[To insert the firm's letterhead with official address upon final stage]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF COSMOPLAT IOT TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED

Introduction

We report on the historical financial information of COSMOPlat loT Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [•] to [•], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information 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 **[REDACTED]** (the "Document") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

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

Reporting accountants' responsibility

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

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

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

Opinion

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

Review of interim comparative financial information

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

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [•] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[•]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CONTINUING OPERATIONS						
REVENUE	5	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914
Cost of sales		(4,103,086)	(4,150,308)	(5,223,222)	(1,032,404)	(1,215,491)
Gross profit		890,453	919,149	1,127,926	220,214	259,423
Other income and gains	5	242,681	184,514	164,827	29,639	29,902
Selling and distribution expenses		(315,419)	(284,980)	(311,515)	(65,190)	(75,613)
Administrative expenses		(396,220)	(340,729)	(305,735)	(68,698)	(79,169)
Research and development expenses		(422,398)	(373,191)	(420,517)	(90,639)	(104,215)
Impairment losses on financial and contract assets, net		(4,655)	(16,468)	(35,858)	(3,367)	(2,169)
Other expenses	7	(15,036)	(8,413)	(19,543)	(1,578)	(4,863)
Finance costs	8	(8,856)	(9,349)	(10,932)	(2,384)	(3,294)
Share of profits of associates	19	27,534	14,829	14,129	4,098	5,737
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	(1,916)	85,362	202,782	22,095	25,739
Income tax expense	11	(18,903)	(10,603)	(29,667)	(6,370)	(6,348)
(LOSS)/PROFIT FOR THE YEAR/ PERIOD FROM CONTINUING OPERATIONS		(20,819)	74,759	173,115	15,725	19,391
DISCONTINUED OPERATION						
(Loss)/profit for the year/period from a discontinued operation	12	(61,902)	(9,623)	47,386	47,386	—
(LOSS)/PROFIT FOR THE YEAR/ PERIOD		(82,721)	65,136	220,501	63,111	19,391
Attributable to:						
Owners of the parent		(74,752)	61,827	175,389	61,670	18,735
Non-controlling interests		(7,969)	3,309	45,112	1,441	656
		(82,721)	65,136	220,501	63,111	19,391
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14					
Basic and diluted (RMB)						
— For (loss)/profit for the year/ period		(0.05)	0.04	0.11	0.04	0.01
— For (loss)/profit from continuing operations		(0.01)	0.05	0.08	0.01	0.01

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR/ PERIOD		(82,721)	65,136	220,501	63,111	19,391
OTHER COMPREHENSIVE (LOSS)/ INCOME						
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations		(3,139)	8,913	6,557	(482)	(8,676)
Share of other comprehensive income/(loss) of associates	19	229	(51)	74	(61)	3
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		(2,910)	8,862	6,631	(543)	(8,673)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:						
Equity investments designated at fair value through other comprehensive income:						
Changes in fair value		(9,272)	24,128	18,179	10,756	20,916
Income tax effect	35	1,623	(4,296)	(2,712)	(1,536)	(3,167)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		(7,649)	19,832	15,467	9,220	17,749
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD, NET OF TAX		(10,559)	28,694	22,098	8,677	9,076
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD		(93,280)	93,830	242,599	71,788	28,467
Attributable to:						
Owners of the parent		(85,311)	90,521	197,487	70,347	27,811
Non-controlling interests		(7,969)	3,309	45,112	1,441	656
		(93,280)	93,830	242,599	71,788	28,467

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December			31 March
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	15	1,025,375	933,578	1,068,956	1,045,952
Right-of-use assets	16(a)	182,831	158,953	190,802	192,399
Goodwill	17	107,092	107,092	517,867	517,867
Other intangible assets	18	52,358	56,850	50,659	50,231
Investments in associates	19	123,871	136,047	150,203	158,143
Financial assets at fair value through profit or loss	26	25,000	—	—	—
Equity investments designated at fair value through other comprehensive income	21	94,416	118,544	136,744	157,660
Contract assets	25	12,849	19,071	64,688	59,968
Lease receivables	16(d)	168,568	139,985	173,860	167,614
Prepayments, other receivables and other assets	24	51,291	39,068	30,638	37,794
Deferred tax assets	35	16,442	21,792	42,645	41,676
Pledged deposits	28	239	239	3,967	3,967
Time deposits	28	—	506,838	1,208,140	1,213,801
Total non-current assets		1,860,332	2,238,057	3,639,169	3,647,072
CURRENT ASSETS					
Inventories	22	943,786	916,827	1,251,311	1,296,533
Trade and bills receivables	23	1,698,055	1,649,221	2,217,173	2,140,503
Contract assets	25	39,691	29,009	88,122	93,767
Lease receivables	16(d)	25,749	28,841	46,499	42,884
Prepayments, other receivables and other assets	24	410,385	395,401	413,655	417,161
Financial assets at fair value through profit or loss	26	118,659	126,096	370,563	289,455
Receivables at fair value through other comprehensive income	27	688,237	873,440	801,560	822,308
Pledged deposits	28	274,951	172,072	289,924	292,925
Time deposits	28	5,086	1,553,792	814,829	986,285
Cash and cash equivalents	28	3,958,997	1,796,432	1,366,130	1,249,190
		8,163,596	7,541,131	7,659,766	7,631,011
Assets of a disposal group classified as held for sale	12	—	477,693	—	—
Total current assets		8,163,596	8,018,824	7,659,766	7,631,011

		31 December			31 March
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT LIABILITIES					
Trade and bills payables	29	2,919,222	2,885,693	3,454,150	3,420,818
Other payables and accruals	30	705,089	685,521	816,724	752,075
Contract liabilities	31	610,430	606,734	756,610	814,267
Interest-bearing bank borrowings	32	11,407	11,443	72,886	45,000
Lease liabilities	16(b)	42,800	40,660	31,460	38,575
Financial liabilities at fair value through profit or loss	26	—	—	—	819
Deferred income	34	22,426	22,490	22,951	19,603
Tax payable		11,641	24,558	13,768	11,726
Provision	33	30,226	30,163	48,852	48,171
Other liabilities	36	20,000	36,820	58,935	60,618
		4,373,241	4,344,082	5,276,336	5,211,672
Liabilities directly associated with the assets classified as held for sale	12	—	212,675	—	—
Total current liabilities		4,373,241	4,556,757	5,276,336	5,211,672
NET CURRENT ASSETS		3,790,355	3,462,067	2,383,430	2,419,339
TOTAL ASSETS LESS CURRENT LIABILITIES		5,650,687	5,700,124	6,022,599	6,066,411
NON-CURRENT LIABILITIES					
Lease liabilities	16(b)	157,419	152,401	177,207	177,098
Deferred income	34	117,233	104,915	81,366	80,729
Deferred tax liabilities	35	22,402	9,463	12,376	15,646
Other liabilities	36	81,081	47,729	101,424	102,261
Provision	33	13,276	12,555	20,451	19,120
Total non-current liabilities		391,411	327,063	392,824	394,854
Net assets		5,259,276	5,373,061	5,629,775	5,671,557
EQUITY					
Equity attributable to owners of the parent					
Share capital	37	1,526,632	1,526,632	1,526,632	1,526,632
Reserves		3,595,576	3,722,812	3,872,883	3,914,009
		5,122,208	5,249,444	5,399,515	5,440,641
Non-controlling interests		137,068	123,617	230,260	230,916
Total equity		5,259,276	5,373,061	5,629,775	5,671,557

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent									
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory surplus reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	1,504,603	3,075,830	51,450	—	12,821	5,502	598,350	5,248,556	132,296	5,380,852
Loss for the year	—	—	—	—	—	—	(74,752)	(74,752)	(7,969)	(82,721)
Other comprehensive loss for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	(7,649)	—	—	(7,649)	—	(7,649)
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	229	—	229	—	229
Exchange differences on translation of foreign operations	—	—	—	—	—	(3,139)	—	(3,139)	—	(3,139)
Total comprehensive loss for the year	—	—	—	—	(7,649)	(2,910)	(74,752)	(85,311)	(7,969)	(93,280)
Capital contribution in relation to the share option scheme	22,029	32,073	—	—	—	—	—	54,102	—	54,102
Share issue expenses	—	(100)	—	—	—	—	—	(100)	—	(100)
Equity-settled share-based payment arrangements *(note 38)*	—	—	29,606	—	—	—	—	29,606	—	29,606
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	15,640	15,640
Share of change in reserve of an associate	—	(72)	—	—	—	—	—	(72)	—	(72)
Deregistration of a subsidiary	—	—	—	—	—	—	—	—	(20,175)	(20,175)
Acquisition of subsidiaries *(note 40)*	—	(93,085)	—	—	—	—	—	(93,085)	18,771	(74,314)
Acquisition of non-controlling interests *(note 41)*	—	(31,488)	—	—	—	—	—	(31,488)	(1,495)	(32,983)
As at 31 December 2023	1,526,632	2,983,158	81,056	—	5,172	2,592	523,598	5,122,208	137,068	5,259,276

Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory surplus reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	1,526,632	2,983,158	81,056	—	5,172	2,592	523,598	5,122,208	137,068	5,259,276
Profit for the year	—	—	—	—	—	—	61,827	61,827	3,309	65,136
Other comprehensive income for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	19,832	—	—	19,832	—	19,832
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	(51)	—	(51)	—	(51)
Exchange differences on translation of foreign operations	—	—	—	—	—	8,913	—	8,913	—	8,913
Total comprehensive income for the year	—	—	—	—	19,832	8,862	61,827	90,521	3,309	93,830
Equity-settled share-based payment arrangements *(note 38)*	—	—	27,685	—	—	—	—	27,685	—	27,685
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	1,000	1,000
Share of change in reserve of an associate	—	2,069	—	—	—	—	—	2,069	—	2,069
Deregistration of subsidiaries	—	—	—	—	—	—	—	—	(10,799)	(10,799)
Acquisition of non-controlling interests *(note 41)*	—	6,961	—	—	—	—	—	6,961	(6,961)	—
As at 31 December 2024	1,526,632	2,992,188	108,741	—	25,004	11,454	585,425	5,249,444	123,617	5,373,061

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory surplus reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Retained earnings*	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	1,526,632	2,992,188	108,741	—	25,004	11,454	585,425	5,249,444	123,617	5,373,061
Profit for the year	—	—	—	—	—	—	175,389	175,389	45,112	220,501
Other comprehensive income for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	15,467	—	—	15,467	—	15,467
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	74	—	74	—	74
Exchange differences on translation of foreign operations	—	—	—	—	—	6,557	—	6,557	—	6,557
Total comprehensive income for the year	—	—	—	—	15,467	6,631	175,389	197,487	45,112	242,599
Equity-settled share-based payment arrangements *(note 38)*	—	—	39,316	—	—	—	—	39,316	—	39,316
Deregistration of a subsidiary	—	—	—	—	—	—	—	—	(1,900)	(1,900)
Capital reduction of a subsidiary	—	—	—	—	—	—	—	—	(8,401)	(8,401)
Share of change in reserve of an associate	—	3,023	—	—	—	—	—	3,023	—	3,023
Acquisition of subsidiaries *(note 40)*	—	(100,037)	—	—	—	—	—	(100,037)	82,114	(17,923)
Acquisition of non-controlling interests *(note 41)*	—	10,282	—	—	—	—	—	10,282	(10,282)	—
Appropriation to statutory surplus reserve	—	—	—	15,283	—	—	(15,283)	—	—	—
As at 31 December 2025	1,526,632	2,905,456	148,057	15,283	40,471	18,085	745,531	5,399,515	230,260	5,629,775

Three months ended 31 March 2025 (unaudited)

	Attributable to owners of the parent									
	Share capital	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	1,526,632	2,992,188	108,741	—	25,004	11,454	585,425	5,249,444	123,617	5,373,061
Profit for the period (unaudited)	—	—	—	—	—	—	61,670	61,670	1,441	63,111
Other comprehensive income for the period:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax (unaudited)	—	—	—	—	9,220	—	—	9,220	—	9,220
Share of other comprehensive income of an associate *(note 19)* (unaudited)	—	—	—	—	—	(61)	—	(61)	—	(61)
Exchange differences on translation of foreign operations (unaudited)	—	—	—	—	—	(482)	—	(482)	—	(482)
Total comprehensive income for the period (unaudited)	—	—	—	—	9,220	(543)	61,670	70,347	1,441	71,788
Equity-settled share-based payment arrangements *(note 38)* (unaudited)	—	—	8,656	—	—	—	—	8,656	—	8,656
Share of change in reserve of an associate (unaudited)	—	33	—	—	—	—	—	33	—	33
As at 31 March 2025 (unaudited)	1,526,632	2,992,221	117,397	—	34,224	10,911	647,095	5,328,480	125,058	5,453,538

Three months ended 31 March 2026

	Attributable to owners of the parent									
	Share capital	**Capital reserve***	**Share-based payment reserve***	**Statutory surplus reserve***	**Fair value reserve of financial assets at fair value through other comprehensive income***	**Exchange fluctuation reserve***	**Retained earnings***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	1,526,632	2,905,456	148,057	15,283	40,471	18,085	745,531	5,399,515	230,260	5,629,775
Profit for the period	—	—	—	—	—	—	18,735	18,735	656	19,391
Other comprehensive income for the period:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	17,749	—	—	17,749	—	17,749
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	3	—	3	—	3
Exchange differences on translation of foreign operations	—	—	—	—	—	(8,676)	—	(8,676)	—	(8,676)
Total comprehensive income for the period	—	—	—	—	17,749	(8,673)	18,735	27,811	656	28,467
Equity-settled share-based payment arrangements *(note 38)*	—	—	11,115	—	—	—	—	11,115	—	11,115
Share of change in reserve of an associate	—	2,200	—	—	—	—	—	2,200	—	2,200
As at 31 March 2026	1,526,632	2,907,656	159,172	15,283	58,220	9,412	764,266	5,440,641	230,916	5,671,557

* These reserve accounts comprise the consolidated reserves of RMB3,595,576,000, RMB3,722,812,000, RMB3,872,883,000 and RMB3,914,009,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax:						
From continuing operations		(1,916)	85,362	202,782	22,095	25,739
From a discontinued operation	12	(61,902)	(9,623)	47,386	47,386	—
Adjustments for:						
Finance costs		9,384	9,707	10,932	2,384	3,294
Share of profits of associates	19	(27,534)	(14,829)	(14,129)	(4,098)	(5,737)
Bank interest income		(101,348)	(75,991)	(54,139)	(14,203)	(11,172)
Finance lease interest income	5	(13,137)	(9,502)	(11,616)	(2,184)	(2,850)
Dividend income from equity investments at fair value through other comprehensive income	5	(4,827)	(4,827)	(4,827)	—	—
Investment income from financial assets at fair value through profit or loss	5	(2,473)	(1,730)	(2,203)	(536)	(1,907)
Losses on disposal/write-off of items of property, plant and equipment		6,069	3,917	3,926	1,173	231
Gains on lease modification/termination	5	—	(78)	(653)	(653)	—
Fair value losses on derivative instruments		7,472	—	—	—	402
Losses/(gains) on disposal of subsidiaries	42	93	—	(42,249)	(42,249)	—
Write-down of inventories to net realisable value		19,503	48,070	19,847	11,668	11,360
Impairment losses/(reversal of impairment losses) on financial and contract assets, net		3,697	19,097	31,754	(737)	2,169
Depreciation of property, plant and equipment		107,574	134,941	134,661	37,974	36,416
Depreciation of right-of-use assets		33,829	32,207	26,578	7,337	7,213
Amortisation of other intangible assets		12,999	16,761	11,939	2,405	1,997
Foreign exchange differences, net		(12,205)	(1,550)	2,311	929	6,319
Equity-settled share-based payments expense	38	29,606	27,685	39,316	8,656	11,115
Fair value gains on financial assets at fair value through profit or loss	5	(319)	(96)	(531)	(219)	(429)
Fair value losses on other liabilities	7	2,866	3,468	11,209	395	1,683
Government grants and subsidies		(26,523)	(19,863)	(19,705)	(8,176)	(3,705)
		(19,092)	243,126	392,589	69,347	82,138
Decrease/(increase) in inventories		171,805	(168,507)	203,225	(15,246)	(56,582)
(Increase)/decrease in trade and bills receivables		(34,954)	(98,261)	(297,107)	61,533	74,759
Increase in contract assets		(1,781)	(5,906)	(36,051)	(8,163)	(1,131)
Decrease/(increase) in receivables at fair value through other comprehensive income		9,750	(238,058)	123,743	(134,418)	(20,748)
(Increase)/decrease in prepayments, other receivables and other assets		(7,119)	36,191	(27,186)	37,384	1,909
(Decrease)/increase in trade and bills payables		(614,908)	96,288	425,488	(86,327)	(33,332)
(Decrease)/increase in other payables and accruals		(84,455)	62,248	(62,785)	(58,879)	(66,332)
(Decrease)/increase in contract liabilities		(87,964)	14,693	(384,869)	11,648	57,657
(Decrease)/increase in provisions		(936)	(698)	11,918	3,056	(2,012)
Decrease/(increase) in pledged deposits		685,262	101,650	(106,824)	38,342	(3,001)

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cash generated from/(used in) operations		15,608	42,766	242,141	(81,723)	33,325
Interest received		101,348	60,249	13,866	4,882	2,400
Income tax paid		(39,672)	(15,719)	(32,769)	(3,250)	(8,632)
Net cash flows from/(used in) operating activities		77,284	87,296	223,238	(80,091)	27,093
CASH FLOWS USED IN INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(389,199)	(211,795)	(176,767)	(47,499)	(32,129)
Purchases of items of other intangible assets		(15,974)	(38,495)	(12,223)	(4,260)	(1,773)
Proceeds from disposal of items of property, plant and equipment		228,923	28,030	56,491	37,189	2,294
Receipt of government grants for property, plant and equipment		26,982	16,962	33,015	8,915	2,935
Interest received from time deposits		—	91	28,258	—	1,645
Acquisition of subsidiaries	40	(101,885)	—	(377,059)	—	—
Receipt of lease fulfilment payments		70,826	36,148	50,179	9,234	13,688
Disposal of subsidiaries	42	240	—	71,695	71,695	—
Investment income received from financial assets at fair value through profit or loss		2,571	1,814	2,371	620	2,444
Purchases of financial assets at fair value through profit or loss		(635,965)	(382,400)	(1,199,700)	(76,000)	(887,000)
Proceeds from maturity of financial assets at fair value through profit or loss		560,450	399,740	954,700	71,300	968,000
Dividends received from equity investments at fair value through other comprehensive income		4,827	4,827	4,827	—	—
Dividends received from associates		2,729	2,728	—	—	—
Placement of time deposits with original maturity over three months		—	(2,045,000)	(2,695,324)	(50,000)	(420,000)
Proceeds from maturity of time deposits with original maturity over three months		—	5,000	2,745,000	—	250,010
Net cash flows (used in)/from investing activities		(245,475)	(2,182,350)	(514,537)	21,194	(99,886)

