

APPENDIX I

ACCOUNTANTS’ REPORT

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



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG MIC-POWER NEW ENERGY CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Guangdong Mic-Power New Energy Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “Document”) in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

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 and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

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

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

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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 purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding 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" issued by the HKICPA. A review consists of making enquiries, 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 Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 27(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[Date]

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HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	Note	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Revenue	4	351,162	532,859	565,349	285,852	337,163
Cost of sales		(249,408)	(346,606)	(384,184)	(192,274)	(226,807)
Gross profit		101,754	186,253	181,165	93,578	110,356
Other income	5	13,068	26,060	18,294	10,665	4,004
Selling expenses		(15,367)	(22,991)	(22,488)	(12,602)	(11,193)
Administrative expenses		(24,203)	(37,559)	(51,390)	(21,457)	(26,771)
Research and development costs (Impairment loss)/reversal of impairment loss of trade and other receivables		(38,095)	(54,339)	(93,504)	(44,522)	(47,862)
		(398)	(444)	29	53	1
Profit from operations		36,759	96,980	32,106	25,715	28,535
Finance costs	6(a)	(3,044)	(3,168)	(3,551)	(2,295)	(1,402)
Changes in the carrying amount of redemption liabilities	24	(26,185)	(26,201)	–	–	–
Profit before taxation	6	7,530	67,611	28,555	23,420	27,133
Income tax	7(a)	(735)	(9,515)	2,901	73	(788)
Profit for the year/period		<u>6,795</u>	<u>58,096</u>	<u>31,456</u>	<u>23,493</u>	<u>26,345</u>
Profit for the year/period attributable to:						
Equity shareholders of the Company		6,949	58,093	33,007	24,345	26,446
Non-controlling interests		(154)	3	(1,551)	(852)	(101)
Profit for the year/period		<u>6,795</u>	<u>58,096</u>	<u>31,456</u>	<u>23,493</u>	<u>26,345</u>
Earnings per share						
Basic and diluted (RMB)	10	<u>0.07</u>	<u>0.61</u>	<u>0.35</u>	<u>0.26</u>	<u>0.28</u>

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	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<i>Note</i>					
Profit for the year/period	6,795	58,096	31,456	23,493	26,345
Other comprehensive income for the year/period					
Item that is or may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements with functional currency other than RMB	(234)	288	(2,155)	(1,244)	(704)
Total comprehensive income for the year/period	6,561	58,384	29,301	22,249	25,641
Total comprehensive income for the year/period attributable to:					
Equity shareholders of the Company	6,715	58,381	30,852	23,101	25,742
Non-controlling interests	(154)	3	(1,551)	(852)	(101)
Total comprehensive income for the year/period	6,561	58,384	29,301	22,249	25,641

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	182,935	269,579	332,326	350,472
Right-of-use assets	12	49,610	55,709	38,937	37,710
Intangible assets	13	2,002	2,006	3,510	3,272
Other investments	17	123,525	20,984	–	–
Deferred tax assets	26(b)	3,802	3,665	6,618	8,930
Other non-current assets	14	6,587	30,979	22,852	25,868
		<u>368,461</u>	<u>382,922</u>	<u>404,243</u>	<u>426,252</u>
Current assets					
Inventories and other contract costs	15	53,435	62,664	81,803	107,925
Trade and other receivables	16	136,524	244,016	213,456	213,155
Other investments	17	24,074	88,043	92,629	–
Tax recoverable	26(a)	960	–	–	–
Pledged bank deposits	18(b)	1,461	16,793	25,198	47,353
Cash and cash equivalents	18(a)	132,723	95,418	172,458	271,232
		<u>349,177</u>	<u>506,934</u>	<u>585,544</u>	<u>639,665</u>
Current liabilities					
Contract liabilities	19	3,473	5,987	1,663	3,166
Trade and other payables	20	122,057	195,837	274,616	298,837
Bank loans	21	16,150	11,000	35,750	31,200
Lease liabilities	22	10,769	11,104	8,578	9,223
Redemption liabilities	24	409,097	435,298	–	–
Current taxation	26(a)	833	6,615	665	4,063
		<u>562,379</u>	<u>665,841</u>	<u>321,272</u>	<u>346,489</u>
Net current (liabilities)/assets		<u>(213,202)</u>	<u>(158,907)</u>	<u>264,272</u>	<u>293,176</u>
Total assets less current liabilities		<u>155,259</u>	<u>224,015</u>	<u>668,515</u>	<u>719,428</u>
Non-current liabilities					
Bank loans	21	–	4,250	3,500	32,800
Lease liabilities	22	40,530	45,438	31,456	30,085
Deferred income	23	9,941	9,030	17,580	15,438
		<u>50,471</u>	<u>58,718</u>	<u>52,536</u>	<u>78,323</u>
NET ASSETS		<u>104,788</u>	<u>165,297</u>	<u>615,979</u>	<u>641,105</u>

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		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
CAPITAL AND RESERVES					
Paid-in capital	27(c)	94,880	–	–	–
Share capital	27(d)	–	94,880	94,880	94,880
Reserves		9,062	68,747	520,751	545,270
Total equity attributable to equity shareholders of the Company					
		103,942	163,627	615,631	640,150
Non-controlling interests		846	1,670	348	955
TOTAL EQUITY					
		104,788	165,297	615,979	641,105

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	52,929	84,394	124,441	149,228
Right-of-use assets	12	22,993	31,255	27,165	27,535
Intangible assets	13	1,622	1,665	2,608	2,421
Other investments	17	123,525	20,984	–	–
Deferred tax assets		1,028	935	1,719	710
Investments in subsidiaries	1	118,548	141,896	187,334	195,090
Other non-current assets	14	4,676	18,396	7,377	8,694
		<u>325,321</u>	<u>299,525</u>	<u>350,644</u>	<u>383,678</u>
Current assets					
Inventories and other contract costs	15	39,157	39,568	39,976	51,259
Trade and other receivables	16	188,620	331,028	283,594	329,362
Other investments	17	20,002	88,043	92,629	–
Tax recoverable		960	–	–	–
Pledged bank deposits	18(b)	1,461	16,793	20,912	28,782
Cash and cash equivalents	18(a)	86,886	49,189	119,431	208,436
		<u>337,086</u>	<u>524,621</u>	<u>556,542</u>	<u>617,839</u>
Current liabilities					
Contract liabilities	19	3,167	4,754	339	624
Trade and other payables	20	102,996	173,525	234,607	249,765
Bank loans	21	16,150	11,000	25,750	30,200
Lease liabilities	22	3,639	6,054	6,368	7,081
Redemption liabilities	24	409,097	435,298	–	–
Current taxation		–	5,600	–	3,380
		<u>535,049</u>	<u>636,231</u>	<u>267,064</u>	<u>291,050</u>
Net current (liabilities)/assets		<u>(197,963)</u>	<u>(111,610)</u>	<u>289,478</u>	<u>326,789</u>
Total assets less current liabilities		<u>127,358</u>	<u>187,915</u>	<u>640,122</u>	<u>710,467</u>
Non-current liabilities					
Bank loans	21	–	4,250	3,500	28,800
Lease liabilities	22	19,606	26,714	22,825	22,667
Deferred income	23	1,154	660	165	–
		<u>20,760</u>	<u>31,624</u>	<u>26,490</u>	<u>51,467</u>
NET ASSETS		<u>106,598</u>	<u>156,291</u>	<u>613,632</u>	<u>659,000</u>

