation Center Co., Ltd.	—	—	—	29
	<u>956</u>	<u>2,563</u>	<u>3,080</u>	<u>2,530</u>

(iii) *Other receivables*

The Group

Name of related party	As at December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Shanghai Zhenling Technology Co., Ltd.	—	—	5,695	146
Shanghai Dingyi Information Technology Co., Ltd.	25,430	—	—	—
Shanghai Zhenyi Technology Co., Ltd.	—	—	—	87
Shanghai Zhenshi Technology Co., Ltd.	—	—	—	5
	<u>25,430</u>	<u>—</u>	<u>5,695</u>	<u>238</u>

(iv) *Prepayments*

The Group

Name of related party	As at December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Shanghai Zhenling Technology Co., Ltd.	—	5,560	5,000	8,850
Shanghai Zhenzhi Technology Co., Ltd.	—	395	—	—
	<u>—</u>	<u>5,955</u>	<u>5,000</u>	<u>8,850</u>

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ACCOUNTANTS’ REPORT

(v) *Trade payables*

The Group

Name of related party	As at December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Shanghai Zhenling Technology Co., Ltd.	757	1,599	35	69
Shanghai Zhenyi Technology Co., Ltd.	585	350	1,283	350
Shanghai Dingyi Information Technology Co., Ltd.	5,608	—	—	—
Shanghai Zhenzhi Technology Co., Ltd.	588	—	—	—
	<u>7,538</u>	<u>1,949</u>	<u>1,318</u>	<u>419</u>

The balances are unsecured, non-interest bearing and aged within one year as at December 31, 2023, 2024, 2025, and April 30, 2026.

(vi) *Gross contract liabilities*

The Group

Name of related party	As at December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Shanghai Zhenyi Technology Co., Ltd.	—	85	—	—
Shanghai Zhenzhi Technology Co., Ltd.	153	—	—	—
	<u>153</u>	<u>85</u>	<u>—</u>	<u>—</u>

(vii) *Other payables*

The Group

Name of related party	As at December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
Knowledge Platform Pte.Ltd.	266	66	—	—
Shanghai Zhenshi Construction Technology Co., Ltd.	1	1	—	—
Shanghai Zhenling Technology Co., Ltd.	154	134	—	—
Shanghai Zhenyi Technology Co., Ltd.	427	95	86	86
Shanghai Zhenzhi Technology Co., Ltd.	—	2	—	—
	<u>848</u>	<u>298</u>	<u>86</u>	<u>86</u>

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ACCOUNTANTS’ REPORT

(c) The Group as a lessor

Name of related party	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Shanghai Zhenling Technology Co., Ltd.	—	—	153	—	102
Shanghai Zhenyi Technology Co., Ltd.	—	—	40	—	26
Shanghai Zhenshi Construction Technology Co., Ltd.	—	22	27	—	15
	—	22	220	—	144

(d) The Group as a lessee

Name of related party	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Shanghai Zhenyi Technology Co., Ltd.	4,587	4,587	—	—	—

(e) Compensation of key management personnel

The remuneration of directors and supervisors of the Company and other members of key management of the Group during the Track Record Period is as follows:

The Group

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Fees, salaries and other benefits	2,451	2,263	2,420	781	790
Share-based payment expenses	1,455	10,941	3,908	3,270	233
Social security costs and housing benefits	371	401	232	85	71
	4,277	13,605	6,560	4,136	1,094

47. LITIGATION

On April 15, 2025, the Company filed a lawsuit against 南京禄口國際機場空港科技有限公司 (Nanjing Lukou International Airport Airport Technology Co., Ltd. or the “Defendent”) at the Jiangning Economic and Technological Development Zone People’s Court for overdue service fees of RMB37,676,000, penalty of RMB1,884,000 and legal fees of RMB1,000,000, respectively.

The court has heard the lawsuit but has not yet rendered a judgment. With reference to a legal letter of the Company’s legal advisor, the Director considers the Company has a high probability in winning the lawsuit and being compensated.

As at December 31, 2025 and April 30, 2026, impairment loss of RMB11,303,000 and RMB13,187,000 associated with the overdue trade receivable was individually assessed under Group 1 category of customers (Note 42), respectively, taking into account the legal advice and the financial position of the Defendant.

48. SUBSEQUENT FINANCIAL STATMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to April 30, 2026.