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS USED IN FINANCING ACTIVITIES						
Payment of deferred [REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital contribution from non-controlling shareholders		15,640	1,000	—	—	—
Capital contribution in relation to the share option scheme		54,002	—	—	—	—
New bank borrowings		67,895	9,988	—	—	—
Repayment of bank borrowings		(77,332)	(9,289)	(48,662)	(2,247)	(27,830)
Acquisition of non-controlling interests		(32,983)	(20,000)	(36,823)	—	—
Cash paid to non-controlling shareholders for deregistration of subsidiaries		(20,175)	(10,799)	(1,900)	—	—
Cash paid to non-controlling shareholders for capital reduction of a subsidiary		—	—	(8,401)	—	—
Interest paid for bank borrowings		(767)	(662)	(1,822)	(287)	(414)
Principal portion of lease payments		(17,417)	(18,317)	(42,027)	(1,813)	(1,728)
Interest portion of lease payments		(8,617)	(8,774)	(8,417)	(2,278)	(2,099)
Dividends paid to a non-controlling shareholder		(4,038)	—	—	—	—
Net cash flows used in financing activities		(23,792)	(56,853)	(149,176)	(6,625)	(37,828)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(191,983)	(2,151,907)	(440,475)	(65,522)	(110,621)
Cash and cash equivalents at beginning of year/period		4,147,300	3,958,997	1,808,915	1,808,915	1,366,130
Effect of foreign exchange rate changes, net		3,680	1,825	(2,310)	(929)	(6,319)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		3,958,997	1,808,915	1,366,130	1,742,464	1,249,190
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances and time deposits	28	4,239,273	4,029,373	3,682,990	3,995,517	3,746,168
Less: Time deposits with original maturity over three months when acquired		5,086	2,060,630	2,022,969	2,119,951	2,200,086
Pledged deposits		275,190	172,311	293,891	133,102	296,892
Cash and cash equivalents as stated in the statements of financial position	28	3,958,997	1,796,432	1,366,130	1,742,464	1,249,190
Cash and cash equivalents attributable to a discontinued operation	12	—	12,483	—	—	—
Cash and cash equivalents as stated in the statements of cash flows		3,958,997	1,808,915	1,366,130	1,742,464	1,249,190

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December			31 March
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Other intangible assets	18	1,504	470	—	—
Investments in subsidiaries	20	3,913,683	4,325,407	3,744,052	3,744,052
Prepayments, other receivables and other assets	24	—	—	576,000	576,000
Time deposits	28	—	—	1,007,747	1,012,555
Total non-current assets		3,915,187	4,325,877	5,327,799	5,332,607
CURRENT ASSETS					
Trade and bills receivables	23	23,849	21,868	7,371	6,319
Prepayments, other receivables and other assets	24	939,076	3,027,580	1,820,647	2,397,422
Financial assets at fair value through profit or loss	26	—	—	300,563	—
Cash and cash equivalents	28	3,277,238	570,189	599,704	518,195
Total current assets		4,240,163	3,619,637	2,728,285	2,921,936
CURRENT LIABILITIES					
Other payables and accruals	30	1,721,243	1,503,028	1,415,153	1,609,020
Total current liabilities		1,721,243	1,503,028	1,415,153	1,609,020
NET CURRENT ASSETS		2,518,920	2,116,609	1,313,132	1,312,916
TOTAL ASSETS LESS CURRENT LIABILITIES		6,434,107	6,442,486	6,640,931	6,645,523
NON-CURRENT LIABILITIES					
Deferred income	34	700	1,500	2,200	2,200
Total non-current liabilities		700	1,500	2,200	2,200
Net assets		6,433,407	6,440,986	6,638,731	6,643,323
EQUITY					
Share capital	37	1,526,632	1,526,632	1,526,632	1,526,632
Reserves	39	4,906,775	4,914,354	5,112,099	5,116,691
Total equity		6,433,407	6,440,986	6,638,731	6,643,323

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

COSMOPlat IoT Technology Co., Ltd. (the "Company") is a limited liability company established in the People's Republic of China (the "PRC") on 19 April 2017. The registered office of the Company is Haier Industrial Park, No. 1 Haier Road, Laoshan District, Qingdao, Shandong Province, PRC.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the sales and manufacturing of Internet of Things ("IoT") products and provision of data intelligence solutions.

In the opinion of the directors, the ultimate holding company of the Company is Haier Group Corporation ("Haier Corp"), which is incorporated in the PRC.

Information about subsidiaries

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

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
COSMOPlat Intelligent IoT Technology Co., Ltd.* (卡奧斯創智物聯科技有限公司 *(note (a))*)	PRC/Chinese mainland 24 June 1999	RMB451,620,500	100%	—	sales and manufacturing of IoT products
COSMOPlat Intelligent IoT Technology (Chongqing) Co., Ltd.* (卡奧斯創智物聯科技(重慶)有限公司 *(note (a))*)	PRC/Chinese mainland 20 March 2006	RMB10,000,000	—	100%	sales and manufacturing of IoT products
Qingdao Dingxin Electronics Technology Co., Ltd.* (青島鼎新電子科技有限公司 *(note (a))*)	PRC/Chinese mainland 24 May 2006	RMB20,000,000	—	100%	sales and manufacturing of IoT products
COSMOPlat Intelligent IoT (Foshan) Co., Ltd.* (卡奧斯創智物聯(佛山)有限公司 *(note (a))*)	PRC/Chinese mainland 24 February 2006	RMB20,000,000	—	100%	sales and manufacturing of IoT products
Hefei Lingzhi Intelligent IoT Technology Co., Ltd.* (合肥領智物聯科技有限公司 *(note (a))*)	PRC/Chinese mainland 27 September 2017	RMB180,000,000	—	100%	sales and manufacturing of IoT products
Qingdao Lingzhi Electronics Technology Co., Ltd.* (青島領智電子科技有限公司 *(note (a))*)	PRC/Chinese mainland 12 December 2018	RMB310,000,000	—	100%	sales and manufacturing of IoT products
Histar Technology (Thailand) Co., Ltd. *(note (b))*	Thailand 17 May 2021	Thailand Baht 425,000,000	—	100%	sales and manufacturing of IoT products
COSMOPlat Digital Technology (Qingdao) Co., Ltd.* (卡奧斯數字科技(青島)有限公司 *(note (a))*)	PRC/Chinese mainland 9 February 2018	RMB867,000,000	100%	—	provision of data intelligence solutions
COSMOPlat Energy Technology Co., Ltd.* (卡奧斯能源科技有限公司 *(note (a))*) ("COSMOPlat Energy")	PRC/Chinese mainland 20 May 1993	RMB300,000,000	100%	—	provision of data intelligence solutions
Zhejiang Chixiao Intelligent Detection Technology Co., Ltd.* (浙江赤霄智能檢測技術有限公司 *(note (a))*)	PRC/Chinese mainland 8 May 2018	RMB10,000,000	—	85%	provision of data intelligence solutions
Shandong COSMOPlat Smart Carbon Technology Co., Ltd.* (山東卡奧斯智碳科技有限公司 *(note (a))*)	PRC/Chinese mainland 24 August 1999	RMB65,949,000	—	100%	provision of data intelligence solutions
Shanghai Discovery Energy Services Co. Ltd.* (上海碳索能源服務股份有限公司 *(note (a))*) ("Shanghai Discovery")	PRC/Chinese mainland 30 May 2011	RMB57,709,000	—	67%	provision of data intelligence solutions
COSMOPlat Huazhi IoT Technology (Qingdao) Co., Ltd.* (卡奧斯化智物聯科技(青島)有限公司 *(note (a))*)	PRC/Chinese mainland 19 April 2017	RMB100,000,000	—	100%	provision of data intelligence solutions
COSMOPlat Energy Technology (Chongqing) Co., Ltd.* (卡奧斯能源科技(重慶)有限公司 *(note (a))*)	PRC/Chinese mainland 20 March 2006	RMB145,000,000	—	100%	provision of data intelligence solutions
Anhui Smart Carbon Technology Co., Ltd.* (安徽智碳能源有限公司 *(note (a))*)	PRC/Chinese mainland 28 November 2022	RMB100,000,000	—	51%	provision of data intelligence solutions
Facteon Intelligent Technology (Qingdao) Co. Ltd.* (斐科騰智能科技(青島)有限公司 *(note (a))*)	PRC/Chinese mainland 12 September 2018	RMB71,000,000	—	100%	provision of data intelligence solutions

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have official English names registered in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

(a) No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

(b) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared under Thai Financial Reporting Standard for Non-Publicly Accountable Entities were audited by Pattaya Audit Co., Ltd., Reanda Audit Co., Ltd. and Reanda Audit Co., Ltd., respectively.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	*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]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] No mandatory effective date yet determined but available for adoption

Further information about those new and amended IFRS Accounting Standards is described below:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8

Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows, and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS18 for entities that use these measures. Earlier application is permitted. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

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

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

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

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

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

Related parties

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

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Buildings	3.06% to 9.50%
Leasehold improvements	10.00% to 50.00%
Plant and machinery	3.17% to 47.50%
Tools, furniture and fixtures	9.50% to 33.33%
Motor vehicles	9.50% to 31.67%

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

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

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

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

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

Software

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

Trademark

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

Patents

Patents are stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 10 to 20 years.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities

recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 20 years
Leasehold land	28 to 50 years
Plant and machinery	2 to 10.5 years
Vehicles	2 years

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

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

Group as a lessor

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

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

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

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

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

Simplified approach

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

For lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and other liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date 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.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Inventories

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

The Group also recognises the contract fulfilment cost from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The contract fulfilment cost presented in inventories is amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract fulfilment cost recognised exceeds the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to the provision of those services and that have not been recognised as expenses.

Cash and cash equivalents

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

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

Provisions

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

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

The Group provides for warranties in relation to the provision of IoT products and the provision of data intelligence solutions for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

(a) IoT products

The Group provides IoT products through sale of variable-frequency controllers and system controllers, including main control units, variable-frequency modules, display modules and connectivity modules. Revenue from the IoT products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer.

(b) Data intelligence solutions

The Group provides data intelligence solutions to its customers, including (i) intelligent manufacturing solutions, (ii) green manufacturing solutions, (iii) regional industrial internet solutions and (iv) enterprise value-added services.

The Group provides multiple deliverables to customers under data intelligence solutions, including the design of solutions, and the delivery of products and software. These deliverables are accounted for as a single performance obligation because the Group provides integrated products and solutions, and revenue is recognised at the point in time when control of the asset is transferred to the customer, generally upon the final acceptance of the integrated products and solutions by the customers.

In addition, the Group provides technical support and maintenance services to some of its customers. Revenue is recognised over time as services are rendered as the customers simultaneously receive and consume the services provided by the Group over the period.

Revenue from other sources

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

Other income

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

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

Contract assets

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

Contract liabilities

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

Share-based payments

The Group operates two share-based incentive schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binominal model for share options or with reference to the fair value of the underlying share for share awards, further details of which are given in note 38 to the Historical Financial Information.

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

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

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

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

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

Other employee benefits

Pension scheme

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

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Housing fund and other social insurances

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

Borrowing costs

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

Events after the reporting period

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

Dividends

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

Foreign currencies

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

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

The functional currencies of the Group's subsidiaries not operating in the Chinese mainland are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

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

For the purpose of the consolidated statements of cash flows, the cash flows of the Group's entities not operating in the Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Principal versus agent considerations in revenue transactions

The Group needs to determine whether it is a principal or an agent in revenue transactions by evaluating the nature of its promise to the customer. The Group is a principal and therefore records revenue on a gross basis if it controls the promised goods before transferring the goods to the customer. Otherwise, the Group is an agent and records as revenue the net amount if its role is to arrange to provide the goods. To assess whether the Group controls the goods before they are transferred to the customer, the Group has considered various factors, including but not limited to whether the Group (i) is the principal in the arrangement, (ii) has general inventory risk and (iii) has latitude in establishing the selling price.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. Further details are set out in note 35 to the Historical Financial Information.

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 17 to the Historical Financial Information.

Provision for expected credit losses ("ECL") on trade and bills receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on ageing for groupings of various customer that have similar loss patterns.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group' s trade and bills receivables and contract assets is disclosed in note 23 and note 25 to the Historical Financial Information, respectively.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of products, or from changes in the market demand for the product output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimate of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimates. Useful lives and residual values are reviewed at the end of each of the Relevant Periods based on changes in circumstances. Further details of the property, plant and equipment are set out in note 15 to the Historical Financial Information.

Provision for inventories

The Group periodically assesses the net realisable value of its inventories and provides for inventory impairment based on the difference between the cost of the inventories and the net realisable value. When estimating the net realisable value of inventories, management considers the purpose for which the inventories are held, as well as their future use or sales as the basis for estimation. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and the write-down of inventories in the period in which the estimate is changed. Further details of the inventories are set out in note 6 and note 22 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group principally focuses on providing IoT products and data intelligence solutions to customers. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Chinese mainland	4,369,170	4,360,500	5,582,071	1,075,775	1,304,350
the United States	287,139	273,060	307,103	73,984	53,731
India	51,592	78,968	112,256	18,676	37,586
Thailand	54,711	52,078	99,029	4,216	13,946
Russia	104,005	152,878	50,258	19,142	5,398
Other countries/regions	126,922	151,973	200,431	60,825	59,903
Total revenue	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914

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

(b) Non-current assets

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chinese mainland	1,467,825	1,374,832	1,966,399	1,943,249
Other countries/regions	63,564	58,056	87,535	98,421
Total non-current assets	1,531,389	1,432,888	2,053,934	2,041,670

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

Information about a major customer

During the Relevant Periods, revenue from continuing operations from transactions with a single customer (including entities under common control with the customer) amounting to 10% or more of the Group's revenue is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Haier Corp and its subsidiaries	3,607,352	3,421,065	3,468,849	782,457	828,710

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services					
IoT products	4,080,361	3,920,069	4,417,776	979,441	1,088,702
Data intelligence solutions	913,178	1,149,388	1,933,372	273,177	386,212
Total	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914
Geographical markets					
Chinese mainland	4,369,170	4,360,500	5,582,071	1,075,775	1,304,350
the United States	287,139	273,060	307,103	73,984	53,731
India	51,592	78,968	112,256	18,676	37,586
Thailand	54,711	52,078	99,029	4,216	13,946
Russia	104,005	152,878	50,258	19,142	5,398
Other countries/regions	126,922	151,973	200,431	60,825	59,903
Total	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914
Timing of revenue recognition					
Goods or services transferred at a point in time	4,982,061	5,057,512	6,329,356	1,248,605	1,468,107
Services transferred over time	11,478	11,945	21,792	4,013	6,807
Total	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914

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

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
IoT products	85,578	12,275	26,790	6,403	7,041
Data intelligence solutions	516,253	455,812	554,162	135,741	162,252
Total	601,831	468,087	580,952	142,144	169,293

(b) Performance obligations

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

IoT products

The performance obligation of IoT products is satisfied when the customers accept or obtain control of the products and payment is generally due within 30 to 270 days upon acceptance by the customers.

Data intelligence solutions

The performance obligation for integrated products and solutions is satisfied upon the final acceptance by the customers. The performance obligation for technical support and maintenance services is recognised over time as services are rendered. Payment is generally due within 30 to 270 days upon satisfaction of the performance obligations.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Amounts expected to be recognised as revenue:					
Within one year	693,599	1,113,617	1,775,815	1,035,606	1,843,872
After one year	357,995	284,702	688,223	383,830	694,975
Total	1,051,594	1,398,319	2,464,038	1,419,436	2,538,847

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to data intelligence solutions, of which the performance obligations are to be satisfied within three years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Government grants*					
Asset-related	22,081	15,407	15,249	3,720	3,705
Income-related	75,483	64,266	67,303	4,607	8,898
Bank interest income	99,073	75,669	54,109	14,173	11,172
Finance lease interest income	13,137	9,502	11,616	2,184	2,850
Dividend income from equity investments at fair value through other comprehensive income	4,827	4,827	4,827	—	—
Investment income from financial assets at fair value through profit or loss	2,473	1,730	2,203	536	1,907
Others	18,592	11,944	8,336	2,984	941
Total other income	235,666	183,345	163,643	28,204	29,473
Gains					
Gains on lease modification/ termination	—	78	653	653	—
Fair value gains on financial assets at fair value through profit or loss	319	96	531	219	429
Foreign exchange gains, net	6,696	995	—	563	—
Total gains	7,015	1,169	1,184	1,435	429
Total other income and gains	242,681	184,514	164,827	29,639	29,902

* Various government grants during the Relevant Periods were mainly attributable to the Group's development in advanced technology and contributions to the district where the Group's primary business operates. There are no unfulfilled conditions or contingencies relating to these government grants.