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		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
CAPITAL AND RESERVES					
Paid-in capital	27(c)	94,880	–	–	–
Share capital	27(d)	–	94,880	94,880	94,880
Reserves		11,718	61,411	518,752	564,120
TOTAL EQUITY		106,598	156,291	613,632	659,000

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in RMB)

Note	Attributable to equity shareholders of the Company							
	Paid-in capital	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Statutory reserve	(Accumulated losses)/ retained profits	Total
	RMB'000 (Note 27(c))	RMB'000 (Note 27(d))	RMB'000 (Note 27(f)(ii))	RMB'000 (Note 27(f)(iv))	RMB'000 (Note 27(f)(iii))	RMB'000 (Note 27(f)(i))	RMB'000	RMB'000
Balance at 1 January 2023	94,160	-	(509)	1,999	-	655	(3,049)	93,256
Changes in equity for 2023:								
Profit for the year	-	-	-	-	-	-	6,949	6,949
Other comprehensive income	-	-	-	-	(234)	-	-	(234)
Total comprehensive income	-	-	-	-	(234)	-	6,949	6,715
Capital contribution from shareholders	720	-	12,280	-	-	-	-	13,000
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-
Appropriation to statutory reserve	-	-	-	-	-	149	(149)	-
Issuance of financial instruments with redemption rights issued to investors	-	-	(13,000)	-	-	-	-	(13,000)
Vesting of restricted shares	-	-	1,902	(1,902)	-	-	-	-
Equity-settled share-based payment	-	-	-	3,971	-	-	-	3,971
Balance at 31 December 2023 and 1 January 2024	94,880	-	673	4,068	(234)	804	3,751	103,942
							846	104,788

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Attributable to equity shareholders of the Company										
Note	Paid-in capital	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Statutory reserve	(Accumulated losses)/retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 27(c))	RMB'000 (Note 27(d))	RMB'000 (Note 27(f)(ii))	RMB'000 (Note 27(f)(iv))	RMB'000 (Note 27(f)(iii))	RMB'000 (Note 27(f)(i))	RMB'000	RMB'000	RMB'000	RMB'000
Changes in equity for 2024:										
	-	-	-	-	-	-	58,093	58,093	3	58,096
	-	-	-	-	288	-	-	288	-	288
Total comprehensive income	-	-	-	-	288	-	58,093	58,381	3	58,384
Capital contribution from non-controlling interests										
	(94,880)	94,880	(47,336)	-	-	-	-	-	821	821
Conversion to a joint stock company	-	-	5,372	(5,372)	-	-	47,336	-	-	-
Vesting of restricted shares	-	-	-	1,304	-	-	-	1,304	-	1,304
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-
Appropriation to statutory reserve	-	-	-	-	-	4,790	(4,790)	-	-	-
Balance at 31 December 2024 and 1 January 2025										
	-	94,880	(41,291)	-	54	5,594	104,390	163,627	1,670	165,297

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Attributable to equity shareholders of the Company									
Note	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 27(d))	RMB'000 (Note 27(f)(ii))	RMB'000 (Note 27(f)(iv))	RMB'000 (Note 27(f)(iii))	RMB'000 (Note 27(f)(i))	RMB'000	RMB'000	RMB'000	RMB'000
Changes in equity for 2025:									
	-	-	-	-	-	33,007	33,007	(1,551)	31,456
	-	-	-	(2,155)	-	-	(2,155)	-	(2,155)
	-	-	-	(2,155)	-	33,007	30,852	(1,551)	29,301
	-	435,298	-	-	-	-	435,298	-	435,298
	-	-	-	-	-	-	-	(298)	(298)
	-	-	-	-	-	-	-	527	527
	-	-	845	-	-	-	845	-	845
	-	-	-	-	3,625	(3,625)	-	-	-
27(b)	-	-	-	-	-	(14,991)	(14,991)	-	(14,991)
	-	-	-	-	-	-	-	-	-
	94,880	394,007	845	(2,101)	9,219	118,781	615,631	348	615,979

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

		Year ended 31 December			Six months ended 30 June	
	Note	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities:						
Cash generated from operations . . .	18(c)	33,146	82,657	189,720	137,062	51,399
Interest income from bank deposits		2,147	4,909	4,388	1,889	2,832
Income tax (paid)/refunded	26(a)	(3,024)	(2,636)	(6,002)	(2,566)	298
Net cash generated from operating activities		32,269	84,930	188,106	136,385	54,529
Investing activities:						
Investment income received		788	1,488	2,429	138	47
Payments for purchase of financial assets measured at fair value through profit or loss (“FVPL”) . .		(69,000)	(24,540)	(136,207)	(65,210)	(90,000)
Proceeds from disposal of financial assets measured at FVPL		75,000	45,612	68,213	60,210	160,994
Payment for acquisition of a subsidiary	18(f)	(16,291)	–	–	–	–
Payments for purchase of financial assets measured at amortised cost		(20,000)	(10,000)	–	–	–
Proceeds from disposal of financial assets measured at amortised cost		–	30,000	85,040	10,778	21,890
Proceeds from disposal of property, plant and equipment		51	1,054	839	755	794
Payments for purchase of property, plant and equipment		(39,590)	(156,843)	(122,454)	(61,004)	(60,674)
Payments for purchase of intangible assets		(1,104)	(118)	(2,128)	(1,389)	(1,096)
Net cash (used in)/generated from investing activities		(70,146)	(113,347)	(104,268)	(55,722)	31,955
Financing activities:						
Proceeds from bank loans	18(d)	16,200	15,502	35,000	10,000	35,000
Repayment of bank loans	18(d)	(19,800)	(13,500)	(11,000)	(250)	(10,250)
Finance costs paid	18(d)	(1,517)	(731)	(1,772)	(1,073)	(688)
Capital element of lease rentals paid	18(d)	(5,518)	(8,456)	(9,464)	(4,766)	(3,930)
Interest element of lease rentals paid	18(d)	(1,380)	(3,431)	(2,340)	(1,300)	(691)
Capital contribution from non-controlling interests		1,000	821	527	441	–
Capital contribution from shareholders	18(d)	13,000	–	–	–	–
[REDACTED] paid		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payment for acquisition of non-controlling interests		–	–	–	–	(820)
Dividends paid	27(b)	–	–	(14,991)	(14,991)	–
Net cash generated from/(used in) financing activities		1,985	(9,795)	(4,757)	(11,939)	18,104

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	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Net (decrease)/increase in cash and cash equivalents		(35,892)	(38,212)	79,081	68,724	104,588
Effect of foreign exchange rate changes		1,028	907	(2,041)	(428)	(5,814)
Cash and cash equivalents at 1 January	18(a)	<u>167,587</u>	<u>132,723</u>	<u>95,418</u>	<u>95,418</u>	<u>172,458</u>
Cash and cash equivalents at 31 December/30 June	18(a)	<u>132,723</u>	<u>95,418</u>	<u>172,458</u>	<u>163,714</u>	<u>271,232</u>

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Guangdong Mic-Power New Energy Co., Ltd. (廣東微電新能源股份有限公司) (the “Company”), formerly known as Guangdong Mic-Power New Energy Ltd. (廣東微電新能源有限公司), was established in Huizhou, Guangdong Province, the People’s Republic of China (the “PRC”) on 5 December 2017 as a limited liability company. In October 2024, the Company was converted from a limited liability company into a joint stock limited liability company.