6. (LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of inventories sold and services provided*		4,103,086	4,150,308	5,223,222	1,032,404	1,215,491
Depreciation of property, plant and equipment		96,646	123,376	134,661	37,974	36,416
Depreciation of right-of-use assets		29,351	27,848	26,578	7,337	7,213
Amortisation of other intangible assets		12,147	15,880	11,939	2,405	1,997
Research and development expenses*		422,398	373,191	420,517	90,639	104,215
Lease payments not included in the measurement of lease liabilities		13,045	13,529	15,483	4,250	4,351
[REDACTED] expenses		—	—	8,357	—	8,661
Auditor's remuneration		2,452	2,426	846	—	—
Employee benefit expenses (excluding directors' and supervisors' remuneration *(note 9)*)*:						
Wages and salaries		868,603	746,767	760,530	176,587	199,255
Pension scheme contributions		89,902	79,143	86,024	23,538	24,315
Social welfare benefits		166,753	151,450	154,988	33,534	32,603
Termination benefits		19,349	31,005	11,803	2,869	421
Equity-settled share-based payments expense		25,856	28,556	33,672	7,431	9,611
Total		1,170,463	1,036,921	1,047,017	243,959	266,205
Impairment losses/(reversal of impairment losses) on financial and contract assets, net:						
Trade and bills receivables		2,000	16,060	35,765	2,757	1,452
Contract assets		95	315	758	24	206
Financial assets included in prepayments, other receivables and other assets		2,375	350	(786)	377	612
Lease receivables		185	(257)	121	209	(101)
Total		4,655	16,468	35,858	3,367	2,169
Write-down of inventories to net realisable value		1,931	26,160	16,593	8,414	11,360
Product warranty provision:	33					
Additional provision		41,325	38,790	57,196	13,289	11,346

* Cost of inventories sold and services provided and research and development expenses include write-down of inventories to net realisable value, expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. OTHER EXPENSES

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Losses on disposal/write-off of items of property, plant and equipment	6,298	3,916	3,516	763	231
Fair value losses on derivative instruments	4,176	—	—	—	402
Fair value losses on other liabilities	2,866	3,468	11,209	395	1,683
Foreign exchange losses, net	—	—	2,174	—	2,370
Others	1,696	1,029	2,644	420	177
Total	15,036	8,413	19,543	1,578	4,863

8. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on bank borrowings	767	933	1,271	106	358
Interest on other liabilities	—	—	1,244	—	837
Interest on lease liabilities	8,089	8,416	8,417	2,278	2,099
Total	8,856	9,349	10,932	2,384	3,294

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

The remuneration of the Company's directors and supervisors during the Relevant Periods is summarised as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees:	600	600	600	150	150
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	1,631	1,713	1,157	313	279
Discretionary performance related bonuses	2,928	2,432	1,977	567	541
Equity-settled share-based payment expense	2,798	3,129	5,644	1,225	1,504
Pension scheme contributions	164	162	119	32	23
Subtotal	7,521	7,436	8,897	2,137	2,347
Total	8,121	8,036	9,497	2,287	2,497

During and prior to the Relevant Periods, certain directors were granted share awards and/or share options of the Company in respect of their services to the Group, under the share award scheme and share option scheme of the Group, further details of which are set out in note 38 to the Historical Financial Information. The fair values of such share awards and share options, which have been recognised in the statements of profit or loss, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above directors' and supervisors' remuneration disclosures.

(a) Independent non-executive directors

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Mr. GU Chunyuan	200	200	200	50	50
Mr. FENG Guohua	200	200	200	50	50
Ms. KONG Yu	200	200	200	50	50
Total	600	600	600	150	150

On 13 December 2022, Mr. GU Chunyuan, Mr. FENG Guohua and Ms. KONG Yu were appointed as independent non-executive directors of the Company.

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

The remuneration of each of the Company's directors and supervisors is set out below:

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Executive directors:					
Mr. CHEN Lucheng*	481	1,060	1,301	41	2,883
Mr. CHAI Jiqiang**	291	795	513	41	1,640
Subtotal	772	1,855	1,814	82	4,523
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	984	—	984
Mr. JIA Qiuran***	—	—	—	—	—
Mr. SHENG Guojun***	672	948	—	41	1,661
Subtotal	672	948	984	41	2,645
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	187	125	—	41	353
Subtotal	187	125	—	41	353
Total	1,631	2,928	2,798	164	7,521

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Executive directors:					
Mr. CHEN Lucheng*	564	992	1,247	42	2,845
Mr. CHAI Jiqiang**	407	918	941	42	2,308
Subtotal	971	1,910	2,188	84	5,153
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	941	—	941
Mr. JIA Qiuran***	—	—	—	—	—
Mr. SHENG Guojun***	554	390	—	39	983
Subtotal	554	390	941	39	1,924
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	188	132	—	39	359
Subtotal	188	132	—	39	359
Total	1,713	2,432	3,129	162	7,436

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025					
Executive directors:					
Mr. CHEN Lucheng*	541	1,070	1,981	43	3,635
Mr. CHAI Jiqiang**	438	818	2,724	43	4,023
Subtotal	979	1,888	4,705	86	7,658
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	939	—	939
Mr. JIA Qiuran***	—	—	—	—	—
Subtotal	—	—	939	—	939
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	101	77	—	22	200
Ms. SONG Wei*****	77	12	—	11	100
Subtotal	178	89	—	33	300
Total	1,157	1,977	5,644	119	8,897

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended 31 March 2025 (unaudited)					
Executive directors:					
Mr. CHEN Lucheng*	156	281	311	11	759
Mr. CHAI Jiqiang**	111	247	679	11	1,048
Subtotal	267	528	990	22	1,807
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	235	—	235
Mr. JIA Qiuran***	—	—	—	—	—
Subtotal	—	—	235	—	235
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	46	39	—	10	95
Subtotal	46	39	—	10	95
Total	313	567	1,225	32	2,137

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended 31 March 2026					
Executive directors:					
Mr. CHEN Lucheng*	160	300	552	11	1,023
Mr. CHAI Jiqiang**	110	239	719	11	1,079
Subtotal	270	539	1,271	22	2,102
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	233	—	233
Mr. JIA Qiuran***	—	—	—	—	—
Mr. LIU Chao******	—	—	—	—	—
Subtotal	—	—	233	—	233
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. SONG Wei*****	9	2	—	1	12
Subtotal	9	2	—	1	12
Total	279	541	1,504	23	2,347

* On 19 April 2017, Mr. CHEN Lucheng was appointed as an executive director of the Company.

** On 26 December 2024, Mr. CHAI Jiqiang was appointed as an executive director of the Company. The remuneration of Mr. CHAI Jiqiang for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2025 and 2026, which was paid for his service in connection with the management of the affairs of the Group before he was appointed as an executive director of the Company, is included in the table above. Prior to his appointment as an executive director of the Company, Mr. CHAI Jiqiang served as the general manager of COSMOPlat Energy. During his tenure, he was responsible for the overall operation and management of COSMOPlat Energy and oversaw its business and operational affairs.

*** On 27 November 2019, Mr. ZHOU Yunjie and Mr. LIANG Haishan were appointed as non-executive directors of the Company. On 26 April 2020, Mr. ZHAN Bo was appointed as a non-executive director of the Company. On 13 December 2022, Mr. JIA Qiuran and Mr. SHENG Guojun were appointed as non-executive directors of the Company. The remuneration of Mr. ZHOU Yunjie, Mr. LIANG Haishan, Mr. ZHAN Bo and Mr. JIA Qiuran for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2025 and 2026, except for equity-settled share-based payment expense for Mr. ZHAN Bo, is not included in the table above, since it was not paid by the Company. On 27 November 2024, Mr. SHENG Guojun resigned as a non-executive director of the Company. On 20 January 2026, Mr. LIANG Haishan resigned as a non-executive director of the Company.

**** On 13 December 2022, Ms. HUANG Wenyao, Ms. ZHANG Cuimei and Ms. ZHAO Xin were appointed as supervisors of the Company. The remuneration of Ms. HUANG Wenyao and Ms. ZHANG Cuimei for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2025 and 2026 is not included in the table above, since it was not paid by the Company. On 23 July 2025, Ms. ZHAO Xin resigned as a supervisor of the Company.

***** On 23 July 2025, Ms. SONG Wei was appointed as a supervisor of the Company. The remuneration of Ms. SONG Wei for the period from 23 July 2025 to 31 December 2025 and for the period from 1 January 2026 to 20 January 2026 is included in the table above. On 20 January 2026, the Board of Supervisors was dissolved.

****** On 20 January 2026, Mr. LIU Chao was appointed as a non-executive director of the Company. The remuneration of Mr. LIU Chao for the period from 20 January 2026 to 31 March 2026 is not included in the table above, since it was not paid by the Company.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 included one, two, two, two and two directors, respectively. Details of the directors' remuneration are set out in note 9 above.

Details of the remuneration of the remaining four, three, three, three and three highest paid employees who are neither a director, nor a supervisor of the Company during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	5,932	3,814	3,010	724	783
Discretionary performance related bonuses	3,982	3,705	2,659	717	924
Equity-settled share-based payment expense	1,654	3,929	2,728	631	646
Pension scheme contributions	307	179	158	39	47
Total	11,875	11,627	8,555	2,111	2,400

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

	Number of employees				
	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to Hong Kong dollars ("HK$") 1,000,000	—	—	—	2	2
HK$1,000,001 to HK$1,500,000	—	—	—	1	1
HK$1,500,001 to HK$2,000,000	—	—	—	—	—
HK$2,000,001 to HK$2,500,000	—	—	2	—	—
HK$2,500,001 to HK$3,000,000	3	—	—	—	—
HK$3,000,001 to HK$3,500,000	—	1	—	—	—
HK$3,500,001 to HK$4,000,000	—	—	—	—	—
HK$4,000,001 to HK$4,500,000	—	1	—	—	—
HK$4,500,001 to HK$5,000,000	—	1	—	—	—
HK$5,000,001 to HK$5,500,000	1	—	1	—	—
Total	4	3	3	3	3

11. INCOME TAX

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in the Chinese mainland are subject to corporate income tax ("CIT") at a rate of 25% on the taxable income. During the Relevant Periods, several PRC subsidiaries were entitled to a preferential tax rate of 15% because they were regarded as "High and New Technology Enterprises". Meanwhile, certain subsidiaries of the Group that have applied the Income Tax Policy for Western Development pursuant to the PRC tax regulations were entitled to a preferential tax rate of 15%. In addition, certain subsidiaries of the Group operating in the Chinese mainland were entitled to effective preferential tax rates of 5% because they were regarded as "small-scaled minimal profit enterprises" with taxable income not exceeding RMB3,000,000.

Hong Kong profits tax

The Hong Kong profits tax rate during the Relevant Periods was 16.5% and no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong.

Others

Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

An analysis of income tax expense is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current — Chinese mainland income tax	19,624	30,233	19,250	5,118	4,457
Current — Elsewhere — income taxes	1,977	2,955	2,729	970	819
Deferred	(2,698)	(22,585)	7,688	282	1,072
Total tax charge for the year/period from continuing operations	18,903	10,603	29,667	6,370	6,348
Total tax credit for the year/period from a discontinued operation	(482)	—	—	—	—
Total	18,421	10,603	29,667	6,370	6,348

A reconciliation of the income tax expense/(credit) applicable to (loss)/profit before tax using the statutory tax rate for the country or jurisdiction in which the majority of the Company's subsidiaries are domiciled and/or operate to the income tax expense/(credit) at the effective tax rate is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(Loss)/profit before tax from continuing operations	(1,916)	85,362	202,782	22,095	25,739
(Loss)/profit before tax from a discontinued operation	(62,384)	(9,623)	47,386	47,386	—
Total	(64,300)	75,739	250,168	69,481	25,739
Tax at the statutory tax rate of Chinese mainland	(16,075)	18,935	62,542	17,370	6,435
Lower tax rates applicable to other jurisdictions or enacted by relevant authorities	(16,681)	(15,641)	(34,179)	(6,395)	(5,551)
Effect on opening deferred tax of changes in rates	240	—	3,545	3,545	—
Income not subject to tax	(4,561)	(2,183)	(2,204)	(155)	(230)
Expenses not deductible for tax	6,790	7,981	11,326	2,662	3,756
Tax losses utilised from previous periods	(7,047)	(26,829)	(8,211)	(8,061)	(4,439)
Tax losses and deductible temporary differences not recognised	105,884	82,821	50,960	10,403	19,601
Additional deductible allowance for research and development expenses	(50,834)	(54,543)	(53,937)	(13,479)	(13,117)
Accelerated deduction of cost of property, plant and equipment	705	62	(175)	480	(107)
Tax charge at the Group's effective rate	18,421	10,603	29,667	6,370	6,348
Tax charge from continuing operations at the effective rate	18,903	10,603	29,667	6,370	6,348
Tax credit from a discontinued operation at the effective rate	(482)	—	—	—	—

12. DISCONTINUED OPERATION

In December 2024, Qingdao Haimo Zhiyun Technology Co., Ltd. ("Qingdao Haimo Zhiyun"), a direct wholly-owned subsidiary of the Company, and Haier Smart Home Co., Ltd. ("Haier Smart Home"), reached a preliminary agreement, pursuant to which Haier Smart Home agreed to acquire and Qingdao Haimo Zhiyun agreed to sell 100% equity interest in COSMO Moulds (Qingdao) Co., Ltd. (currently known as Qingdao Haier Moulds Co., Ltd., "COSMO Moulds"). As at 31 December 2024, the proposed transaction was in process and COSMO Moulds was classified as a disposal group held for sale and as a discontinued operation. On 12 March 2025, the Group disposed of all its equity interest in COSMO Moulds.

The results of COSMO Moulds for the years ended 31 December 2023 and 2024 and for the period from 1 January 2025 to 12 March 2025 are presented below:

	Year ended 31 December		Period from 1 January 2025 to 12 March
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	446,769	417,424	139,745
Expenses	(508,625)	(426,764)	(134,608)
Finance costs	(528)	(283)	—
(Loss)/profit from the discontinued operation	(62,384)	(9,623)	5,137
Gain recognised on disposal of the discontinued operation	—	—	42,249
(Loss)/profit before tax from the discontinued operation	(62,384)	(9,623)	47,386
Income tax related to pre-tax profit	482	—	—
(Loss)/profit for the year/period from the discontinued operation	(61,902)	(9,623)	47,386

(Loss)/profit for the period from discontinued operations has been arrived at after charging/(crediting) the following items:

		Year ended 31 December		Period from 1 January 2025 to 12 March
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold and services provided*		408,409	361,220	132,897
Depreciation of property, plant and equipment	15	10,928	11,565	—
Depreciation of right-of-use assets	16(a)	4,478	4,359	—
Amortisation of other intangible assets	19	852	881	—
Research and development expenses*		34,503	29,566	6,499
Lease payments not included in the measurement of lease liabilities	16(c)	278	62	—
Auditor's remuneration		31	35	—
Employee benefit expenses:				
Wages and salaries		51,600	54,898	13,559
Pension scheme contributions		9,608	9,726	2,435
Social welfare benefits		13,856	16,153	3,819
Equity-settled share-based payments expense		952	(4,000)	—
Total		76,016	76,777	19,813
Impairment losses/(reversal of impairment losses) on financial and contract assets, net:				
Trade and bills receivables		(850)	2,770	(3,997)
Contract assets	25	(79)	(138)	(104)
Financial assets included in prepayments, other receivables and other assets	24	(29)	(3)	(3)
Total		(958)	2,629	(4,104)
Write-down of inventories to net realisable value		17,572	21,910	3,254

* Cost of inventories sold and services provided and research and development expenses include write-down of inventories to net realisable value, expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

The major classes of assets and liabilities of COSMO Moulds classified as held for sale as at 31 December 2024 are as follows:

	31 December 2024
	RMB'000
Assets	
Property, plant and equipment	99,875
Right-of-use assets	3,028
Other intangible assets	5,882
Inventories	145,441
Trade and bills receivables	131,027
Contract assets	10,294
Prepayments, other receivables and other assets	15,579
Receivables at fair value through other comprehensive income	52,855
Pledged deposits	1,229
Cash and cash equivalents	12,483
Assets classified as held for sale	477,693
Liabilities	
Trade and bills payables	129,817
Other payables and accruals	43,865
Contract liabilities	18,389
Deferred income	20,604
Liabilities directly associated with the assets classified as held for sale	212,675
Net assets directly associated with the disposal group	265,018

The net cash flows incurred by COSMO Moulds for the years ended 31 December 2023 and 2024 and for the period from 1 January to 12 March 2025 are as follows:

	Year ended 31 December		Period from 1 January 2025 to 12 March
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Operating activities	(219,980)	(242,709)	590
Investing activities	372,075	(4,921)	84,242
Financing activities	(278,740)	228,117	(91,354)
Effect of foreign exchange rate changes, net	2,414	558	93
Net cash flow	(124,231)	(18,955)	(6,429)
(Loss)/earnings per share (RMB):			
Basic and diluted, from the discontinued operation	(0.04)	(0.01)	0.03

13. DIVIDEND

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

14. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

The calculations of basic and diluted (loss)/earnings per share are based on:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Earnings:					
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation:					
From continuing operations	(12,850)	71,450	128,003	14,284	18,735
From a discontinued operation	(61,902)	(9,623)	47,386	47,386	—
Total	(74,752)	61,827	175,389	61,670	18,735

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Shares					
Weighted average number of ordinary shares outstanding during the year/period	1,508,224,503	1,526,631,611	1,526,631,611	1,526,631,611	1,526,631,611

The employee share options are not included in the calculation of diluted earnings per share for the year ended 31 December 2023 as their issue is contingent upon satisfying specified conditions and the conditions are not satisfied. Details of the share options of the Group are included in note 38 to the Historical Financial Information.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	230,499	59,298	1,063,295	39,059	5,598	232,276	1,630,025
Accumulated depreciation	(122,626)	(10,682)	(572,120)	(14,423)	(4,857)	—	(724,708)
Net carrying amount	107,873	48,616	491,175	24,636	741	232,276	905,317
At 1 January 2023, net of accumulated depreciation	107,873	48,616	491,175	24,636	741	232,276	905,317
Additions	—	840	7,669	1,536	176	282,105	292,326
Acquisition of subsidiaries *(note 40)*	—	—	—	—	981	—	981
Depreciation provided during the year	(8,428)	(9,945)	(83,621)	(5,288)	(292)	—	(107,574)
Transfers	73,838	15,923	298,324	9,263	1,013	(398,361)	—
Disposals	(1,188)	—	(63,809)	(1,853)	(122)	—	(66,972)
Exchange realignment	—	156	1,095	29	3	14	1,297
At 31 December 2023, net of accumulated depreciation	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375
At 31 December 2023:							
Cost	303,002	76,245	1,245,396	46,714	5,345	116,034	1,792,736
Accumulated depreciation	(130,907)	(20,655)	(594,563)	(18,391)	(2,845)	—	(767,361)
Net carrying amount	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	303,002	76,245	1,245,396	46,714	5,345	116,034	1,792,736
Accumulated depreciation and impairment	(130,907)	(20,655)	(594,563)	(18,391)	(2,845)	—	(767,361)
Net carrying amount	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375
At 1 January 2024, net of accumulated depreciation	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375
Additions	—	150	814	796	—	173,986	175,746
Assets included in a discontinued operation *(note 12)*	(5,848)	—	(84,892)	(2,868)	(963)	(5,304)	(99,875)
Depreciation provided during the year	(11,514)	(14,851)	(100,679)	(7,264)	(633)	—	(134,941)
Transfers	14,316	2,239	142,487	4,406	—	(163,448)	—
Disposals	(554)	—	(32,255)	(617)	(15)	—	(33,441)
Exchange realignment	(2)	43	628	(24)	2	67	714
At 31 December 2024, net of accumulated depreciation	168,493	43,171	576,936	22,752	891	121,335	933,578
At 31 December 2024:							
Cost	291,030	77,359	973,519	40,684	2,333	121,335	1,506,260
Accumulated depreciation and impairment	(122,537)	(34,188)	(396,583)	(17,932)	(1,442)	—	(572,682)
Net carrying amount	168,493	43,171	576,936	22,752	891	121,335	933,578

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025							
Cost	291,030	77,359	973,519	40,684	2,333	121,335	1,506,260
Accumulated depreciation	(122,537)	(34,188)	(396,583)	(17,932)	(1,442)	—	(572,682)
Net carrying amount	168,493	43,171	576,936	22,752	891	121,335	933,578
At 1 January 2025, net of accumulated depreciation	168,493	43,171	576,936	22,752	891	121,335	933,578
Additions	—	—	376	1,031	—	282,014	283,421
Acquisition of subsidiaries *(note 40)*	—	1,400	—	525	1,121	15,974	19,020
Depreciation provided during the year	(12,718)	(14,657)	(98,525)	(8,056)	(705)	—	(134,661)
Transfers	7,686	17,026	266,569	9,524	346	(301,151)	—
Disposals	(328)	—	(34,306)	(23)	(22)	—	(34,679)
Exchange realignment	36	242	1,590	14	11	384	2,277
At 31 December 2025, net of accumulated depreciation	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956
At 31 December 2025							
Cost	298,221	93,163	1,179,061	51,535	3,726	118,556	1,744,262
Accumulated depreciation	(135,052)	(45,981)	(466,421)	(25,768)	(2,084)	—	(675,306)
Net carrying amount	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 March 2026							
At 1 January 2026							
Cost	298,221	93,163	1,179,061	51,535	3,726	118,556	1,744,262
Accumulated depreciation	(135,052)	(45,981)	(466,421)	(25,768)	(2,084)	—	(675,306)
Net carrying amount	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956
At 1 January 2026, net of accumulated depreciation	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956
Additions	—	2,164	—	710	—	15,641	18,515
Depreciation provided during the period	(3,287)	(2,449)	(27,065)	(3,497)	(118)	—	(36,416)
Transfers	—	10	31,822	—	—	(31,832)	—
Disposals	—	—	(2,286)	—	—	—	(2,286)
Exchange realignment	(105)	(599)	(2,161)	(59)	(20)	127	(2,817)
At 31 March 2026, net of accumulated depreciation	159,777	46,308	712,950	22,921	1,504	102,492	1,045,952
At 31 March 2026							
Cost	298,111	94,720	1,194,446	52,092	3,688	102,492	1,745,549
Accumulated depreciation	(138,334)	(48,412)	(481,496)	(29,171)	(2,184)	—	(699,597)
Net carrying amount	159,777	46,308	712,950	22,921	1,504	102,492	1,045,952

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, leasehold land, certain plant and machineries, and vehicles used in its operations. For leasehold land with land use rights periods of 28 to 50 years, lump sum payments were made upon the acquisition and no ongoing payments will be made under the terms of these land use rights. Except the aforementioned leasehold land, other leases generally have lease terms between 2 and 20 years, and lease terms are negotiated on an individual basis and contain different payment terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Buildings	**Leasehold land**	**Plant and machinery**	**Vehicles**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	167,878	37,235	56	—	205,169
Additions	2,818	387	—	—	3,205
Acquisition of subsidiaries *(note 40)*	1,266	—	—	—	1,266
Depreciation charge	(32,513)	(1,276)	(40)	—	(33,829)
Lease modification/termination	6,465	—	—	—	6,465
Exchange realignment	555	—	—	—	555
As at 31 December 2023 and 1 January 2024	146,469	36,346	16	—	182,831
Additions	6,351	—	—	—	6,351
Depreciation charge	(31,045)	(1,146)	(16)	—	(32,207)
Lease modification/termination	6,816	—	—	—	6,816
Assets included in a discontinued operation *(note 12)*	—	(3,028)	—	—	(3,028)
Exchange realignment	(1,810)	—	—	—	(1,810)
As at 31 December 2024 and 1 January 2025	126,781	32,172	—	—	158,953
Additions	44,661	—	—	134	44,795
Acquisition of subsidiaries *(note 40)*	1,947	—	—	—	1,947
Depreciation charge	(25,383)	(1,145)	—	(50)	(26,578)
Lease modification/termination	11,820	—	—	—	11,820
Exchange realignment	(135)	—	—	—	(135)
As at 31 December 2025 and 1 January 2026	159,691	31,027	—	84	190,802
Additions	1,685	—	—	—	1,685
Depreciation charge	(6,910)	(286)	—	(17)	(7,213)
Lease modification/termination	7,540	—	—	—	7,540
Exchange realignment	(415)	—	—	—	(415)
As at 31 March 2026	161,591	30,741	—	67	192,399

(b) Lease liabilities

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

	Year ended 31 December			Three months ended 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	206,947	200,219	193,061	208,667
New leases	2,818	6,351	44,795	1,685
Acquisition of subsidiaries *(note 40)*	816	—	1,829	—
Accretion of interest recognised during the year/ period	8,617	8,774	8,417	2,099
Payments	(26,034)	(27,091)	(50,444)	(3,827)
Lease modification/termination	6,465	6,738	11,167	7,540
Exchange realignment	590	(1,930)	(158)	(491)
Carrying amount at the end of year/period	200,219	193,061	208,667	215,673
Analysed into:				
Current portion				
Within one year	42,800	40,660	31,460	38,575
Non-current portion				
Repayable in the second year	8,411	19,208	24,256	25,553
Repayable in the third to fifth years, inclusive	50,086	53,271	55,293	54,631
Repayable beyond five years	98,922	79,922	97,658	96,914
Subtotal	157,419	152,401	177,207	177,098
Total	200,219	193,061	208,667	215,673

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	8,617	8,774	8,417	2,278	2,099
Depreciation charge of right-of-use assets	33,829	32,207	26,578	7,337	7,213
Gains on lease modification/ termination	—	(78)	(653)	(653)	—
Expense relating to short-term leases	13,323	13,591	15,483	4,250	4,351
Total amount recognised in profit or loss	55,769	54,494	49,825	13,212	13,663

(d) The total cash outflow for leases is disclosed in note 43(c) to the Historical Financial Information.

The Group as a lessor

The Group leases certain of its plant and machinery under finance lease arrangements. Details of finance lease interest income recognised by the Group during the Relevant Periods are included in note 5 to the Historical Financial Information.

During the years ended 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's finance lease receivables were secured and interest-bearing at rates ranging from 3.0% to 6.9%, 3.0% to 6.9%, 3.0% to 6.9% and 3.0% to 6.9%, respectively. Details of lease receivables as well as the reconciliation between the gross investment in finance leases and the present value of minimum lease payments receivable under such leases as at 31 December 2023, 2024 and 2025 and 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross investment in finance leases	237,359	202,524	254,294	241,543
Less: Unearned finance income	(41,079)	(31,993)	(31,709)	(28,920)
Gross lease receivables	196,280	170,531	222,585	212,623
Less: accumulated allowance for impairment	(1,963)	(1,705)	(2,226)	(2,125)
Net lease receivables	194,317	168,826	220,359	210,498
Analysed into:				
Current portion	25,749	28,841	46,499	42,884
Non-current portion	168,568	139,985	173,860	167,614

The analyses of the Group's gross investment in finance leases by relevant maturity groupings as at 31 December 2023, 2024 and 2025 and 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross investment in finance leases				
Within 1 year	38,391	36,683	55,818	52,755
After 1 year but within 2 years	36,683	34,607	45,567	45,730
After 2 years but within 3 years	34,607	26,257	41,670	40,700
After 3 years but within 4 years	26,257	27,205	33,266	31,650
After 4 years but within 5 years	27,205	22,807	29,445	28,635
Over 5 years	74,216	54,965	48,528	42,073
Total	237,359	202,524	254,294	241,543

17. GOODWILL

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at the beginning of year/period	—	107,092	107,092	517,867
Acquisition of subsidiaries *(note 40)*	107,092	—	410,775	—
Cost and net carrying amount at the end of year/period	107,092	107,092	517,867	517,867

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGUs") for impairment testing:

- Machine-vision surface defect inspection solutions cash-generating unit, which is mainly engaged in providing intelligent manufacturing solutions for machine-vision surface defect inspection; and
- Intelligent heating and cooling solutions and dual carbon services cash-generating unit, which is mainly engaged in providing green manufacturing solutions for enterprise customers.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

Carrying amount of goodwill	Machine-vision surface defect inspection solutions	Intelligent heating and cooling solutions and dual carbon services	Total
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2023	107,092	—	107,092
At 31 December 2024	107,092	—	107,092
At 31 December 2025	107,092	410,775	517,867
At 31 March 2026	107,092	410,775	517,867

Machine-vision surface defect inspection solutions

The recoverable amount of the Machine-vision surface defect inspection solutions cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2023, 2024 and 2025 and 31 March 2026, the pre-tax discount rates applied to the cash flow projections were 12.15%, 12.05%, 11.85% and 12.03%; and the growth rates used to extrapolate the cash flows beyond the five-year period were 0%, 0%, 0% and 0%, respectively.

Intelligent heating and cooling solutions and dual carbon services

The recoverable amount of the Intelligent heating and cooling solutions and dual carbon services cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2025 and 31 March 2026, the pre-tax discount rates applied to the cash flow projections were 12.57% and 12.54% and the growth rates used to extrapolate the cash flows beyond the five-year period were 0% and 0%.

Assumptions were used in the value-in-use calculation of the above cash-generating units. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue growth rate — The basis used to determine the revenue growth rate is the average growth rate achieved in the year immediately before the budget year, increased for expected market development.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the actual gross margin achieved in the year immediately before the budget year and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions are consistent with external information sources.

At 31 December 2023, 2024 and 2025 and 31 March 2026, the amounts by which each unit's recoverable amount exceeds its carrying amount ("headroom") are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Machine-vision surface defect inspection solutions	64,112	75,428	83,703	80,798
Intelligent heating and cooling solutions and dual carbon services	—	—	414,190	412,612

The following table sets forth the impact of reasonably possible changes in each of the key assumptions, with all other variables held constant, on the goodwill impairment testing of each of the CGUs at the dates indicated. If the estimated key assumptions changed as below, the headroom would decrease to:

Machine-vision surface defect inspection solutions

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue growth rate decreases by 1%	28,112	44,428	67,703	65,798
Budgeted gross margin decreases by 1%	55,112	67,428	73,703	70,798
Discount rate increases by 1%	39,112	50,428	56,703	54,798

Intelligent heating and cooling solutions and dual carbon services

	31 December 2025	31 March 2026
	RMB'000	*RMB'000*
Revenue growth rate decreases by 1%	328,842	326,612
Budgeted gross margin decreases by 1%	319,756	315,612
Discount rate increases by 1%	320,347	322,612

The aforementioned reasonable possible changes in key parameters would not cause the carrying amount of the CGU to exceed its recoverable amount.

18. OTHER INTANGIBLE ASSETS

The Group

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023:			
Cost	150	117,650	117,800
Accumulated amortisation	(94)	(66,427)	(66,521)
Net carrying amount	56	51,223	51,279
At 1 January 2023, net of accumulated amortisation	56	51,223	51,279
Additions	—	14,137	14,137
Amortisation provided during the year	(10)	(12,989)	(12,999)
Disposals/Write-off	—	(61)	(61)
Exchange realignment	1	1	2
At 31 December 2023, net of accumulated amortisation	47	52,311	52,358
At 31 December 2023:			
Cost	154	96,494	96,648
Accumulated amortisation	(107)	(44,183)	(44,290)
Net carrying amount	47	52,311	52,358

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024:			
Cost	154	96,494	96,648
Accumulated amortisation	(107)	(44,183)	(44,290)
Net carrying amount	47	52,311	52,358
At 1 January 2024, net of accumulated amortisation	47	52,311	52,358
Additions	—	34,067	34,067
Assets included in a discontinued operation *(note 12)*	—	(5,882)	(5,882)
Amortisation provided during the year	(9)	(16,752)	(16,761)
Disposals/Write-off	—	(6,916)	(6,916)
Exchange realignment	(4)	(12)	(16)
At 31 December 2024, net of accumulated amortisation	34	56,816	56,850
At 31 December 2024:			
Cost	140	104,557	104,697
Accumulated amortisation	(106)	(47,741)	(47,847)
Net carrying amount	34	56,816	56,850

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	140	104,557	104,697
Accumulated amortisation	(106)	(47,741)	(47,847)
Net carrying amount	34	56,816	56,850
At 1 January 2025, net of accumulated amortisation	34	56,816	56,850
Additions	—	8,038	8,038
Acquisition of subsidiaries *(note 40)*	—	369	369
Amortisation provided during the year	(7)	(11,932)	(11,939)
Disposals/Write-off	—	(2,658)	(2,658)
Exchange realignment	—	(1)	(1)
At 31 December 2025, net of accumulated amortisation	27	50,632	50,659
At 31 December 2025:			
Cost	140	100,523	100,663
Accumulated amortisation	(113)	(49,891)	(50,004)
Net carrying amount	27	50,632	50,659

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 March 2026			
At 1 January 2026:			
Cost	140	100,523	100,663
Accumulated amortisation	(113)	(49,891)	(50,004)
Net carrying amount	27	50,632	50,659
At 1 January 2026, net of accumulated amortisation	27	50,632	50,659
Additions	—	1,569	1,569
Amortisation provided during the period	—	(1,997)	(1,997)
Exchange realignment	—*	—*	—*
At 31 March 2026, net of accumulated amortisation	27	50,204	50,231
At 31 March 2026:			
Cost	140	101,922	102,062
Accumulated amortisation	(113)	(51,718)	(51,831)
Net carrying amount	27	50,204	50,231

* The amount is less than RMB1,000.

The Company

	Software	Total
	RMB'000	*RMB'000*
31 December 2023		
At 1 January 2023:		
Cost	4,646	4,646
Accumulated amortisation	(2,202)	(2,202)
Net carrying amount	2,444	2,444
At 1 January 2023, net of accumulated amortisation	2,444	2,444
Amortisation provided during the year	(940)	(940)
At 31 December 2023, net of accumulated amortisation	1,504	1,504
At 31 December 2023:		
Cost	4,646	4,646
Accumulated amortisation	(3,142)	(3,142)
Net carrying amount	1,504	1,504

	Software	Total
	RMB'000	*RMB'000*
31 December 2024		
At 1 January 2024:		
Cost	4,646	4,646
Accumulated amortisation	(3,142)	(3,142)
Net carrying amount	1,504	1,504
At 1 January 2024, net of accumulated amortisation	1,504	1,504
Amortisation provided during the year	(1,034)	(1,034)
At 31 December 2024, net of accumulated amortisation	470	470
At 31 December 2024:		
Cost	4,646	4,646
Accumulated amortisation	(4,176)	(4,176)
Net carrying amount	470	470

	Software	Total
	RMB'000	*RMB'000*
31 December 2025		
At 1 January 2025:		
Cost	4,646	4,646
Accumulated amortisation	(4,176)	(4,176)
Net carrying amount	470	470
At 1 January 2025, net of accumulated amortisation	470	470
Amortisation provided during the year	(470)	(470)
At 31 December 2025, net of accumulated amortisation	—	—
At 31 December 2025:		
Cost	—	—
Accumulated amortisation	—	—
Net carrying amount	—	—

19. INVESTMENTS IN ASSOCIATES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	121,238	133,414	147,570	155,510
Goodwill on acquisition	2,633	2,633	2,633	2,633
Total	123,871	136,047	150,203	158,143

The Group's investments are accounted for as associates of the Group for which the Group is in a position to exercise significant influence. The Group has at least one director on each board of directors and/or has relevant rights regarding certain significant financial and operating decisions in the board meetings of these associates.

None of the Group's associates are considered individually material during the Relevant Periods. The following table illustrates the aggregate financial information of the associates:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Share of the associates' profits for the year/period	27,534	14,829	14,129	4,098	5,737
Share of the associates' other comprehensive income/(loss) for the year/period	229	(51)	74	(61)	3
Total	27,763	14,778	14,203	4,037	5,740

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aggregate carrying amount of the Group's investments in the associates	123,871	136,047	150,203	158,143

20. INVESTMENTS IN SUBSIDIARIES

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments, net carrying amount:	3,913,683	4,325,407	3,744,052	3,744,052

Particulars of the Company's principle subsidiaries are included in note 1 to the Historical Financial Information.

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
Listed equity investments, at fair value				
Bank of Qingdao Co., Ltd. (青島銀行股份有限公司)	92,006	117,044	135,144	156,260
Unlisted equity investments, at fair value				
Qingdao Virtual Reality Research Institute Co., Ltd. (青島虛擬現實研究院有限公司)	2,410	1,500	1,600	1,400
Total	94,416	118,544	136,744	157,660

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

22. INVENTORIES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	119,012	100,593	175,869	204,184
Work in progress	78,916	265	245	234
Finished goods	234,305	248,338	308,528	267,935
	432,233	349,196	484,642	472,353
Contract fulfilment costs	511,553	567,631	766,669	824,180
Total	943,786	916,827	1,251,311	1,296,533

23. TRADE AND BILLS RECEIVABLES

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	957,941	1,149,842	1,577,851	1,699,062
Impairment	(19,384)	(34,026)	(89,513)	(93,269)
Trade receivables, net	938,557	1,115,816	1,488,338	1,605,793
Bills receivable	761,783	535,645	731,331	536,319
Impairment	(2,285)	(2,240)	(2,496)	(1,609)
Bills receivable, net	759,498	533,405	728,835	534,710
Trade and bills receivables	1,698,055	1,649,221	2,217,173	2,140,503

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	23,849	21,868	7,371	6,319
Impairment	—	—	—	—
Trade receivables, net	23,849	21,868	7,371	6,319
Trade and bills receivables	23,849	21,868	7,371	6,319

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods are generally 30 to 270 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, bills receivable of the Group amounting to RMB395,491,000, RMB187,610,000, RMB156,000,000 and RMB234,078,000, respectively, were restricted by banks as collateral for the issuance of bank acceptance notes.