The Company and its subsidiaries (together, “the Group”) are principally engaged in design, research and development and manufacture of micro battery products and energy storage battery products.

The financial statements of the Company and the subsidiaries of the Group were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The financial statements of the Company for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the “PRC GAAP”) and audited by Guangdong Zhengda Accountant Firm Co., Ltd. (廣東正大會計師事務所有限公司).

As at 31 December 2023, 2024 and 2025 and 30 June 2026 and the date of this report, the Company has direct or indirect interests in the following principal subsidiaries:

Company name	Place and date of incorporation/ establishment	Legal form	Particulars of registered/issued and paid-up capital	Proportion of ownership interest				At the date of this report	Principal activities and place of operation
				As at 31 December			As at 30 June		
				2023	2024	2025	2026		
Directly held by the Company									
Jiangxi Mic-Power New Energy Co., Ltd.* (江西微電新能源有限公司) (note i)	Chinese Mainland/ 27 May 2021	Limited liability company	RMB100,000,000/ RMB100,000,000	100%	100%	100%	100%	[100]%	[Battery manufacturing in China]
Indirectly held by the Company									
Mic-Power New Energy Vietnam Company Limited (越南微電新能源有限公司) (note ii)	Vietnam/ 24 December 2014	N/A	USD3,000,000/ USD3,000,000	100%	100%	100%	100%	[100]%	[Battery manufacturing and assembly; sales of electronic products, communication equipment, electroacoustic products and phone accessories in Vietnam]

Notes:

- (i) The financial statements of the entity for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with the PRC GAAP and audited by Guangdong Zhengda Accountant Firm Co., Ltd. (廣東正大會計師事務所有限公司).
- (ii) No audited financial statements have been prepared for the entity for the year ended 31 December 2023. The financial statements of the entity for the ended 31 December 2024 and 2025 were prepared in accordance with Vietnamese Accounting Standards and audited by IPA Audit & Consulting Limited.
- * The official name of the entity is in Chinese. The English translation is for identification purposes only.

All companies comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Further details of the material accounting policy information are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised HKFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 January 2026. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning 1 January 2026 are set out in Note 32.

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The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets stated at their fair value as explained in the accounting policies set out in Note 2(d).

(b) Use of estimates and judgments

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Other investments

The Group’s policies for investments, other than investments in subsidiaries are set out below.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 28(e). These investments are subsequently accounted for as follows, depending on their classification.

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Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(s)(ii)).
- fair value through other comprehensive income ("FVOCI") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(g)), are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(h)(ii)). If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The estimated useful lives for the Track Record Period are as follows:

- Plant and buildings	24 - 30 years
- Equipment and machinery	3 - 6 years
- Transportation equipment	4 years
- Office equipment and furniture	2 - 7 years
- Leasehold improvement	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see Note 2(h)(ii)). Capitalisation of construction in progress costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(f) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful live is finite) and impairment losses (see Note 2(h)(ii)).

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

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The estimated useful live for non-patented technology and software were decided with reference to the shortest period among the expected service live, the expected beneficial live and the effective live stipulated by the applicable law. The estimated useful lives for the Track Record Period are as follows:

Patents and trademarks	10 years
Software	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value items which, for the Group are primarily vehicles and staff dormitories. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)). Depreciation is calculated using the straight-line method over the unexpired term of lease.

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Note 2(d), 2(s)(ii) and 2(h)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification"), if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) *Credit losses from financial instruments*

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposits, trade and other receivables and financial assets measured at amortised cost).

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Other financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amount.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 2(i)(i)), property, plant and equipment (see note 2(e)) or intangible assets (see note 2(f)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will

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be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see note 2(s)(i)).

(j) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(k)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see Note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(h)(i).

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Redemption liabilities

The Group recognises a redemption liability for its obligation to purchase its own equity instruments for cash or another financial asset. The redemption liability is measured at the highest present value of the settlement amounts that can arise. Any changes in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognised in profit or loss.

The Group derecognises the redemption liability when, and only when, the Group's obligation is discharged, cancelled or has expired.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(u).

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The fair value of share-based payments awards granted to employees is recognised as an employee cost with a corresponding increase in share-based payment reserve within equity. The fair value is measured at grant date with reference to the price per share in the latest equity financing transaction or fair value valuation techniques, taking into account the terms and conditions upon which the share-based payments awards were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total estimated fair value of share-based payments awards is spread over the vesting period, taking into account the probability that the shares will vest.

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During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior periods is charged/credited to the profit or loss for the period of the review with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest (with a corresponding adjustment to the share-based payment reserve).

(iii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises costs for a restructuring.

(q) **Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the period and any adjustments to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) **Provisions and contingent liabilities**

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

(s) **Revenue and other income**

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products or services.

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Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Sale of goods and provision of services

Revenue is recognized when the customer takes possession of and accepts the products and/or services.

The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

(ii) Interest income

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(iii) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised as income in the profit or loss on a straight-line basis over the useful life of the related asset.

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Related parties

(a) A person, or a close member of that person’s family, is related to the Group if 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 the Group’s parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities 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.

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- (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).
- (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

Note 25 contains information about the assumptions and risk factors relating to fair value of equity-settled share-based transactions. Other key sources of estimation uncertainty are as follows:

(i) Allowance for impairment of trade and other receivables

The Group's management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

(ii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Special consideration is given to estimate the selling price of those technically obsolete and/or slow-moving inventory items. Management reassesses these estimations at the end of reporting period to ensure inventory is shown at the lower of cost and net realisable value.

(iii) Impairment of intangible assets and property, plant and equipment

The Group performs impairment reviews of intangible assets and property, plant and equipment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management assesses the recoverable amount of each such asset or CGU based on its value in use or on its fair value less costs of disposal, whichever is higher, depending upon the anticipated future plans for the asset or CGU. These calculations require the use of judgements and estimates.