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

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	914,692	1,091,001	1,403,436	1,537,917
13 to 24 months	23,455	22,692	82,223	66,457
25 to 36 months	410	2,123	2,679	1,419
Total	938,557	1,115,816	1,488,338	1,605,793

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	23,849	4,696	7,371	6,319
13 to 24 months	—	17,172	—	—
Total	23,849	21,868	7,371	6,319

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

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	19,519	19,384	34,026	89,513
Impairment losses recognised, net	431	18,691	35,509	2,339
Amount written off as uncollectible	(579)	(1,194)	(357)	(89)
Recovery of amount previously written off	—	1,642	9,636	1,497
Indemnification asset recognised from non-controlling shareholders	—	—	10,662	—
Assets included in a discontinued operation	—	(4,521)	—	—
Exchange realignment	13	24	37	9
At end of the year/period	19,384	34,026	89,513	93,269

The increase in the loss allowance during the Relevant Periods was mainly due to the increase in trade receivables with ageing for over 12 months and the increase in expected credit loss rate.

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

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

The Group

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	0.69%	921,080	6,388	914,692
13 to 24 months	24.30%	30,984	7,529	23,455
25 to 36 months	81.88%	2,263	1,853	410
Over 36 months	100.00%	434	434	—
Provision on an individual basis	100.00%	3,180	3,180	—
Total		957,941	19,384	938,557

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	0.89%	1,100,769	9,768	1,091,001
13 to 24 months	23.40%	29,624	6,932	22,692
25 to 36 months	78.87%	10,049	7,926	2,123
Over 36 months	100.00%	2,459	2,459	—
Provision on an individual basis	100.00%	6,941	6,941	—
Total		1,149,842	34,026	1,115,816

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	1.28%	1,421,565	18,129	1,403,436
13 to 24 months	14.68%	96,373	14,150	82,223
25 to 36 months	49.04%	5,256	2,577	2,679
Over 36 months	100.00%	3,883	3,883	—
Provision on an individual basis	100.00%	50,774	50,774	—
Total		1,577,851	89,513	1,488,338

As at 31 March 2026

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	1.04%	1,554,050	16,133	1,537,917
13 to 24 months	24.27%	87,753	21,296	66,457
25 to 36 months	55.14%	3,164	1,745	1,419
Over 36 months	100.00%	4,078	4,078	—
Provision on an individual basis	100.00%	50,017	50,017	—
Total		1,699,062	93,269	1,605,793

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group endorsed certain bills receivable in the Chinese mainland (the "Endorsed Bills") with carrying amounts of RMB254,648,000, RMB201,476,000, RMB305,550,000 and RMB167,245,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, certain bills receivable accepted by banks in the Chinese mainland (the "Discounted Bills") were discounted to the banks in the Chinese mainland with carrying amounts in aggregate of RMB1,000,000, nil, nil and nil, respectively. In accordance with the Law of Negotiable Instruments in the Chinese mainland, the holders of the Discounted Bills have a right of recourse against the Group if the banks in the Chinese mainland default (the "Continuing Involvement"). In the opinion of the directors, the Group has not transferred substantially all risks and rewards relating to the Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Discounted Bills and the undiscounted cash flows to repurchase these Discounted Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Discounted Bills are not significant. The proceeds received from the discounting of the Discounted Bills with amounts of RMB1,000,000, nil, nil and nil were recorded as interest-bearing bank borrowings at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, because the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills.

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments	60,454	49,164	85,200	74,944
Value-added tax recoverable and prepaid taxes	80,737	72,931	86,195	92,195
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	7,040	11,418	9,127	12,470
Dividends receivable	2,728	4,671	7,760	7,673
Land resumption compensation	75,427	55,427	—	—
Disbursements of utility payments on behalf of customers	165,484	185,164	187,451	185,595
Other receivables	25,996	24,517	39,502	41,631
	417,866	403,292	420,867	425,194
Impairment allowance	(7,481)	(7,891)	(7,212)	(8,033)
Total — current	410,385	395,401	413,655	417,161
Non-current:				
Long-term prepayments	27,013	21,297	8,994	15,345
Long-term deposits	24,523	17,950	20,080	20,893
Other assets	—	—	1,765	1,765
	51,536	39,247	30,839	38,003
Impairment allowance	(245)	(179)	(201)	(209)
Total — non-current	51,291	39,068	30,638	37,794
Total	461,676	434,469	444,293	454,955

The Group applies an expected credit loss model to evaluate the credit losses for financial assets included in prepayments, other receivables and other assets. The Group's movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	5,235	7,726	8,070	7,413
Impairment losses/(reversal of impairment losses) recognised, net	2,346	347	(786)	612
Recovery of amount previously written off	145	—	129	217
Assets included in a discontinued operation	—	(3)	—	—
At end of year/period	7,726	8,070	7,413	8,242

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments	434	336	320	303
Value-added tax recoverable and prepaid taxes	—	99	—	—
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	—	34	5	—
Dividends receivable	98,180	—	200,000	200,000
Amounts due from subsidiaries	840,438	3,027,111	1,614,690	2,186,433
Other receivables	24	—	—	—
Total — current	939,076	3,027,580	1,820,647	2,397,422
Non-current:				
Amounts due from subsidiaries	—	—	576,000	576,000
Total — non-current	—	—	576,000	576,000
Total	939,076	3,027,580	2,396,647	2,973,422

Except for a non-trade amount of due from a subsidiary of RMB583,898,000 and RMB588,869,000 as at 31 December 2025 and 31 March 2026, respectively, with an interest rate of 3.5% of which principal of RMB576,000,000 is repayable by 31 July 2030 and interests of RMB7,898,000 and RMB12,869,000 are repayable within one year as at 31 December 2025 and 31 March 2026, respectively, amounts due from subsidiaries are unsecured, non-interest-bearing and repayable on demand.

25. CONTRACT ASSETS

	1 January	31 December			31 March
	2023	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from					
Retention monies	51,114	52,895	48,507	153,995	155,126
Impairment	(341)	(355)	(427)	(1,185)	(1,391)
Net carrying amount	50,773	52,540	48,080	152,810	153,735

Contract assets are initially recognised for revenue earned from IoT products and data intelligence solutions as the receipt of consideration is conditional on successful completion of warranty conditions. Included in contract assets are retention receivables. Upon completion of warranty conditions and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets during the year ended 31 December 2025 was due to the Group's acquisition of Shanghai Discovery.

The Group's trading terms and credit policy with customers are disclosed in note 23 to the Historical Financial Information.

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	39,691	29,009	88,122	93,767
After one year	12,849	19,071	64,688	59,968
Total contract assets	52,540	48,080	152,810	153,735

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	341	355	427	1,185
Impairment losses recognised, net	14	177	758	206
Assets included in a discontinued operation	—	(105)	—	—
At end of year/period	355	427	1,185	1,391

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

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

	31 December			31 March
	2023	2024	2025	2026
Expected credit loss rate	0.69%	0.89%	0.77%	0.90%
Gross carrying amount (RMB'000)	52,895	48,507	153,995	155,126
Expected credit losses (RMB'000)	355	427	1,185	1,391

26. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets:				
Non-current assets:				
Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) (a)	25,000	—	—	—
Current assets:				
Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) (a)	—	24,896	—	—
Structured deposits (b)	118,659	101,200	370,563	289,455
Total	143,659	126,096	370,563	289,455
Liabilities:				
Current liabilities:				
Foward currency contracts	—	—	—	819
Total	—	—	—	819

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Structured deposits (b)	—	—	300,563	—

Notes:

(a) Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) was a limited partnership registered in the PRC, in which the Group held a 6.17% ownership interest as at 31 December 2023 and 2024. The equity investment was classified as a financial asset at fair value through profit or loss as initial recognition. During the year ended 31 December 2025, Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) completed its liquidation and the liquidation proceed has been fully received.

(b) The structured deposits were issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

27. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills	688,237	873,440	801,560	822,308

The Group endorsed certain bank acceptance bills in the Chinese mainland with aggregate carrying amounts of RMB152,065,000, RMB163,710,000 and RMB206,000,000 and RMB254,452,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the notes mentioned above may exercise the right of recourse against any, several or all of the persons liable for these derecognised bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the Directors, the risk of the Group being claimed by the holders of these derecognised bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the derecognised notes. Accordingly, it has derecognised the full carrying amounts of the derecognised notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised notes and the undiscounted cash flows to repurchase these derecognised notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the derecognised notes are not significant.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, receivables at fair value through other comprehensive income of the Group amounting to RMB504,205,000, RMB705,854,000, RMB568,054,000 and RMB679,349,000, respectively, was restricted by banks as collateral for the issuance of bank acceptance notes.

28. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	4,234,187	930,846	1,040,598	1,193,962
Time deposits	5,086	3,098,527	2,642,392	2,552,206
Subtotal	4,239,273	4,029,373	3,682,990	3,746,168
Less:				
Pledged deposits:				
Current portion	274,951	172,072	289,924	292,925
Non-current portion	239	239	3,967	3,967
Time deposits with original maturity over three months:				
Current portion	5,086	1,553,792	814,829	986,285
Non-current portion	—	506,838	1,208,140	1,213,801
Cash and cash equivalents	3,958,997	1,796,432	1,366,130	1,249,190

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's cash and cash equivalents and time deposits denominated in RMB amounted to RMB3,933,917,000, RMB3,796,623,000, RMB3,234,000,000 and RMB3,256,150,000, respectively. The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Long-term time deposits are placed for periods of over one year but within three years and short-term deposits are available for withdrawals with varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

An analysis of pledged deposits is as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Guarantee deposits for bank acceptance notes	248,905	151,718	265,943	250,995
Restricted for business projects and litigations	23,303	19,313	23,602	41,866
Others	2,743	1,041	379	64
Subtotal	274,951	172,072	289,924	292,925
Non-current				
Restricted for business projects and litigations	239	239	3,967	3,967
Total	275,190	172,311	293,891	296,892

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	3,277,238	143,834	99,704	218,087
Time deposits	—	426,355	1,507,747	1,312,663
Subtotal	3,277,238	570,189	1,607,451	1,530,750
Less:				
Time deposits with original maturity over three months:				
Non-current portion	—	—	1,007,747	1,012,555
Cash and cash equivalents	3,277,238	570,189	599,704	518,195

29. TRADE AND BILLS PAYABLES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,614,926	1,701,597	2,231,494	2,044,377
Bills payable	1,304,296	1,184,096	1,222,656	1,376,441
Total	2,919,222	2,885,693	3,454,150	3,420,818

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	2,863,274	2,818,818	3,331,113	3,311,247
13 to 24 months	41,327	46,715	56,424	45,967
25 to 36 months	11,136	10,616	37,959	33,958
Over 36 months	3,485	9,544	28,654	29,646
Total	2,919,222	2,885,693	3,454,150	3,420,818

The trade payables are non-interest-bearing and are normally settled on 30–270 day terms, which are typically settled through six-month acceptance bills.

30. OTHER PAYABLES AND ACCRUALS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income	58,701	77,098	77,290	81,637
Payroll and welfare payable	175,719	154,633	183,784	127,286
Other tax payables	62,555	58,162	71,143	80,437
Deposits received	35,077	40,186	41,870	46,414
Accrued expenses	108,056	109,090	137,631	132,382
Payables for purchase of long-term assets	103,027	86,894	156,658	149,191
Payables for acquisition of subsidiaries	—	—	20,000	20,000
Other payables	161,954	159,458	128,348	114,728
Total	705,089	685,521	816,724	752,075

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income	216	516	—	—
Payroll and welfare payable	15,442	11,589	16,633	14,296
Other tax payables	2,541	179	342	124
Deposits received	100	100	903	903
Accrued expenses	8,724	9,537	20,419	18,011
Payables for purchase of long-term assets	160	—	—	—
Amounts due to subsidiaries	1,694,060	1,481,107	1,376,856	1,575,686
Total	1,721,243	1,503,028	1,415,153	1,609,020

All financial liabilities above are unsecured, non-interest-bearing and repayable on demand.

31. CONTRACT LIABILITIES

	1 January	31 December			31 March
	2023	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
IoT products	108,135	50,483	13,339	8,978	8,679
Data intelligence solutions	559,337	559,947	593,395	747,632	805,588
Total	667,472	610,430	606,734	756,610	814,267

The increase/decrease in contract liabilities during the Relevant Periods was mainly due to the increase/decrease in advances received from customers in relation to IoT products and data intelligence solutions at the end of each of the Relevant Periods. The contract liabilities of the IoT products as at 1 January 2023 and 31 December 2023 were primarily attributable to COSMO Moulds. The balance decreased because there was a reclassification of COSMO Moulds as a disposal group held for sale as of 31 December 2024. The increase in contract liabilities for the year ended 31 December 2025 was mainly due to the acquisition of Shanghai Discovery. The increase in contract liabilities for the three months ended 31 March 2026 was mainly due to the increase in advances received from Shanghai Discovery.

32. INTEREST-BEARING BANK BORROWINGS

	31 December 2023			31 December 2024			31 December 2025			31 March 2026		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans — secured*	1.90	2024	1,000	—	—	—	—	—	—	—	—	—
Bank loans — unsecured	Business Bank Indicator Rate ("BBIR") –5%	2024	10,407	New Zealand bank bill reference rate ("BID")+2%	2025	11,443	2.20 – 2.68	2026	72,886	2.20 – 2.50	2026	45,000
Total			11,407			11,443			72,886			45,000

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank borrowings repayable:				
Within one year	11,407	11,443	72,886	45,000
Total	11,407	11,443	72,886	45,000
Bank borrowings denominated in the following currencies:				
New Zealand dollars ("NZD")	10,407	11,443	—	—
RMB	1,000	—	72,886	45,000
Total	11,407	11,443	72,886	45,000
Bank borrowings by type of interest rate:				
Fixed interest rate	1,000	—	72,886	45,000
Variable interest rate	10,407	11,443	—	—
Total	11,407	11,443	72,886	45,000

* As at 31 December 2023, the Group discounted certain bills receivable with a carrying amount of RMB1,000,000 in exchange for cash. The Group has retained the substantial risks and rewards, which include default risks relating to such discounted bills, and accordingly, it continued to recognise the full carrying amounts of the bills receivable and the associated cash received as secured bank borrowings from the bank, the corresponding discount charges is recorded as interest expense.

33. PROVISION

The movement of provisions for product warranties is as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	44,388	43,502	42,718	69,303
Additional provision	41,325	38,790	57,196	11,346
Acquisition of subsidiaries *(note 40)*	—	—	14,667	—
Amounts utilised during the year/period	(42,261)	(39,488)	(45,259)	(13,338)
Exchange realignment	50	(86)	(19)	(20)
At the end of year/period	43,502	42,718	69,303	67,291
Portion classified as current liabilities	30,226	30,163	48,852	48,171
Non-current portion	13,276	12,555	20,451	19,120

The Group provides warranties to its customers in relation to certain of IoT products and data intelligence solutions for general repairs of defects occurring during the warranty period. The amount of the provision for warranties is estimated based on past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

34. DEFERRED INCOME

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants				
Asset-related grants (a)	85,092	59,426	45,651	43,146
Reimbursement of future expenses (b)	54,567	67,979	58,666	57,186
Total	139,659	127,405	104,317	100,332

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	150,217	139,659	127,405	104,317
Additions	38,148	39,453	9,257	2,596
Released to profit or loss	(48,706)	(31,103)	(32,345)	(6,581)
Liabilities included in a discontinued operation	—	(20,604)	—	—
At end of year/period	139,659	127,405	104,317	100,332
Current portion	22,426	22,490	22,951	19,603
Non-current portion	117,233	104,915	81,366	80,729

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants				
Reimbursement of future expenses (b)	700	1,500	2,200	2,200

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	—	700	1,500	2,200
Additions	700	800	700	—
At end of year/period	700	1,500	2,200	2,200
Current portion	—	—	—	—
Non-current portion	700	1,500	2,200	2,200

Notes:

(a) Asset-related grants

The asset-related grants were mainly the subsidies received from the government in relation to the Group's property, plant and equipment.

(b) Reimbursement of future expenses

Government grants, as reimbursement of future expenses, were mainly the subsidies received in relation to the Group's future research and development activities.