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4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Revenue represents the sales value of goods supplied and development services provided to customers. Revenue is after deduction of any trade discounts. Disaggregation of revenue from contracts with customers by application scenarios and related parties are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15					
Disaggregated by application scenarios					
– Wearable devices	268,772	417,937	427,099	211,506	227,218
– Personal smart medical devices	28,275	46,813	61,138	28,986	39,960
– Portable energy storage battery packs	27,881	33,383	25,473	16,392	13,438
– Smart educational and entertainment devices . .	–	410	2,168	353	1,147
– Development services . . .	4,200	1,672	12,325	5,341	38,071
– Others	22,034	32,644	37,146	23,274	17,329
	<u>351,162</u>	<u>532,859</u>	<u>565,349</u>	<u>285,852</u>	<u>337,163</u>
Disaggregated by customer's types					
– Third parties	342,460	497,280	545,512	275,178	329,771
– Related parties	8,702	35,579	19,837	10,674	7,392
	<u>351,162</u>	<u>532,859</u>	<u>565,349</u>	<u>285,852</u>	<u>337,163</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Point-in-time	<u>351,162</u>	<u>532,859</u>	<u>565,349</u>	<u>285,852</u>	<u>337,163</u>

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- (ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.*

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the aggregated amounts of the transaction price allocated to the remaining performance obligations under the Group’s existing contracts are RMB9,463,000, RMB9,604,000, RMB5,224,000 and RMB3,893,000 respectively. This amount represents revenue expected to be recognised in the future from provision of development services. The Group will recognise the expected revenue in future when development services are provided to customers, which is expected to occur over the next 12 to 48 months.

The Group has also applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales of products such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of battery products that had an original expected duration of one year or less.

(b) **Segment reporting**

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group’s chief executive officer reviews the Group’s consolidated results of operations in assessing performance of and making decisions about allocations to this segment. The Group has only one single reportable segment.

Accordingly, no reportable segment information is presented.

(i) *Geographic information*

The following table sets out information about the geographical location of (i) the Group’s revenue from external customers and (ii) the Group’s property, plant and equipment, right-of-use assets and other relevant non-current assets (“specified non-current assets”). The geographical location of customers is based on the location at which the customers are registered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, right-of-use assets and the location of the operation to which they are allocated, in the case of intangible assets.

Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Chinese Mainland	252,432	396,450	401,970	207,424	213,243
Asia (excluding Chinese Mainland)	91,646	128,428	145,655	70,149	81,756
Europe	6,190	4,875	10,534	5,926	37,083
Others	894	3,106	7,190	2,353	5,081
	<u>351,162</u>	<u>532,859</u>	<u>565,349</u>	<u>285,852</u>	<u>337,163</u>

Specific non-current assets

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Chinese Mainland	218,527	291,948	331,412	349,668
Vietnam	16,020	35,346	43,361	41,786
	<u>234,547</u>	<u>327,294</u>	<u>374,773</u>	<u>391,454</u>

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(ii) Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group’s revenue for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Customer A	N/A*	78,456	70,054	34,179	N/A*
Customer B	40,096	N/A*	N/A*	N/A*	N/A*
Customer C	73,651	N/A*	N/A*	N/A*	N/A*
Customer D	N/A*	N/A*	N/A*	28,883	N/A*
Customer E	N/A*	N/A*	N/A*	N/A*	42,786

* The corresponding revenue did not contribute 10% or more of the total revenue of the Group for the respective year/period.

Details of concentrations of credit risk arising from these customers are set out in Note 28(a).

5 OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Government grants (note)	6,709	13,448	9,907	5,365	6,272
Investment income	4,230	3,987	3,068	1,577	314
Interest income from bank deposits	2,147	4,909	4,388	1,889	2,832
Net (loss)/gains on disposal of property, plant and equipment and right-of-use assets	(24)	(85)	(7)	(12)	159
Net foreign exchange (loss)/gain	(720)	2,037	(3,229)	(374)	(6,234)
Net loss on disposal of a subsidiary	—	—	(59)	—	—
Additional value-added tax deduction	788	2,020	5,542	2,178	1,307
Others	(62)	(256)	(1,316)	42	(646)
	<u>13,068</u>	<u>26,060</u>	<u>18,294</u>	<u>10,665</u>	<u>4,004</u>

Note: The amounts mainly represented government incentive and support to the Group recognised during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026. There are no unfulfilled conditions or contingencies relating to the grants.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Interest on lease liabilities	1,527	2,437	1,779	1,222	714
Interest on bank loans	618	349	839	339	604
Others	899	382	933	734	84
	<u>3,044</u>	<u>3,168</u>	<u>3,551</u>	<u>2,295</u>	<u>1,402</u>

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(b) Staff costs (including directors’ and supervisors’ emoluments)

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Salaries, wages and other benefits . . .	99,302	153,413	177,560	93,317	99,072
Contributions to defined contribution retirement plans (<i>note</i>)	5,016	7,528	11,112	5,250	6,285
Equity-settled share-based payment expenses	3,971	1,304	845	396	445
	<u>108,289</u>	<u>162,245</u>	<u>189,517</u>	<u>98,963</u>	<u>105,802</u>

Note: Employees of the Group’s entities are required to participate in a defined contribution retirement scheme administered and operated by respective local municipal government. These entities contribute funds which are calculated on certain percentages of the average employee salary as agreed by respective local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items

	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Cost of inventories (<i>note</i>)	15(b)	248,600	346,203	381,715	191,202	225,677
Depreciation:						
– owned property, plant and equipment	11	37,693	45,838	66,107	29,510	38,476
– right-of-use assets	12	6,462	8,558	8,859	5,093	4,184
		<u>44,155</u>	<u>54,396</u>	<u>74,966</u>	<u>34,603</u>	<u>42,660</u>
Amortisation of intangible assets	13	206	258	436	199	238
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Auditors’ remuneration		425	858	125	63	63
		<u>425</u>	<u>858</u>	<u>125</u>	<u>63</u>	<u>63</u>

Note: Cost of inventories include RMB100,256,000, RMB133,427,000 and RMB152,803,000, RMB76,360,000 (unaudited) and RMB79,848,000 for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 respectively relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

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7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

		Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current tax:						
Provision for income tax for the year/period . . .	26(a)	1,169	9,378	52	707	3,100
Deferred tax:						
Origination and reversal of temporary differences	26(b)	(434)	137	(2,953)	(780)	(2,312)
		735	9,515	(2,901)	(73)	788

(b) Reconciliation between tax expense/(credit) and accounting profits at applicable tax rates:

		Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before taxation		7,530	67,611	28,555	23,420	27,133
Notional tax on profit before taxation, calculated at the rates applicable to the jurisdictions concerned (i) . . .		1,883	17,087	7,392	5,946	7,029
Effect of preferential tax rate (i)		(711)	(7,011)	(4,020)	(2,883)	(3,656)
Effect of additional deduction on research and development expenses (ii)		(5,092)	(5,804)	(9,914)	(4,780)	(5,128)
Effect of non-deductible expenses on changes in the carrying amount of redemption liabilities		3,928	3,930	–	–	–
Effect of utilisation of tax losses not recognised in prior years		–	(53)	–	–	–
Effect of other non-deductible expenses		729	389	311	158	128
Effect of temporary differences and tax losses not recognised		96	690	3,330	1,486	2,415
Others		(98)	287	–	–	–
Actual tax expense/(credit)		735	9,515	(2,901)	(73)	788

Notes:

- (i) The PRC Corporate Income Tax (“CIT”) rate applicable to the Company and Company’s subsidiaries in Chinese Mainland is principally 25% for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, except the Company and its subsidiary, Jiangxi Mic-Power New Energy Co., Ltd., were qualified as High and New Technology Enterprise and entitled to a preferential income tax rate of 15% for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

The Company’s subsidiary incorporated in Vietnam is subject to Vietnam corporate income tax at rates ranging from 15% to 20% of its annual taxable income.

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The Company’s subsidiary incorporated in Hong Kong is subject to Hong Kong’s two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first Hong Kong dollar (“HKD”) 2,000,000 and 16.5% for any assessable profits in excess of HKD2,000,000.

- (ii) 100% additional tax deduction is allowed for qualified research and development costs for the Company and its subsidiary, Jiangxi Mic-Power New Energy Co., Ltd., for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

8 DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS

The details of directors’ and supervisors’ remuneration are disclosed as follows:

Year ended 31 December 2023	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Chen Zhiyong	–	785	98	7	890	–	890
Mr. Xu Jiangtao	–	787	98	7	892	–	892
Non-executive directors							
Mr. Wang Minglun	–	–	–	–	–	–	–
Mr. Yi Lei	–	–	–	–	–	–	–
Mr. Wu Shihong	–	–	–	–	–	–	–
	–	1,572	196	14	1,782	–	1,782
Year ended 31 December 2024							
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Chen Zhiyong	–	862	224	8	1,094	–	1,094
Mr. Xu Jiangtao	–	867	224	8	1,099	–	1,099
Non-executive directors							
Mr. Wang Minglun	–	–	–	–	–	–	–
Mr. Yi Lei	–	–	–	–	–	–	–
Mr. Wu Shihong	–	–	–	–	–	–	–
Supervisors							
Mr. Shen Guoliang (appointed on 9 September 2024)	–	69	48	–	117	–	117
Mr. Li Zhaobo (appointed on 9 September 2024)	–	85	46	3	134	95	229
Ms. Chu Ke (appointed on 9 September 2024)	–	124	60	3	187	87	274
	–	2,007	602	22	2,631	182	2,813

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Year ended 31 December 2025	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Chen Zhiyong	–	785	1	9	795	–	795
Mr. Xu Jiangtao	–	797	–	9	806	–	806
Non-executive directors							
Mr. Wang Minglun.	–	–	–	–	–	–	–
Mr. Yi Lei.	–	–	–	–	–	–	–
Mr. Wu Shihong.	–	–	–	–	–	–	–
Mr. Huang Jiansheng (appointed on 12 November 2025)	–	56	2	2	60	–	60
Independent directors							
Ms. Duan Chunlin (appointed on 28 November 2025)	8	–	–	–	8	–	8
Mr. Huang Haitao (appointed on 28 November 2025)	8	–	–	–	8	–	8
Mr. Yang Ge (appointed on 28 November 2025)	8	–	–	–	8	–	8
Supervisors							
Mr. Shen Guoliang (resigned on 28 November 2025)	–	168	–	5	173	–	173
Mr. Li Zhaobo (resigned on 28 November 2025)	–	211	–	8	219	–	219
Ms. Chu Ke (resigned on 28 November 2025)	–	301	7	8	316	–	316
	24	2,318	10	41	2,393	–	2,393

Six months ended 30 June 2025 (unaudited)	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Chen Zhiyong	–	426	70	4	500	–	500
Mr. Xu Jiangtao	–	429	70	4	503	–	503
Non-executive directors							
Mr. Wang Minglun.	–	–	–	–	–	–	–
Mr. Yi Lei.	–	–	–	–	–	–	–
Mr. Wu Shihong.	–	–	–	–	–	–	–
Supervisors							
Mr. Shen Guoliang.	–	94	15	1	110	–	110
Mr. Li Zhaobo.	–	118	19	4	141	–	141
Ms. Chu Ke.	–	181	30	4	215	–	215
	–	1,248	204	17	1,469	–	1,469

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Six months ended 30 June 2026	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Chen Zhiyong	-	420	-	5	425	-	425
Mr. Xu Jiangtao	-	412	-	5	417	-	417
Non-executive directors							
Mr. Wang Minglun.	-	-	-	-	-	-	-
Mr. Yi Lei.	-	-	-	-	-	-	-
Mr. Wu Shihong.	-	-	-	-	-	-	-
Mr. Huang Jiansheng.	-	176	-	5	181	-	181
Independent directors							
Ms. Duan Chunlin	50	-	-	-	50	-	50
Mr. Huang Haitao	50	-	-	-	50	-	50
Mr. Yang Ge	50	-	-	-	50	-	50
	150	1,008	-	15	1,173	-	1,173

Note:

- (i) These represent the expense recognised in respect of restricted shares granted to the directors and supervisors under the Company’s restricted share scheme. The value of these restricted share is measured according to the Group’s accounting policy for share-based payments transactions as set out in Note 2(p)(ii). The details of share-based payment, including the principal terms and number of shares granted, are disclosed in Note 25.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and the supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the five individuals with the highest emoluments of the Group for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, two, two, two, one (unaudited) and two are directors and/or supervisors and disclosed in Note 8 and the emoluments in respect of the remaining three, three, three, four (unaudited) and three individuals for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Salaries, allowance and benefits in kind	2,251	3,195	3,139	2,220	1,847
Discretionary bonuses	144	362	10	366	-
Retirement scheme contributions	16	22	26	17	14
Equity-settled share-based payments	538	463	-	30	121
	2,949	4,042	3,175	2,633	1,982

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The emoluments of the individuals who are not director/supervisor and with the highest emoluments are within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals (unaudited)</i>	<i>Number of individuals</i>
HKD					
Nil to 1,000,000	1	1	2	3	2
1,000,001 - 1,500,000	2	1	–	1	1
1,500,001 - 2,000,000	–	–	–	–	–
2,000,001 - 2,500,000	–	1	1	–	–

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

As described in Note 27(d), the Company was converted into a joint stock limited liability company and 94,880,000 ordinary shares of RMB1.00 each were issued in October 2024. For the purpose of calculating basic and diluted earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock limited liability company was determined assuming the conversion had occurred since 1 January 2023, at the exchange ratio established in the conversion in October 2024.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				<i>(unaudited)</i>	
Profit for the year attributable to ordinary equity shareholders of the Company (in RMB’000) (<i>note (i)</i>) . . .	5,011	41,893	33,007	24,345	26,446
Weighted average number of ordinary shares in issue or deemed to be in issue (in thousands) (<i>note (ii)</i>)	68,421	68,421	94,880	94,880	94,880
Basic earnings per share (in RMB) . . .	0.07	0.61	0.35	0.26	0.28

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(i) *Profit attributable to ordinary equity shareholders of the Company*