35. DEFERRED TAX

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

Deferred tax assets

	Losses available for offsetting against future taxable profits	Lease liabilities	Unrealised profits	Impairment of assets	Deferred revenue/ income	Sales rebates	Depreciation of finance lease assets	Provision	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	19,913	26,667	2,880	2,222	1,292	—	—	928	53,902
Acquisition of subsidiaries *(note 40)*	164	—	—	199	—	—	—	—	363
Deferred tax (charged)/ credited to profit or loss during the year	1,284	(4,553)	892	207	13	14	—	1,285	(858)
Gross deferred tax assets at 31 December 2023	21,361	22,114	3,772	2,628	1,305	14	—	2,213	53,407
At 1 January 2024	21,361	22,114	3,772	2,628	1,305	14	—	2,213	53,407
Deferred tax (charged)/ credited to profit or loss during the year	(2,198)	(3,122)	1,304	2,757	1,084	131	—	1,848	1,804
Gross deferred tax assets at 31 December 2024	19,163	18,992	5,076	5,385	2,389	145	—	4,061	55,211
At 1 January 2025	19,163	18,992	5,076	5,385	2,389	145	—	4,061	55,211
Acquisition of subsidiaries *(note 40)*	4,128	274	—	4,776	18,987	—	4,625	2,212	35,002
Deferred tax (charged)/ credited to profit or loss during the year	11,077	6,370	(2,222)	(600)	(18,597)	744	106	(33)	(3,155)
Gross deferred tax assets at 31 December 2025	34,368	25,636	2,854	9,561	2,779	889	4,731	6,240	87,058
At 1 January 2026	34,368	25,636	2,854	9,561	2,779	889	4,731	6,240	87,058
Deferred tax (charged)/ credited to profit or loss during the period	1,142	1,382	(1,040)	(1,288)	274	(307)	(124)	(601)	(562)
Gross deferred tax assets at 31 March 2026	35,510	27,018	1,814	8,273	3,053	582	4,607	5,639	86,496

Deferred tax liabilities

	Right-of-use assets	Accelerated depreciation of fixed assets	Fair value change of equity instruments	Fair value adjustments of financial assets at fair value through profit or loss	Lease receivables	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	26,615	13,045	6,135	376	—	18,857	65,028
Deferred tax charged/(credited) to profit or loss during the year	(4,432)	697	—	(303)	—	—	(4,038)
Deferred tax credited to other comprehensive income during the year	—	—	(1,623)	—	—	—	(1,623)
Gross deferred tax liabilities at 31 December 2023	22,183	13,742	4,512	73	—	18,857	59,367
At 1 January 2024	22,183	13,742	4,512	73	—	18,857	59,367
Deferred tax charged/(credited) to profit or loss during the year	(3,320)	62	—	(23)	—	(17,500)	(20,781)
Deferred tax charged to other comprehensive income during the year	—	—	4,296	—	—	—	4,296
Gross deferred tax liabilities at 31 December 2024	18,863	13,804	8,808	50	—	1,357	42,882

	Right-of-use assets	Accelerated depreciation of fixed assets	Fair value change of equity instruments	Fair value adjustments of financial assets at fair value through profit or loss	Lease receivables	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	18,863	13,804	8,808	50	—	1,357	42,882
Acquisition of subsidiaries *(note 40)*	292	—	—	—	6,370	—	6,662
Deferred tax charged/(credited) to profit or loss during the year	6,035	(175)	—	(50)	80	(1,357)	4,533
Deferred tax charged to other comprehensive income during the year	—	—	2,712	—	—	—	2,712
Gross deferred tax liabilities at 31 December 2025	25,190	13,629	11,520	—	6,450	—	56,789
At 1 January 2026	25,190	13,629	11,520	—	6,450	—	56,789
Deferred tax charged/(credited) to profit or loss during the period	1,056	(106)	—	38	(478)	—	510
Deferred tax charged to other comprehensive income during the period	—	—	3,167	—	—	—	3,167
Gross deferred tax liabilities at 31 March 2026	26,246	13,523	14,687	38	5,972	—	60,466

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	16,442	21,792	42,645	41,676
Net deferred tax liabilities recognised in the consolidated statements of financial position	22,402	9,463	12,376	15,646

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

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses not recognised	1,772,284	1,881,232	2,008,399	1,781,893
Deductible temporary differences	435,190	500,578	419,832	393,641
Total	2,207,474	2,381,810	2,428,231	2,175,534

Tax losses of RMB1,657,624,000, RMB1,732,717,000, RMB1,798,704,000 and RMB1,555,750,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, arising in the Chinese mainland will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group also had tax losses arising in New Zealand, Singapore, and Hong Kong with aggregate amounts RMB114,660,000, RMB148,515,000, RMB209,695,000 and 226,143,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

36. OTHER LIABILITIES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Contingent consideration				
Hangzhou Chixiao Technology Co., Ltd. ("Hangzhou Chixiao") *(note (a))*	—	—	5,910	5,960
Put option liability				
Hangzhou Chixiao *(note (a))*	20,000	36,820	53,025	54,658
Total — current	20,000	36,820	58,935	60,618
Non-current				
Contingent consideration				
Hangzhou Chixiao *(note (a))*	5,440	5,730	—	—
Put option liability				
Hangzhou Chixiao *(note (a))*	75,641	41,999	—	—
Shanghai Discovery *(note (b))*	—	—	101,424	102,261
Total — non-current	81,081	47,729	101,424	102,261
Total	101,081	84,549	160,359	162,879

Notes:

(a) As part of the purchase agreement in relation to the Group's acquisition of a 51% interest in Hangzhou Chixiao in March 2023, there were (i) a contingent consideration which is determined with reference to Hangzhou Chixiao's annual operating results in the next three years; and (ii) a put option granted to the seller which allows the seller to sell the remaining 28% interest in Hangzhou Chixiao to the Group at a price to be determined based on an agreed formula. The contingent consideration and put option liability are carried at fair value, as at 31 December 2023 and 2024, both of which are categorised in Level 3 of the fair value measurement and transferred to Level 2 as at 31 December 2025. As at 31 March 2026, the contingent consideration and put option liability are categorised in Level 2 of the fair value measurement.

(b) As part of the purchase agreement in relation to the Group's acquisition of a 67% interest in Shanghai Discovery in August 2025, a put option was granted to the non-controlling shareholder of Shanghai Discovery which allows the non-controlling shareholder to sell the remaining 13% interest in Shanghai Discovery to the Group at a price based on an agreed amount. The put option liability was measured at amortised cost.

37. SHARE CAPITAL

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Issued and fully paid	1,526,632	1,526,632	1,526,632	1,526,632

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

	Year ended 31 December 2023		Year ended 31 December 2024		Year ended 31 December 2025		Three months ended 31 March 2026	
	Number of shares in issue	Share capital *RMB'000*	Number of shares in issue	Share capital *RMB'000*	Number of shares in issue	Share capital *RMB'000*	Number of shares in issue	Share capital *RMB'000*
At beginning of year/period	1,504,603,433	1,504,603	1,526,631,611	1,526,632	1,526,631,611	1,526,632	1,526,631,611	1,526,632
Exercise of share options *(note (a))*	22,028,178	22,029	—	—	—	—	—	—
At end of year/ period	1,526,631,611	1,526,632	1,526,631,611	1,526,632	1,526,631,611	1,526,632	1,526,631,611	1,526,632

On 30 December 2022, the Company was converted into a joint stock company with limited liability.

Note:

(a) The subscription rights attaching to 22,028,178 share options were exercised and transferred to Share Award Scheme at the subscription price of RMB2.46 per share (note 38), resulting in the issue of 22,028,178 shares for a total cash consideration of RMB54,102,000.

38. SHARE-BASED PAYMENTS

On 9 January 2019, the Group approved and adopted a share incentive plan, which includes a share option scheme (the "Share Option Scheme") and a share award scheme (the"Share Award Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The eligible participants of the Share Option Scheme and the Share Award Scheme include the directors, employees and consultants of the Group, and the above schemes are administered by the board of directors of the Company, which has the authority, at its discretion, to select the employees, directors and consultants to whom shares and share options may be granted from time to time hereunder, to determine whether and to what extent the shares and share options are granted hereunder, and to determine the number of shares and share options.

Share Option Scheme

The Share Option Scheme became effective on 9 January 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The maximum aggregate number of shares under the Share Option Scheme is 34,100,163 shares of the Company.

All of the options granted to the participants are subject to a performance-based condition, which is related to the revenue or the net profit of the Group and the performance of the individuals. Upon satisfaction of the performance-based condition, the granted options would become exercisable over a three-year period, with 30%, 30% and 40% of total options in 12, 24 and 36 months subsequent to the grant date, respectively. Besides, the share options granted are subject to a service condition which will be satisfied at the later of (i) the date of completion of **[REDACTED]** of the Company's shares and (ii) 3 years after the date of grant. Once exercised, the share options granted would transfer to incentive shares under the Share Award Scheme.

During the period from 1 January 2023 to 2 November 2023, 16,049,814 share options were exercised and on 2 November 2023, the board of directors of the Company passed a resolution to approve the aforementioned exercise of all outstanding share options of 5,978,364 to incentive shares under Share Award Scheme as at that date, the service condition remained unchanged.

Movements in the number of share options and their respective weighted average exercise price under the Share Option Scheme were as follows:

	Year ended 31 December 2023	
	Weighted average exercise price per share *RMB*	Number of shares
At beginning of year	2.46	26,228,909
Granted during the year	2.46	2,213,404
Forfeited during the year	2.46	(6,414,135)
Exercised and transferred to Share Award Scheme during the year	2.46	(22,028,178)
At end of year	—	—

The fair value of the share options granted during the year ended 31 December 2023 is as follows:

	Year ended 31 December 2023
Fair value of share options granted:	
Total amount (RMB'000)	19,031
Per share amount (RMB)	8.53–8.65

The comparable companies method of the market approach was used to determine the total equity value of the Group and the fair value of ordinary shares. Based on the fair value of the underlying ordinary shares, the fair value of share options was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to estimate the fair value of share options granted during the year ended 31 December 2023:

	Year ended 31 December 2023
Dividend yield (%)	—
Expected volatility (%)	39.70
Risk-free interest rate (%)	2.26
Expected life of share options (year)	3.00
Weighted average share value (RMB/share)	8.60

The expected life of share options is based on the contract terms. The expected volatility is determined by using the average of historical volatilities of the share prices of the comparable companies, which may also not necessarily be the actual outcome. The risk-free interest rate is based on the yield of China treasury bills. No other feature of the share options granted was incorporated into the measurement of fair value.

Share Award Scheme

In order to implement the Share Award Scheme, Shanghai Wuxuan Enterprise Management Partnership (Limited Partnership) (上海物暄企業管理合夥企業(有限合夥)), Shanghai Wuxing Enterprise Management Partnership (Limited Partnership) (上海物星企業管理合夥企業(有限合夥)), Shanghai Wuqi Enterprise Management Partnership (Limited Partnership) (上海物祈企業管理合夥企業(有限合夥)), Shanghai Wukui Enterprise Management Partnership (Limited Partnership) (上海物夔企業管理合夥企業(有限合夥)), Shanghai Wuqu Enterprise Management Partnership (Limited Partnership) (上海物瞿企業管理合夥企業(有限合夥)), Shanghai Wupan Enterprise Management Partnership (Limited Partnership) (上海物磐企業管理合夥企業(有限合夥)), Shanghai Kesimeng Enterprise Management Partnership (Limited Partnership) (上海科思盟企業管理合夥企業(有限合夥)), Shanghai Kesimeng II Enterprise Management Partnership (Limited Partnership) (上海科思盟貳企業管理合夥企業(有限合夥)) and Shanghai Wukun Enterprise Management Partnership (Limited Partnership) (上海物鯤企業管理合夥企業(有限合夥)) were established and designated as share incentive platforms to hold the incentive shares specially awarded to the eligible participants as the ultimate beneficial owners.

The incentive shares granted are subject to a service condition which will be satisfied at the later of (i) the date of completion of **[REDACTED]** of the Company's shares and (ii) 3 years after the date of grant.

The fair values of the incentive shares granted at the grant date were determined with reference to the fair value of the underlying shares which were determined using the comparable companies method of the market approach, taking into account the terms and conditions upon which the shares were granted. The following table lists the key inputs to the model used:

	31 December			31 March
	2023	2024	2025	2026
Average enterprise value to sales ("EV/Sales")	3.58	3.87	3.27	N/A
Discount for lack of marketability (%)	30.96	33.47	34.91	N/A

Movements in the number of incentive shares and their respective weighted average grant price under the Share Award Scheme were as follows:

	Year ended December 31 2023		Year ended December 31 2024		Year ended December 31 2025		Three months ended 31 March 2026	
	Weighted average grant price per share	Number of incentive shares	Weighted average grant price per share	Number of incentive shares	Weighted average grant price per share	Number of incentive shares	Weighted average grant price per share	Number of incentive shares
	RMB		*RMB*		*RMB*		*RMB*	
At beginning of year/period	2.46	13,011,876	2.46	35,489,084	2.46	35,489,084	2.46	35,489,084
Granted during the year/ period	2.46	2,575,994	2.46	2,156,822	2.46	6,898,940	N/A	—
Transferred from Share Option Scheme during the year/period	2.46	22,028,178	—	—	—	—	—	—
Forfeited during the year/ period	2.46	(2,126,964)	2.46	(2,156,822)	2.46	(6,898,940)	2.46	(603,003)
At end of year/period	2.46	35,489,084	2.46	35,489,084	2.46	35,489,084	2.46	34,886,081

The aforesaid Share Option Scheme and Share Award Scheme have been accounted for as share-based payment transactions. During the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, the Group recognised expenses of RMB29,606,000, RMB27,685,000, RMB39,316,000, RMB8,656,000 (unaudited) and RMB11,115,000, respectively.

39. RESERVES

The Group

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

(a) Capital reserve

The capital reserve mainly represents the amount paid by shareholders for capital injection in excess of the nominal value of the shares issued, the amount arising from the conversion to a joint stock company, eliminating the portion which was converted into share capital, the reserves resulting from transactions with non-controlling interests as well as share of change in reserve of associate.

(b) Share-based payment reserve

The share-based payment reserve of the Group is attributable to the fair value of share options and share awards granted to the Group's employees, less the corresponding grant price, details of which are set out in note 38 to the Historical Financial Information.

(c) Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of their registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities, provided that the balance after such conversion is not less than 25% of the registered capital. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

(d) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2.3 to the Historical Financial Information.

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

The Company

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	(Accumulated loss)/ Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	4,823,481	52,901	—	(17,712)	4,858,670
Loss for the year	—	—	—	(1,211)	(1,211)
Total comprehensive loss for the year	—	—	—	(1,211)	(1,211)
Capital contribution from shareholders	32,073	—	—	—	32,073
Equity-settled share-based payment arrangements	—	17,343	—	—	17,343
Share issue expenses	(100)	—	—	—	(100)
At 31 December 2023 and 1 January 2024	4,855,454	70,244	—	(18,923)	4,906,775
Loss for the year	—	—	—	(8,056)	(8,056)
Total comprehensive loss for the year	—	—	—	(8,056)	(8,056)
Equity-settled share-based payment arrangements	—	15,635	—	—	15,635
At 31 December 2024 and 1 January 2025	4,855,454	85,879	—	(26,979)	4,914,354
Profit for the year	—	—	—	179,809	179,809
Total comprehensive income for the year	—	—	—	179,809	179,809
Appropriation to statutory surplus reserve	—	—	15,283	(15,283)	—
Equity-settled share-based payment arrangements	—	17,936	—	—	17,936
At 31 December 2025 and 1 January 2026	4,855,454	103,815	15,283	137,547	5,112,099
Loss for the period	—	—	—	(108)	(108)
Total comprehensive loss for the period	—	—	—	(108)	(108)
Equity-settled share-based payment arrangements	—	4,700	—	—	4,700
At 31 March 2026	4,855,454	108,515	15,283	137,439	5,116,691

40. BUSINESS COMBINATION

Acquisition of Hangzhou Chixiao

In May 2023, the Group entered into an equity purchase agreement pursuant to which the Group agreed to acquire a 51% equity interest in Hangzhou Chixiao for a total consideration of RMB126,630,000. The acquisition was made as part of the Group's strategy to expand its market in the data intelligence solution business. The purchase consideration for the acquisition was in the form of cash with RMB121,500,000 fully paid in 2023 and contingent consideration (note(36(a)) with a fair value of RMB5,130,000 as at the date of acquisition.

The fair values of the identifiable assets and liabilities of Hangzhou Chixiao as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** *RMB'000*
Property, plant and equipment	15	981
Right-of-use assets	16(a)	1,266
Deferred tax assets	35	363
Trade and bills receivables		16,696
Prepayments, other receivables and other assets		3,905
Inventories		31,357
Receivables at fair value through other comprehensive income		521
Financial assets at fair value through profit or loss		10,400
Cash and cash equivalents		19,615
Trade and bills payables		(8,164)
Other payables and accruals		(6,893)
Contract liabilities		(30,922)
Lease liabilities	16(b)	(816)
Total identifiable net assets at fair value		38,309
Non-controlling interests		(18,771)
		19,538
Goodwill on acquisition	17	107,092
Satisfied by:		
Cash		121,500
Contingent consideration		5,130
		126,630

The fair values of the trade and bills receivables and other receivables as at the date of acquisition amounted to RMB16,696,000 and RMB1,701,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB18,343,000 and RMB1,711,000, respectively, of which trade receivables and other receivables of RMB1,647,000 and RMB10,000 are expected to be uncollectible.

The Group incurred transaction costs of RMB590,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statements of profit or loss.

As part of the purchase agreement, contingent consideration is payable, which is determined with reference to Hangzhou Chixiao's annual operating results in the next three years subsequent to the acquisition. The initial amount recognised was RMB5,130,000 which was determined using the discounted cash flow model and is within Level 3 fair value measurement. The finalized consideration will be determined and paid to the seller in 2026.

An analysis of the cash flows in respect of the acquisition of Hangzhou Chixiao is as follows:

	RMB'000
Cash consideration	(121,500)
Cash and cash equivalents acquired	19,615
Net outflow of cash and cash equivalents included in cash flows from investing activities	(101,885)
Transaction costs of the acquisition included in cash flows from operating activities	(590)
Total net cash outflow	(102,475)

Since the acquisition, Hangzhou Chixiao contributed revenue of RMB30,565,000 and net profit of RMB6,812,000 for the year ended 31 December 2023 to the Group.

Had the combination taken place at the beginning of the year ended 31 December 2023, the revenue and the loss of the Group from continuing operations for the year ended 31 December 2023 would have been RMB5,016,141,000 and RMB14,481,000, respectively.

ACQUISITION OF SHANGHAI DISCOVERY

In August 2025, the Group entered into an equity purchase agreement pursuant to which the Group agreed to acquire a 67% equity interest in Shanghai Discovery for a total consideration of RMB576,200,000. The acquisition was made as part of the Group's strategy to expand its market in data intelligence solutions business. The purchase consideration for the acquisition consisted of cash consideration of RMB371,940,000 paid to the sellers and a capital contribution of RMB204,260,000 made to Shanghai Discovery. As at 31 December 2025, except for amount of RMB20,000,000 payable to the sellers remained unsettled, the other aforementioned consideration were fully paid, of which RMB72,812,000 was paid to its former shareholders subsequent to the completion of the acquisition transaction by way of capital reduction by Shanghai Discovery.