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit for the year/period attributable to all equity shareholders of the Company	6,949	58,093	33,007	24,345	26,446
Allocation of profit for the year attributable to ordinary shares with redemption rights issued to investors (Note 24)	(1,938)	(16,200)	–	–	–
Profit for the year/period attributable to ordinary equity shareholders of the Company	<u>5,011</u>	<u>41,893</u>	<u>33,007</u>	<u>24,345</u>	<u>26,446</u>

(ii) *Weighted average number of ordinary shares in issue or deemed to be in issue*

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	'000	'000	RMB'000 (unaudited)	RMB'000
Ordinary shares at 1 January in issue or deemed to be in issue	94,160	94,880	94,880	94,880	94,880
Effect of ordinary shares with redemption rights issued to investors (Note 24)	(26,459)	(26,459)	–	–	–
Effect of ordinary shares in issue or deemed to be in issue	<u>720</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares at 31 December in issue or deemed to be in issue	<u>68,421</u>	<u>68,421</u>	<u>94,880</u>	<u>94,880</u>	<u>94,880</u>

(b) **Diluted earnings per share**

For the years ended 31 December 2023 and 2024, ordinary shares with redemption rights issued to investors (Note 24) were not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore diluted earnings per share were the same as the basic earnings per share.

For the year ended 31 December 2025 and the six months ended 30 June 2025 and 2026, there were no dilutive potential ordinary shares and therefore diluted earnings per share were the same as the basic earnings per share.

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11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant and buildings	Equipment and machinery	Office equipment and furniture	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At 1 January 2023	-	175,758	3,975	636	42,871	6,925	230,165
Acquisition of a subsidiary	3,988	-	50	-	7,064	-	11,102
Additions	-	-	-	-	969	44,429	45,398
Transfer	-	48,370	1,196	196	-	(49,762)	-
Disposals	-	(556)	(135)	-	-	-	(691)
At 31 December 2023 and 1 January 2024	3,988	223,572	5,086	832	50,904	1,592	285,974
Additions	-	74	145	54	336	133,093	133,702
Transfer	-	104,598	2,614	808	1,358	(109,378)	-
Disposals	-	(2,209)	(271)	-	-	-	(2,480)
Exchange adjustments	(116)	-	(14)	-	(20)	-	(150)
At 31 December 2024 and 1 January 2025	3,872	326,035	7,560	1,694	52,578	25,307	417,046
Additions	-	302	212	2	5,647	125,220	131,383
Transfer	-	124,972	3,863	12	5,588	(134,435)	-
Disposals	-	(4,431)	(464)	(2)	(601)	(81)	(5,579)
Exchange adjustments	(240)	(10)	(50)	-	(242)	(1,393)	(1,935)
At 31 December 2025 and 1 January 2026	3,632	446,868	11,121	1,706	62,970	14,618	540,915
Additions	-	62	148	-	1,174	56,423	57,807
Transfer	-	57,069	1,061	-	145	(58,275)	-
Disposals	-	(951)	(121)	-	-	-	(1,072)
Exchange adjustments	(62)	(232)	(9)	-	(35)	(277)	(615)
At 30 June 2026	3,570	502,816	12,200	1,706	64,254	12,489	597,035
Accumulated depreciation and impairment losses:							
At 1 January 2023	-	(52,294)	(1,821)	(377)	(11,470)	-	(65,962)
Charge for the year	-	(30,508)	(903)	(94)	(6,188)	-	(37,693)
Written back on disposals	-	499	117	-	-	-	616
At 31 December 2023 and 1 January 2024	-	(82,303)	(2,607)	(471)	(17,658)	-	(103,039)
Charge for the year	(228)	(40,356)	(1,146)	(167)	(3,941)	-	(45,838)
Written back on disposals	-	1,074	267	-	-	-	1,341
Exchange adjustments	38	-	13	-	18	-	69
At 31 December 2024 and 1 January 2025	(190)	(121,585)	(3,473)	(638)	(21,581)	-	(147,467)
Charge for the year	(211)	(58,699)	(1,918)	(320)	(4,959)	-	(66,107)
Written back on disposals	-	3,739	392	-	601	-	4,732
Exchange adjustments	(22)	-	34	-	241	-	253
At 31 December 2025 and 1 January 2026	(423)	(176,545)	(4,965)	(958)	(25,698)	-	(208,589)
Charge for the period	(104)	(33,768)	(1,243)	(153)	(3,208)	-	(38,476)
Written back on disposals	-	326	111	-	-	-	437
Exchange adjustments	7	17	6	-	35	-	65
At 30 June 2026	(520)	(209,970)	(6,091)	(1,111)	(28,871)	-	(246,563)

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	Plant and buildings	Equipment and machinery	Office equipment and furniture	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net book value:							
At 31 December 2023	3,988	141,269	2,479	361	33,246	1,592	182,935
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2024	3,682	204,450	4,087	1,056	30,997	25,307	269,579
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2025	3,209	270,323	6,156	748	37,272	14,618	332,326
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2026	3,050	292,846	6,109	595	35,383	12,489	350,472
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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The Company

	Equipment and machinery	Office equipment and furniture	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At 1 January 2023	95,151	3,104	624	12,455	853	112,187
Additions	–	–	–	549	15,119	15,668
Transfer	14,107	582	190	–	(14,879)	–
Disposals	(13,509)	(193)	–	–	–	(13,702)
At 31 December 2023 and 1 January 2024	95,749	3,493	814	13,004	1,093	114,153
Additions	105	–	54	–	53,521	53,680
Transfer	47,831	1,497	791	–	(50,119)	–
Disposals	(11,336)	(86)	–	–	–	(11,422)
At 31 December 2024 and 1 January 2025	132,349	4,904	1,659	13,004	4,495	156,411
Additions	8,821	73	–	2,880	66,441	78,215
Transfer	60,216	2,256	5	5,289	(67,766)	–
Disposals	(16,068)	(415)	(168)	–	–	(16,651)
At 31 December 2025 and 1 January 2026	185,318	6,818	1,496	21,173	3,170	217,975
Additions	11,297	138	–	1,160	29,598	42,193
Transfer	26,144	775	–	145	(27,064)	–
Disposals	(1,234)	(123)	–	–	–	(1,357)
At 30 June 2026	221,525	7,608	1,496	22,478	5,704	258,811
Accumulated depreciation and impairment losses:						
At 1 January 2023	(38,141)	(1,692)	(376)	(9,429)	–	(49,638)
Charge for the year	(15,553)	(630)	(91)	(3,093)	–	(19,367)
Written back on disposal	7,619	162	–	–	–	7,781
At 31 December 2023 and 1 January 2024	(46,075)	(2,160)	(467)	(12,522)	–	(61,224)
Charge for the year	(15,869)	(662)	(161)	(81)	–	(16,773)
Written back on disposal	5,923	57	–	–	–	5,980
At 31 December 2024 and 1 January 2025	(56,021)	(2,765)	(628)	(12,603)	–	(72,017)
Charge for the year	(25,996)	(1,083)	(310)	(976)	–	(28,365)
Written back on disposal	6,448	296	104	–	–	6,848
At 31 December 2025	(75,569)	(3,552)	(834)	(13,579)	–	(93,534)
Charge for the period	(14,424)	(758)	(129)	(1,023)	–	(16,334)
Written back on disposal	184	101	–	–	–	285
At 30 June 2026	(89,809)	(4,209)	(963)	(14,602)	–	(109,583)
Net book value:						
At 31 December 2023	49,674	1,333	347	482	1,093	52,929
At 31 December 2024	76,328	2,139	1,031	401	4,495	84,394
At 31 December 2025	109,749	3,266	662	7,594	3,170	124,441
At 30 June 2026	131,716	3,399	533	7,876	5,704	149,228

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12 RIGHT-OF-USE ASSETS

The Group

	Ownership interests in leasehold land held for own use	Other properties leased for own use	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023	–	38,168	38,168
Acquisition of a subsidiary	4,918	–	4,918
Additions	–	23,540	23,540
Termination of leases	–	(9,535)	(9,535)
At 31 December 2023 and 1 January 2024	4,918	52,173	57,091
Additions	–	14,693	14,693
Exchange adjustments	(45)	–	(45)
At 31 December 2024 and 1 January 2025	4,873	66,866	71,739
Additions	–	3,311	3,311
Lease modification	–	(10,972)	(10,972)
Termination of leases	–	(273)	(273)
Exchange adjustments	(160)	–	(160)
At 31 December 2025 and 1 January 2026	4,713	58,932	63,645
Additions	–	4,103	4,103
Termination of leases	–	(4,877)	(4,877)
Exchange adjustments	(36)	–	(36)
At 30 June 2026.	4,677	58,158	62,835
Accumulated depreciation:			
At 1 January 2023	–	(10,554)	(10,554)
Charge for the year	–	(6,462)	(6,462)
Termination of leases	–	9,535	9,535
At 31 December 2023 and 1 January 2024	–	(7,481)	(7,481)
Charge for the year	(143)	(8,415)	(8,558)
Exchange adjustments	9	–	9
At 31 December 2024 and 1 January 2025	(134)	(15,896)	(16,030)
Charge for the year	(139)	(8,720)	(8,859)
Termination of leases	–	144	144
Exchange adjustments	37	–	37
At 31 December 2025 and 1 January 2026	(236)	(24,472)	(24,708)
Charge for the period.	(68)	(4,116)	(4,184)
Termination of leases	–	3,758	3,758
Exchange adjustments	9	–	9
At 30 June 2026.	(295)	(24,830)	(25,125)
Net book value:			
At 31 December 2023	4,918	44,692	49,610
At 31 December 2024	4,739	50,970	55,709
At 31 December 2025	4,477	34,460	38,937
At 30 June 2026.	4,382	33,328	37,710

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The Company

	Other properties leased for own use
	<i>RMB’000</i>
Cost:	
At 1 January 2023	12,406
Additions	21,610
Termination of leases	(9,535)
	<hr/>
At 31 December 2023 and 1 January 2024	24,481
Additions	13,795
	<hr/>
At 31 December 2024 and 1 January 2025	38,276
Additions	2,887
Termination of leases	(119)
	<hr/>
At 31 December 2025 and 1 January 2026	41,044
Additions	3,950
Termination of leases	(2,948)
	<hr/>
At 30 June 2026	42,046
	<hr/>
Accumulated depreciation:	
At 1 January 2023	(7,283)
Charge for the year	(3,740)
Termination of leases	9,535
	<hr/>
At 31 December 2023 and 1 January 2024	(1,488)
Charge for the year	(5,533)
	<hr/>
At 31 December 2024 and 1 January 2025	(7,021)
Charge for the year	(6,960)
Termination of leases	102
	<hr/>
At 31 December 2025 and 1 January 2026	(13,879)
Charge for the period	(3,425)
Termination of leases	2,793
	<hr/>
At 30 June 2026	(14,511)
	<hr/>
Net book value:	
At 31 December 2023	22,993
	<hr/>
At 31 December 2024	31,255
	<hr/>
At 31 December 2025	27,165
	<hr/>
At 30 June 2026	27,535
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The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	At 31 December			At 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:					
– Ownership interests in leasehold land held for own use	–	143	139	75	68
– Other properties leased for own use	6,462	8,415	8,720	5,018	4,116
Interest on lease liabilities (<i>Note 6(a)</i>)	1,527	2,437	1,779	1,222	714
Expense relating to short-term leases	600	947	1,201	783	622

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, additions to right-of-use assets of the Group were RMB23,540,000, RMB14,693,000, RMB3,311,000 and RMB4,103,000 respectively. This amount was primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 18(d) and 22, respectively.

(a) Ownership interests in leasehold land held for own use

Ownership interests in leasehold land held for own use are all located in Vietnam with a lease period of 43 years when granted. The Group holds an industrial building for its business in Vietnam, where its manufacturing facilities are primarily located. The Group is the registered owner of the property interest, including the whole or part of undivided share in the underlying land. Lump sum payment was made upfront to acquire the property interest from its previous registered owner, and there is no ongoing payment to be made under the terms of the land lease.

(b) Other properties leased for own use

The Group has obtained the right to use other properties as production factories and offices through tenancy agreements. The leases typically run for an initial period of 2 to 11 years.

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13 INTANGIBLE ASSETS

The Group

	Software	Patents and trademarks	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023	1,493	243	1,736
Additions	820	–	820
At 31 December 2023 and 1 January 2024	2,313	243	2,556
Additions	262	–	262
At 31 December 2024 and 1 January 2025	2,575	243	2,818
Additions	1,940	–	1,940
At 31 December 2025, 1 January 2026 and 30 June 2026	4,515	243	4,758
Accumulated amortisation:			
At 1 January 2023	(342)	(6)	(348)
Charge for the year	(182)	(24)	(206)
At 31 December 2023 and 1 January 2024	(524)	(30)	(554)
Charge for the year	(234)	(24)	(258)
At 31 December 2024 and 1 January 2025	(758)	(54)	(812)
Charge for the year	(412)	(24)	(436)
At 31 December 2025 and 1 January 2026	(1,170)	(78)	(1,248)
Charge for the period	(226)	(12)	(238)
At 30 June 2026	(1,396)	(90)	(1,486)
Net book value:			
At 31 December 2023	1,789	213	2,002
At 31 December 2024	1,817	189	2,006
At 31 December 2025	3,345	165	3,510
At 30 June 2026	3,119	153	3,272

The amortisation charge for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 is included in “cost of sales”, “selling expenses”, “administrative expenses” and “research and development costs” in the consolidated statements of profit or loss and other comprehensive income.