The fair values of the identifiable assets and liabilities of Shanghai Discovery as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** *RMB'000*
Property, plant and equipment	15	19,020
Right-of-use assets	16(a)	1,947
Other intangible assets	18	369
Lease receivables		39,620
Deferred tax assets	35	28,340
Inventories		550,903
Trade and bills receivables		224,734
Prepayments, other receivables and other assets		41,450
Contract assets		69,496
Pledged deposits		15,623
Cash and cash equivalents		251,953
Interest-bearing bank borrowings		(110,746)
Trade and bills payables		(130,983)
Other payables and accruals		(130,940)
Contract liabilities		(606,751)
Lease liabilities	16(b)	(1,829)
Provision	33	(14,667)
Total identifiable net assets at fair value		247,539
Non-controlling interests		(82,114)
		165,425
Goodwill on acquisition	17	410,775
Satisfied by:		
Cash		556,200
Other payables		20,000
		576,200

The fair values of the trade and bills receivables and other receivables as at the date of acquisition amounted to RMB224,734,000 and RMB15,052,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB248,546,000 and RMB17,528,000, respectively, of which trade receivables and other receivables of RMB23,812,000 and RMB2,476,000, respectively, are expected to be uncollectible.

The Group incurred transaction costs of RMB1,242,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of Shanghai Discovery is as follows:

	RMB'000
Cash consideration	(556,200)
Cash and bank balances acquired	251,953
Cash consideration paid by Shanghai Discovery to its former shareholders through capital reduction	(72,812)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(377,059)
Transaction costs of the acquisition included in cash flows from operating activities	(1,242)
Total net cash outflow	(378,301)

Since the acquisition, Shanghai Discovery contributed RMB541,168,000 to the Group's revenue and RMB79,567,000 to the consolidated profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year 31 December 2025, the revenue and the profit from continuing operations of the Group for the year 31 December 2025 would have been RMB6,747,289,000 and RMB189,573,000, respectively.

41. ACQUISITION OF NON-CONTROLLING INTERESTS

In February 2023, the Group acquired an additional 30.00% and 2.00% interest of the voting shares of Qingdao Haidawei Health Technology Co., Ltd. ("Qingdao Haidawei") and Sichuan Haiyuntianzhi IoT Technology Co., Ltd. ("Sichuan Haiyuntianzhi"), respectively, increasing its ownership interest to 100.00% and 48.42%, respectively. A cash consideration of RMB2,008,000 and nil was paid to the non-controlling shareholders. The carrying value of the net assets of Qingdao Haidawei and Sichuan Haiyuntianzhi in February 2023 were RMB8,183,000 and RMB25,000,000, respectively.

In July 2023, the Group acquired an additional 16.00% interest of the voting shares of Hangzhou Chixiao, increasing its ownership interest to 67.00%. A cash consideration of RMB30,975,000 was paid to the non-controlling shareholders. The carrying value of the net liabilities of Hangzhou Chixiao (excluding goodwill on the original acquisition) in July 2023 was of RMB9,125,000.

The following is a schedule of the additional interest acquired in the subsidiaries mentioned above for the year ended 31 December 2023:

	Qingdao Haidawei *RMB'000*	**Sichuan Haiyuntianzhi** *RMB'000*	**Hangzhou Chixiao** *RMB'000*	**Total** *RMB'000*
Cash consideration paid to non-controlling shareholders	2,008	—	30,975	32,983
Less: carrying value of the additional interest	2,455	500	(1,460)	1,495
Difference recognised in capital reserve	(447)	(500)	32,435	31,488

In January 2024, the Group acquired an additional 20.00% interest of the voting shares of Xingwen Zhijiao (Nanjing) Technology Co., Ltd. ("Xingwen Zhijiao"), increasing its ownership interest to 100.00%. A cash consideration of nil was paid to the non-controlling shareholders. The carrying value of the net liabilities of the Xingwen Zhijiao in January 2024 was RMB1,510,000.

In October 2024, the Group acquired an additional 8.00% interest of the voting shares of Hangzhou Chixiao, increasing its ownership interest to 75.00%. A cash consideration of RMB20,000,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Hangzhou Chixiao (excluding goodwill on the original acquisition) in October 2024 was RMB90,787,000.

The following is a schedule of the additional interest acquired in the subsidiaries mentioned above for the year ended 31 December 2024:

	Xingwen Zhijiao *RMB'000*	**Hangzhou Chixiao** *RMB'000*	**Total** *RMB'000*
Cash consideration paid to non-controlling shareholders	—	20,000	20,000
Settlement of other liabilities *(note 36(a))*	—	(20,000)	(20,000)
Less: carrying value of the additional interest	(302)	7,263	6,961
Difference recognised in capital reserve	302	(7,263)	(6,961)

In August 2025, the Group acquired an additional 10.00% interest of the voting shares of Hangzhou Chixiao, increasing its ownership interest to 85.00%. A cash consideration of RMB36,823,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Hangzhou Chixiao (excluding goodwill on the original acquisition) in August 2025 was RMB102,820,000.

The following is a schedule of the additional interest acquired in Hangzhou Chixiao for the year ended 31 December 2025:

	Hangzhou Chixiao	Total
	RMB'000	*RMB'000*
Cash consideration paid to non-controlling shareholders	36,823	36,823
Settlement of other liabilities *(note 36(a))*	(36,823)	(36,823)
Less: carrying value of the additional interest	10,282	10,282
Difference recognised in capital reserve	(10,282)	(10,282)

42. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Haichengfang Digital Technology Qingdao Co., Ltd. ("Haichengfang")

On 13 June 2023, the Group disposed of all its equity interest in Haichengfang at a consideration of RMB625,000.

	13 June 2023
	RMB'000
Net assets disposed of:	
Trade and bills receivables	232
Prepayments, other receivables and other assets	251
Cash and cash equivalents	385
Trade and bills payables	(150)
Subtotal	718
Loss on disposal of a subsidiary	(93)
Total consideration	625
Satisfied by:	
Cash	625

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	Year ended 31 December 2023
	RMB'000
Cash consideration	625
Cash and bank balances disposed of	(385)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	240

(b) Disposal of COSMO Moulds

On 12 March 2025, the Group disposed of all its equity interest in COSMO Moulds as disclosed in note 12 at a consideration of RMB77,750,000.

	Notes	12 March 2025 RMB'000
Net assets disposed of:		
Property, plant and equipment		76,694
Other intangible assets		8,661
Financial assets at fair value through other comprehensive income		992
Long-term prepayments		298
Inventories		138,788
Trade and bills receivables		32,213
Contract assets		10,457
Prepayments, other receivables and other assets		15,289
Pledged deposits		2,096
Cash and cash equivalents		6,055
Deferred income		(17,089)
Trade and bills payables		(117,831)
Other payables and accruals		(30,727)
Contract liabilities		(90,395)
Subtotal		35,501
Gain on disposal of a subsidiary	12	42,249
Total consideration		77,750
Satisfied by:		
Cash		77,750

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	Year ended 31 December 2025 RMB'000
Cash consideration	77,750
Cash and bank balances disposed of	(6,055)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	71,695

(c) Disposal of Gongfu (Shandong) Digital Technology Co., Ltd. ("Gongfu Shandong")

On 23 June 2025, the Group disposed a 41% equity interest in Gongfu Shandong at a consideration of RMB8,217,000, resulting in a loss on disposal of a subsidiary of RMB2,000.

43. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,818,000, RMB6,351,000, RMB44,795,000, RMB15,415,000 (unaudited) and RMB1,685,000, respectively, in respect of lease arrangements for buildings.

Upon the maturity of discounted bills receivable previously not derecognised, the corresponding bank borrowings were extinguished with no actual cash outflows from the Group, details of which are included in note 23 to the Historical Financial Information.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2023

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Other payables and accruals-dividend payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	19,320	206,947	—	4,038	230,305
Changes from financing cash flows	(10,204)	(26,034)	—	(4,038)	(40,276)
New leases	—	2,818	—	—	2,818
Interest expense	767	8,617	—	—	9,384
Discounted bills	1,000	—	—	—	1,000
Exchange realignment	524	590	—	—	1,114
Lease modification/termination	—	6,465	—	—	6,465
Fair value losses recognised in profit or loss	—	—	2,866	—	2,866
Additions as a result of acquisition of subsidiaries	—	816	98,215	—	99,031
At 31 December 2023	11,407	200,219	101,081	—	312,707

Year ended 31 December 2024

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	11,407	200,219	101,081	312,707
Changes from financing cash flows	37	(27,091)	(20,000)	(47,054)
New leases	—	6,351	—	6,351
Interest expense	933	8,774	—	9,707
Exchange realignment	(934)	(1,930)	—	(2,864)
Lease modification/termination	—	6,738	—	6,738
Fair value losses recognised in profit or loss	—	—	3,468	3,468
At 31 December 2024	11,443	193,061	84,549	289,053

Year ended 31 December 2025

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	11,443	193,061	84,549	289,053
Changes from financing cash flows	(50,484)	(50,444)	(36,823)	(137,751)
New leases	—	44,795	—	44,795
Interest expense	1,271	8,417	1,244	10,932
Fair value losses recognised in profit or loss	—	—	11,209	11,209
Lease modification/termination	—	11,167	—	11,167
Additions as a result of acquisition of subsidiaries	110,746	1,829	100,180	212,755
Exchange realignment	(90)	(158)	—	(248)
At 31 December 2025	72,886	208,667	160,359	441,912

Three months ended 31 March 2025 (unaudited)

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
At 1 January 2025	11,443	193,061	84,549	289,053
Changes from financing cash flows	(2,534)	(4,091)	—	(6,625)
New leases	—	15,415	—	15,415
Interest expense	106	2,278	—	2,384
Lease modification/termination	—	(1,733)	—	(1,733)
Fair value losses recognised in profit or loss	—	—	395	395
Exchange realignment	(90)	103	—	13
At 31 March 2025	8,925	205,033	84,944	298,902

Three months ended 31 March 2026

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	72,886	208,667	160,359	441,912
Changes from financing cash flows	(28,244)	(3,827)	—	(32,071)
New leases	—	1,685	—	1,685
Interest expense	358	2,099	837	3,294
Fair value losses recognised in profit or loss	—	—	1,683	1,683
Lease modification/termination	—	7,540	—	7,540
Exchange realignment	—	(491)	—	(491)
At 31 March 2026	45,000	215,673	162,879	423,552

(c) Total cash outflows for leases

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within operating activities	13,323	13,591	15,483	4,250	4,351
Within financing activities	26,034	27,091	50,444	4,091	3,827
Total	39,357	40,682	65,927	8,341	8,178

44. CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025 and 31 March 2026, neither the Group nor the Company had any significant contingent liabilities.

45. PLEDGE OF ASSETS

Details of the Group's assets pledged are included in note 23, note 27 and note 28 to the Historical Financial Information.

46. COMMITMENTS

The Group had the following capital commitments as at 31 December 2023, 2024 and 2025 and 31 March 2026:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Property, plant and equipment	58,797	57,742	35,417	61,670

47. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with Haier Corp and its subsidiaries and/or associates (collectively referred to as "Haier Affiliates"), the Group's associates and other related parties during the Relevant Periods:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Related party transactions included in continuing operations					
Haier Affiliates:					
Sales of goods and rendering of services*	3,644,459	3,454,247	3,569,187	816,634	852,017
Purchase of raw materials	866,409	884,891	950,865	213,216	201,101
Purchase of equipment	135,254	20,953	169,583	23,515	205
Catering service expenses	39,974	35,252	34,379	7,100	7,727
Utilities service expenses	19,765	15,494	14,901	3,902	2,727
Logistics service expenses	36,380	36,015	45,749	8,307	15,741
Travel agency service expenses	18,008	17,996	24,907	4,561	5,466
Finance lease interest income	13,137	9,502	10,064	2,184	2,408
Expense relating to short-term leases	6,894	3,742	6,732	1,589	1,584
Rental income under operating lease	—	544	536	276	—
Interest on lease liabilities	4,651	4,562	4,979	1,419	1,230
Interest income	172	208	35	29	—
Other service fee expenses	27,965	14,688	19,949	2,884	3,095
Associates:					
Sales of goods and rendering of services	17,568	10,808	16,212	3,642	19

	Year ended 31 December			Three months ended 31
	2023	2024	2025	March 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Related party transactions included in the discontinued operation				
Haier Affiliates:				
Sales of goods and rendering of services	320,672	386,830	138,909	138,909
Purchase of raw materials	2,653	2,129	—	—
Purchase of equipment	13,959	—	—	—
Catering service expenses	6,125	5,703	1,787	1,787
Logistics service expenses	4,973	6,118	2,119	2,119
Travel agency service expenses	1,131	942	379	379
Interest on lease liabilities	528	282	—	—
Other service fee expenses	3,582	916	151	151

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

* Included in the Group's sales of goods and rendering of services to Haier Affiliates are sales of goods and rendering of services to Haier Corp and its subsidiaries of RMB3,607,352,000, RMB3,421,065,000, RMB3,468,849,000, RMB782,457,000 (unaudited) and RMB828,710,000 during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 which are included in note 4 to the Historical Financial Information.

(b) Outstanding balances with related parties

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Outstanding balances with related parties included in continuing operations				
Trade nature				
Trade and bills receivables				
Haier Affiliates	580,760	623,884	889,174	939,829
Associates	1,604	145	1,229	1,081
Less: Impairment allowance	(8,789)	(11,841)	(16,335)	(19,245)
	573,575	612,188	874,068	921,665
Contract assets				
Haier Affiliates	10,314	29,447	24,358	17,307
Associates	1,230	1,341	1,058	920
Less: Impairment allowance	(115)	(307)	(255)	(182)
	11,429	30,481	25,161	18,045
Receivables at fair value through other comprehensive income				
Haier Affiliates	40,422	68,660	153,692	297,915
Associates	1,300	630	774	15
	41,722	69,290	154,466	297,930
Trade and bills payables				
Haier Affiliates	317,768	360,951	368,495	281,397
Contract liabilities				
Haier Affiliates	241,510	224,547	243,241	243,719
Associates	10,410	6,134	649	833
	251,920	230,681	243,890	244,552

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets				
Haier Affiliates	136,672	129,508	147,005	149,243
Associates	5	142	76	169
Less: Impairment allowance	(1,875)	(2,073)	(3,378)	(3,291)
	134,802	127,577	143,703	146,121
Lease receivables				
Haier Affiliates*	196,280	170,531	182,399	173,296
Less: Impairment allowance	(1,963)	(1,705)	(1,824)	(1,733)
	194,317	168,826	180,575	171,563
Lease liabilities				
Haier Affiliates	93,564	95,757	139,681	138,924
Other payables and accruals				
Haier Affiliates	96,830	77,750	137,005	135,248
Associates	—	993	—	841
	96,830	78,743	137,005	136,089
Non-trade nature				
Prepayments, other receivables and other assets				
Haier Affiliates	—	87	—	—
Associates	2,728	4,584	7,673	7,673
	2,728	4,671	7,673	7,673

	31 December	
	2023	2024
	RMB'000	*RMB'000*
Outstanding balances with related parties included in the discontinued operation		
Trade nature		
Trade and bills receivables		
Haier Affiliates	90,004	100,641
Less: Impairment allowance	(1,150)	(721)
	88,854	99,920
Contract assets		
Haier Affiliates	8,681	6,952
Less: Impairment allowance	(87)	(70)
	8,594	6,882
Receivables at fair value through other comprehensive income		
Haier Affiliates	29,747	48,437
Trade and bills payables		
Haier Affiliates	361	229
Contract liabilities		
Haier Affiliates	4,094	6,375
Prepayments, other receivables and other assets		
Haier Affiliates	1,185	121
Less: Impairment allowance	(1)	(3)
	1,184	118
Other payables and accruals		
Haier Affiliates	2,575	4,631
Lease liabilities		
Haier Affiliates	12,013	—

* The Group leased certain plant and machinery to Haier Affiliates under finance lease arrangements during the Relevant Periods, and the gross lease receivables recognised for those finance lease arrangements for the years ended 31 December 2023, 2024 and 2025 and 31 March 2026 was RMB50,015,000, RMB3,742,000, RMB48,569,000 and nil, respectively.

The non-trade nature outstanding balances are unsecured, interest free and are receivable on demand, and the directors of the group confirmed that the non-trade nature outstanding balances will be fully settled prior to the initial listing of the shares of the Company on the Stock Exchange.

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

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	5,759	4,129	4,387	1,101	1,179
Discretionary performance related bonuses	5,796	5,525	5,728	1,476	1,680
Share-based payments	4,639	5,496	8,575	1,856	2,313
Pension scheme contributions	408	345	344	78	80
Total	16,602	15,495	19,034	4,511	5,252

Further details of directors' and the supervisors' emoluments are included in note 9 to the Historical Financial Information.

(d) Disposal of subsidiaries

On 13 June 2023, the Group disposed of all its equity interest in Haichengfang to Qingdao Yingkang Hospital Management Co., Ltd. at a consideration of RMB625,000. Further details are set out in note 42 to the Historical Financial Information.

On 12 March 2025, the Group disposed of all its equity interest in COSMO Moulds to Haier Smart Home Co., Ltd. at a consideration of RMB77,750,000. Further details are set out in note 12 to the Historical Financial Information.

(e) Redemption right granted to the Pre-[REDACTED] Investors

Pursuant to the share redemption agreements entered between Haier Corp and certain Pre-**[REDACTED]** Investors, in June 2025 and January 2026, Anhui SAIF Haika Private Equity Venture Capital Fund (Limited Partnership) (安徽賽富海卡私募創業投資基金(有限合夥)), Jiaxing Jiangyu Equity Investment Partnership (Limited Partnership) (嘉興江裕股權投資合夥企業(有限合夥)), Chizhou Zhong'an Zhaoshang Equity Investment Partnership (Limited Partnership) (池州中安招商股權投資合夥企業(有限合夥)), Guoshou (Shenzhen) Technology Innovation Private Equity Investment Fund Partnership (Limited Partnership) (國壽(深圳)科技創新私募股權投資基金合夥企業(有限合夥), Qingdao Guoxin Zhaoshang Mass Entrepreneurship Investment Master Fund Partnership (Limited Partnership) (青島國信招商大眾創業投資母基金合夥企業(有限合夥)), Qingdao Qingyue Boheng Equity Investment Management Partnership (Limited Partnership) (青島青樾博恒股權投資管理企業(有限合夥)), Qingdao Tongchuang Yingxing Heyi Equity Investment Partnership (Limited Partnership) (青島同創贏行合壹股權投資合夥企業(有限合夥)), Shenzhen Investment Holding Donghai Small, Medium and Micro Venture Capital Enterprise (Limited Partnership) (深圳市投控東海中小微創業投資企業(有限合夥)) and Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) exercise their redemption rights, and Haier Corp repurchased 15,591,746 shares, 599,172 shares, 12,280,115 shares, 18,343,230 shares, 12,926,437 shares, 10,088,776 shares, 843,788 shares, 1,834,323 shares and 18,466,339 shares at the considerations of RMB199,412,000, RMB7,783,000, RMB87,248,000, RMB238,274,000, RMB91,840,000, RMB131,051,000, RMB10,961,000, RMB23,827,000 and RMB132,762,000, respectively.

On 29 January 2026, the Shareholders entered into a termination agreement, pursuant to which, among others, (i) the redemption rights granted to the Pre-**[REDACTED]** Investors against Haier Corp shall be irrevocably terminated on the day immediately preceding the submission of the first **[REDACTED]** by the Company to the Stock Exchange, and shall not be reinstated thereafter under any circumstances; and (ii) all the other special rights granted to the Pre-**[REDACTED]** Investors shall be terminated upon completion of the **[REDACTED]**. For further details of the Pre-**[REDACTED]** Investments, see "History, Development, and Corporate Structure" section in this Document. There is no guarantee provided by the Company in respect of the redemption rights; and no liability regarding such rights has been recorded during the Relevant Periods given that the Company is not a party to the redemption agreements.

48. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	94,416	—	94,416
Lease receivables	—	—	—	194,317	194,317
Trade and bills receivables	—	—	—	1,698,055	1,698,055
Financial assets included in prepayments, other receivables and other assets	—	—	—	293,472	293,472
Financial assets at fair value through profit or loss	143,659	—	—	—	143,659
Receivables at fair value through other comprehensive income	—	688,237	—	—	688,237
Time deposits	—	—	—	5,086	5,086
Pledged deposits	—	—	—	275,190	275,190
Cash and cash equivalents	—	—	—	3,958,997	3,958,997
Total	143,659	688,237	94,416	6,425,117	7,351,429

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	101,081	—	101,081
Trade and bills payables	—	2,919,222	2,919,222
Financial liabilities included in other payables and accruals	—	408,114	408,114
Interest-bearing bank borrowings	—	11,407	11,407
Lease liabilities	—	200,219	200,219
Total	101,081	3,538,962	3,640,043

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	118,544	—	118,544
Lease receivables	—	—	—	168,826	168,826
Trade and bills receivables	—	—	—	1,649,221	1,649,221
Financial assets included in prepayments, other receivables and other assets	—	—	—	291,077	291,077
Financial assets at fair value through profit or loss	126,096	—	—	—	126,096
Receivables at fair value through other comprehensive income	—	873,440	—	—	873,440
Time deposits	—	—	—	2,060,630	2,060,630
Pledged deposits	—	—	—	172,311	172,311
Cash and cash equivalents	—	—	—	1,796,432	1,796,432
Total	126,096	873,440	118,544	6,138,497	7,256,577

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	84,549	—	84,549
Trade and bills payables	—	2,885,693	2,885,693
Financial liabilities included in other payables and accruals	—	395,628	395,628
Interest-bearing bank borrowings	—	11,443	11,443
Lease liabilities	—	193,061	193,061
Total	84,549	3,485,825	3,570,374

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	136,744	—	136,744
Lease receivables	—	—	—	220,359	220,359
Trade and bills receivables	—	—	—	2,217,173	2,217,173
Financial assets included in prepayments, other receivables and other assets	—	—	—	256,507	256,507
Financial assets at fair value through profit or loss	370,563	—	—	—	370,563
Receivables at fair value through other comprehensive income	—	801,560	—	—	801,560
Time deposits	—	—	—	2,022,969	2,022,969
Pledged deposits	—	—	—	293,891	293,891
Cash and cash equivalents	—	—	—	1,366,130	1,366,130
Total	370,563	801,560	136,744	6,377,029	7,685,896

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	58,935	101,424	160,359
Trade and bills payables	—	3,454,150	3,454,150
Financial liabilities included in other payables and accruals	—	484,507	484,507
Interest-bearing bank borrowings	—	72,886	72,886
Lease liabilities	—	208,667	208,667
Total	58,935	4,321,634	4,380,569

As at 31 March 2026

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	157,660	—	157,660
Lease receivables	—	—	—	210,498	210,498
Trade and bills receivables	—	—	—	2,140,503	2,140,503
Financial assets included in prepayments, other receivables and other assets	—	—	—	260,020	260,020
Financial assets at fair value through profit or loss	289,455	—	—	—	289,455
Receivables at fair value through other comprehensive income	—	822,308	—	—	822,308
Time deposits	—	—	—	2,200,086	2,200,086
Pledged deposits	—	—	—	296,892	296,892
Cash and cash equivalents	—	—	—	1,249,190	1,249,190
Total	289,455	822,308	157,660	6,357,189	7,626,612

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	60,618	102,261	162,879
Trade and bills payables	—	3,420,818	3,420,818
Financial liabilities included in other payables and accruals	—	462,715	462,715
Interest-bearing bank borrowings	—	45,000	45,000
Lease liabilities	—	215,673	215,673
Financial liabilities at fair value through profit or loss	819	—	819
Total	61,437	4,246,467	4,307,904

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts				Fair values			
	31 December			31 March	31 December			31 March
	2023	2024	2025	2026	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets								
Receivables at fair value through other comprehensive income	688,237	873,440	801,560	822,308	688,237	873,440	801,560	822,308
Equity investments designated at fair value through other comprehensive income	94,416	118,544	136,744	157,660	94,416	118,544	136,744	157,660
Lease receivables	194,317	168,826	220,359	210,498	207,844	186,134	241,011	230,639
Financial assets at fair value through profit or loss	143,659	126,096	370,563	289,455	143,659	126,096	370,563	289,455
Financial assets included in prepayments, other receivables and other assets, non-current portion	24,278	17,771	19,879	20,684	23,468	17,237	19,300	20,082
Time deposits, non-current portion	—	506,838	1,208,140	1,213,801	—	508,220	1,206,720	1,211,958
Pledged deposits, non-current portion	239	239	3,967	3,967	242	249	4,004	4,017
Total	1,145,146	1,811,754	2,761,212	2,718,373	1,157,866	1,829,920	2,779,902	2,736,119
Financial liabilities								
Financial liabilities at fair value through profit or loss	—	—	—	819	—	—	—	819
Other liabilities	101,081	84,549	160,359	162,879	101,081	84,549	160,359	162,879
Total	101,081	84,549	160,359	163,698	101,081	84,549	160,359	163,698

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

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At 31 December 2023, 2024 and 2025 and 31 March 2026, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The fair values of structured deposits and equity investment included in financial assets at fair value through profit or loss and bank acceptance bills included in receivables at fair value through other comprehensive income have been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of a listed equity investment included in equity investments designated at fair value through other comprehensive income is based on a quoted market price. The fair values of the unlisted equity investment designated at fair value through other comprehensive 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 enterprise value to book value ("EV/B") multiple for each comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable company by the book value. The multiple is then discounted for considerations such as illiquidity. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair value, which are recorded in other comprehensive income, are reasonable and are the most appropriate values at 31 December 2023, 2024 and 2025 and 31 March 2026.

The fair values of contingent consideration and put option liability include in other liabilities have been estimated using the Monte Carlo Simulation model, based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to make estimates about the expected future annual operating results. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in the consolidated statements of profit or loss, are reasonable, and that they were the most appropriate values at 31 December 2023, 2024 and 2025 and 31 March 2026.

The fair value of forward currency contracts are measured using valuation techniques similar to forward pricing and present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

The fair values of the non-current portion of time deposits, pledged deposits, financial assets included in prepayments, other receivables and other assets, lease receivables and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the end of each of the Relevant Periods were assessed to be insignificant.

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

As at 31 December 2023

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.21	10	240
				(10)	(240)
		Discount for lack of marketability	30.77%	10	(110)
				(10)	110
Other liabilities	Monte Carlo Simulation model	Expected future annual operating results	RMB23,493,000	10	4,017
				(10)	(4,017)

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.09	10	140
				(10)	(160)
		Discount for lack of marketability	33.49%	10	(90)
				(10)	60
Other liabilities	Monte Carlo Simulation model	Expected future annual operating results	RMB23,493,000	10	1,863
				(10)	(1,863)

As at 31 December 2025

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.54	10	120
				(10)	(190)
		Discount for lack of marketability	30.71%	10	(110)
				(10)	30

As at 31 March 2026

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.66	10	190
				(10)	(100)
		Discount for lack of marketability	35.50%	10	(40)
				(10)	120

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	688,237	—	688,237
Equity investments designated at fair value through other comprehensive income *(note 21)*	92,006	—	2,410	94,416
Financial assets at fair value through profit or loss *(note 26)*	—	143,659	—	143,659
Total	92,006	831,896	2,410	926,312

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	873,440	—	873,440
Equity investments designated at fair value through other comprehensive income *(note 21)*	117,044	—	1,500	118,544
Financial assets at fair value through profit or loss *(note 26)*	—	126,096	—	126,096
Total	117,044	999,536	1,500	1,118,080

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	801,560	—	801,560
Equity investments designated at fair value through other comprehensive income *(note 21)*	135,144	—	1,600	136,744
Financial assets at fair value through profit or loss *(note 26)*	—	370,563	—	370,563
Total	135,144	1,172,123	1,600	1,308,867

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	822,308	—	822,308
Equity investments designated at fair value through other comprehensive income *(note 21)*	156,260	—	1,400	157,660
Financial assets at fair value through profit or loss *(note 26)*	—	289,455	—	289,455
Total	156,260	1,111,763	1,400	1,269,423

The movements in fair value measurements within Level 3 during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
At the beginning of the year/period	2,330	2,410	1,500	1,600
Fair value gains/(losses) recognised in other comprehensive income	80	(910)	100	(200)
At the end of the year/period	2,410	1,500	1,600	1,400

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	—	101,081	101,081

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	—	84,549	84,549

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	58,935	—	58,935

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at fair value through profit or loss	—	819	—	819
Other liabilities	—	60,618	—	60,618
Total	—	61,437	—	61,437

The movements in fair value measurements within Level 3 during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities				
At the beginning of the year/period	—	101,081	84,549	—
Additions as a result of acquisition of subsidiaries	98,215	—	—	—
Fair value losses recognised in profit or loss	2,866	3,468	11,209	—
Payment	—	(20,000)	(36,823)	—
Transfer to Level 2 financial instruments	—	—	(58,935)	—
At the end of the year/period	101,081	84,549	—	—

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into Level 3 for both financial assets and financial liabilities. The fair value measurements of other liabilities were transferred form level 3 to level 2 as at 31 December 2025 as the expected future annual operating results were based on actual performance outcomes.

Assets for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	207,844	—	207,844
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	23,468	—	23,468
Pledged deposits, non-current portion	—	242	—	242
Total	—	231,554	—	231,554

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	186,134	—	186,134
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	17,237	—	17,237
Time deposits, non-current portion	—	508,220	—	508,220
Pledged deposits, non-current portion	—	249	—	249
Total	—	711,840	—	711,840

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	241,011	—	241,011
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	19,300	—	19,300
Time deposits, non-current portion	—	1,206,720	—	1,206,720
Pledged deposits, non-current portion	—	4,004	—	4,004
Total	—	1,471,035	—	1,471,035

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	230,639	—	230,639
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	20,082	—	20,082
Time deposits, non-current portion	—	1,211,958	—	1,211,958
Pledged deposits, non-current portion	—	4,017	—	4,017
Total	—	1,466,696	—	1,466,696

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	101,424	—	101,424

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	102,261	—	102,261

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Foreign currency risk

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

The following table demonstrates the sensitivity at 31 December 2023, 2024 and 2025 and 31 March 2026 to a reasonably possible change in the United States dollars ("USD") and RMB exchange rates, with all other variables held constant, of the Group's profit before tax (arising from USD denominated financial instruments).

	Increase/ (decrease) in foreign currency/RMB rate	Increase/ (decrease) in profit before tax
	%	*RMB'000*
As at 31 December 2023		
If RMB weakens against USD	5	5,626
If RMB strengthens against USD	(5)	(5,626)
As at 31 December 2024		
If RMB weakens against USD	5	9,990
If RMB strengthens against USD	(5)	(9,990)
As at 31 December 2025		
If RMB weakens against USD	5	9,322
If RMB strengthens against USD	(5)	(9,322)
As at 31 March 2026		
If RMB weakens against USD	5	8,239
If RMB strengthens against USD	(5)	(8,239)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits, pledged deposits, financial assets included in prepayments, other receivables and other assets and lease receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2023, 2024 and 2025 and 31 March 2026.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	196,280	196,280
Trade and bills receivables*	—	—	—	1,719,724	1,719,724
Contract assets*	—	—	—	52,895	52,895
Financial assets included in prepayments, other receivables and other assets					
— Normal**	301,198	—	—	—	301,198
Pledged deposits	275,190	—	—	—	275,190
Time deposits	5,086	—	—	—	5,086
Cash and cash equivalents	3,958,997	—	—	—	3,958,997
Total	4,540,471	—	—	1,968,899	6,509,370

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	170,531	170,531
Trade and bills receivables*	—	—	—	1,685,487	1,685,487
Contract assets*	—	—	—	48,507	48,507
Financial assets included in prepayments, other receivables and other assets					
— Normal**	299,147	—	—	—	299,147
Pledged deposits	172,311	—	—	—	172,311
Time deposits	2,060,630	—	—	—	2,060,630
Cash and cash equivalents	1,796,432	—	—	—	1,796,432
Total	4,328,520	—	—	1,904,525	6,233,045

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	222,585	222,585
Trade and bills receivables*	—	—	—	2,309,182	2,309,182
Contract assets*	—	—	—	153,995	153,995
Financial assets included in prepayments, other receivables and other assets					
— Normal**	263,920	—	—	—	263,920
Pledged deposits	293,891	—	—	—	293,891
Time deposits	2,022,969	—	—	—	2,022,969
Cash and cash equivalents	1,366,130	—	—	—	1,366,130
Total	3,946,910	—	—	2,685,762	6,632,672

As at 31 March 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	212,623	212,623
Trade and bills receivables*	—	—	—	2,235,381	2,235,381
Contract assets*	—	—	—	155,126	155,126
Financial assets included in prepayments, other receivables and other assets					
— Normal**	268,262	—	—	—	268,262
Pledged deposits	296,892	—	—	—	296,892
Time deposits	2,200,086	—	—	—	2,200,086
Cash and cash equivalents	1,249,190	—	—	—	1,249,190
Total	4,014,430	—	—	2,603,130	6,617,560

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 and note 25 to the Historical Financial Information.

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

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and the financial assets included in prepayments, other receivables and other assets are disclosed in notes 23 and 24 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of each of the Relevant Periods, the Group had certain concentrations of credit risk and the following table summarises the Group's largest debtor and top five debtors as the percentage of the Group's total accounts receivable balances:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Largest customer	52%	50%	42%	41%
Five largest customers	71%	71%	62%	58%

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

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

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

As at 31 December 2023

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	408,114	—	—	—	408,114
Interest-bearing bank borrowings	—	11,807	—	—	11,807
Trade and bills payables	—	2,919,222	—	—	2,919,222
Lease liabilities	—	49,364	85,470	123,925	258,759
Other liabilities	—	20,000	86,950	—	106,950
Total	408,114	3,000,393	172,420	123,925	3,704,852

As at 31 December 2024

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	395,628	—	—	—	395,628
Interest-bearing bank borrowings	—	11,574	—	—	11,574
Trade and bills payables	—	2,885,693	—	—	2,885,693
Lease liabilities	—	48,535	96,221	99,036	243,792
Other liabilities	—	36,820	50,126	—	86,946
Total	395,628	2,982,622	146,347	99,036	3,623,633

As at 31 December 2025

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	484,507	—	—	—	484,507
Interest-bearing bank borrowings	—	73,556	—	—	73,556
Trade and bills payables	—	3,454,150	—	—	3,454,150
Lease liabilities	—	38,115	99,025	119,187	256,327
Other liabilities	—	63,331	111,800	—	175,131
Total	484,507	3,629,152	210,825	119,187	4,443,671

As at 31 March 2026

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	462,715	—	—	—	462,715
Interest-bearing bank borrowings	—	45,271	—	—	45,271
Trade and bills payables	—	3,420,818	—	—	3,420,818
Lease liabilities	—	46,503	99,268	117,268	263,039
Financial liabilities at fair value through profit or loss	—	819	—	—	819
Other liabilities	—	61,065	111,800	—	172,865
Total	462,715	3,574,476	211,068	117,268	4,365,527

Capital management

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

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

The Group monitors capital using the gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings, other liabilities, lease liabilities and financial liabilities at fair value through profit or loss, less cash and cash equivalents and time deposits. Capital includes equity attributable to owners of the parent. At 31 December 2023, 2024 and 2025 and 31 March 2026, the gearing ratios were as follows:

	31 December			31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	2,919,222	2,885,693	3,454,150	3,420,818
Financial liabilities included in other payables and accruals	408,114	395,628	484,507	462,715
Interest-bearing bank borrowings	11,407	11,443	72,886	45,000
Other liabilities	101,081	84,549	160,359	162,879
Lease liabilities	200,219	193,061	208,667	215,673
Financial liabilities at fair value through profit or loss	—	—	—	819
Less: Cash and cash equivalents	(3,958,997)	(1,796,432)	(1,366,130)	(1,249,190)
Less: Time deposits with original maturity over three months	(5,086)	(2,060,630)	(2,022,969)	(2,200,086)
Net debt	(324,040)	(286,688)	991,470	858,628
Equity attributable to owners of the parent	5,122,208	5,249,444	5,399,515	5,440,641
Capital and net debt	4,798,168	4,962,756	6,390,985	6,299,269
Gearing ratio	N/A	N/A	16%	14%

51. EVENTS AFTER THE RELEVANT PERIODS

The Group had no material subsequent events after the Relevant Periods.

52. SUBSEQUENT FINANCIAL STATEMENTS

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