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The Company

	Software	Patents and trademarks	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023	1,493	243	1,736
Additions	431	–	431
At 31 December 2023 and 1 January 2024	1,924	243	2,167
Additions	262	–	262
At 31 December 2024 and 1 January 2025	2,186	243	2,429
Additions	1,311	–	1,311
At 31 December 2025, 1 January 2026 and 30 June 2026	3,497	243	3,740
Accumulated amortisation:			
At 1 January 2023	(342)	(6)	(348)
Charge for the year	(173)	(24)	(197)
At 31 December 2023 and 1 January 2024	(515)	(30)	(545)
Charge for the year	(195)	(24)	(219)
At 31 December 2024 and 1 January 2025	(710)	(54)	(764)
Charge for the year	(344)	(24)	(368)
At 31 December 2025 and 1 January 2026	(1,054)	(78)	(1,132)
Charge for the period	(175)	(12)	(187)
At 30 June 2026	(1,229)	(90)	(1,319)
Net book value:			
At 31 December 2023	1,409	213	1,622
At 31 December 2024	1,476	189	1,665
At 31 December 2025	2,443	165	2,608
At 30 June 2026	2,268	153	2,421

14 OTHER NON-CURRENT ASSETS

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for property, plant and equipment	3,942	27,337	18,366	21,353
Deposits for rental of properties	2,645	3,642	4,486	4,515
	6,587	30,979	22,852	25,868

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The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for property, plant and equipment	2,652	15,375	3,590	4,884
Deposits for rental of properties	2,024	3,021	3,787	3,810
	<u>4,676</u>	<u>18,396</u>	<u>7,377</u>	<u>8,694</u>

15 INVENTORIES AND OTHER CONTRACT COSTS

(a) Inventories and other contract costs in the statements of financial position comprise:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	7,769	8,243	20,231	29,385
Semi-finished products and work in progress	30,190	38,060	42,582	60,816
Finished goods	14,143	15,476	18,099	12,910
Contract fulfilment costs	–	–	–	4,498
Right to recover return of goods . . .	1,333	885	891	316
	<u>53,435</u>	<u>62,664</u>	<u>81,803</u>	<u>107,925</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	4,222	4,554	6,454	7,199
Semi-finished products and work in progress	21,216	21,507	17,849	29,636
Finished goods	12,512	12,660	14,822	9,613
Contract fulfilment costs	–	–	–	4,498
Right to recover return of goods . . .	1,207	847	851	313
	<u>39,157</u>	<u>39,568</u>	<u>39,976</u>	<u>51,259</u>

(b) The analysis of the Group’s amount of inventories and other contract costs recognised as an expense and included in profit or loss is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Carrying amount of inventories sold and contract fulfilment costs capitalised	246,006	338,614	374,878	186,965	223,541
Write-down of inventories	2,594	7,589	6,837	4,237	2,136
	<u>248,600</u>	<u>346,203</u>	<u>381,715</u>	<u>191,202</u>	<u>225,677</u>

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(c) Contract fulfilment costs

Contract costs capitalised as at 30 June 2026 represented costs directly related to providing development service to customers. Contract costs are recognised as part of “cost of sales” in the consolidated statements of profit or loss and other comprehensive income when revenue from the related development services is recognised. The amounts of capitalised costs recognised in profit or loss during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 were nil, nil, nil and RMB8,719,000 respectively.

All of the capitalised contract costs are expected to be recovered within one year.

16 TRADE AND OTHER RECEIVABLES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables, net of loss allowance				
– Related parties (<i>Note 30(d)</i>)	4,295	14,470	4,990	5,875
– Third parties	105,639	197,243	178,821	179,797
	109,934	211,713	183,811	185,672
Bills receivables				
– Third parties	8,831	3,005	7,270	8,699
Trade and bills receivables	118,765	214,718	191,081	194,371
Interest receivables	390	391	134	–
Prepayments	2,781	2,915	13,976	12,947
VAT recoverable	13,660	22,167	5,545	3,333
Other receivables and deposits, net of loss allowance	928	3,825	2,720	2,504
	136,524	244,016	213,456	213,155

All of trade and other receivables are expected to be recovered or recognised as expenses within one year. Trade receivables from related parties are disclosed in Note 30(d).

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The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables, net of loss allowance				
– Related parties	4,295	14,470	4,990	5,875
– Subsidiaries	26,523	42,101	1,844	5,764
– Third parties	95,022	190,123	177,739	171,277
	<u>125,840</u>	<u>246,694</u>	<u>184,573</u>	<u>182,916</u>
Bills receivables				
– Subsidiaries	2,310	–	–	119
– Third parties	6,521	3,005	6,881	8,583
	<u>8,831</u>	<u>3,005</u>	<u>6,881</u>	<u>8,702</u>
Trade and bills receivables	134,671	249,699	191,454	191,618
Interest receivables	391	391	134	–
Amounts due from subsidiaries	50,006	75,194	83,862	125,417
Prepayments	1,244	549	5,060	9,887
VAT recoverable	1,501	1,893	836	–
Other receivables and deposits, net of loss allowance	807	3,302	2,248	2,440
	<u>188,620</u>	<u>331,028</u>	<u>283,594</u>	<u>329,362</u>

As of the end of each reporting period, the ageing analysis of trade and bills receivables (which are included in trade and other receivables), based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within three months	109,713	192,546	159,912	184,361
Three to six months	8,958	22,110	30,928	9,793
Six to nine months	51	62	150	10
Nine to twelve months	34	–	89	64
One to two years	9	–	2	143
	<u>118,765</u>	<u>214,718</u>	<u>191,081</u>	<u>194,371</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within three months	126,603	227,689	160,314	181,191
Three to six months	7,974	21,948	30,520	9,710
Six to nine months	51	62	530	52
Nine to twelve months	34	–	88	142
One to two years	9	–	2	523
	<u>134,671</u>	<u>249,699</u>	<u>191,454</u>	<u>191,618</u>

Trade receivables are generally due within 0-90 days from the date of billing. Bills receivables are generally due within 3-6 months from the date of billing. The Group’s credit policy is set out in Note 28(a).

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17 OTHER INVESTMENTS

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Financial assets measured at amortised cost	123,525	20,984	–	–
Current				
Financial assets measured at FVPL	24,074	3,003	71,006	–
Financial assets measured at amortised cost	–	85,040	21,623	–
	24,074	88,043	92,629	–
	147,599	109,027	92,629	–

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Financial assets measured at amortised cost	123,525	20,984	–	–
Current				
Financial assets measured at FVPL	20,002	3,003	71,006	–
Financial assets measured at amortised cost	–	85,040	21,623	–
	20,002	88,043	92,629	–
	143,527	109,027	92,629	–

(a) Financial assets measured at FVPL:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Wealth management products	4,072	–	–	–
Structured deposits	20,002	–	70,007	–
Fund investment	–	3,003	–	–
Bonds	–	–	999	–
	24,074	3,003	71,006	–

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The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Structured deposits	20,002	–	70,007	–
Fund investment	–	3,003	–	–
Bonds	–	–	999	–
	<u>20,002</u>	<u>3,003</u>	<u>71,006</u>	<u>–</u>

(b) **Financial assets measured at amortised cost:**

The Group and the Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Certificate of deposits	123,525	20,984	–
Current			
Certificate of deposits	–	85,040	21,623
	<u>123,525</u>	<u>106,024</u>	<u>21,623</u>

The balances represent certificates of deposits and related accrued interests. The directors of the Group determine such certificate of deposits are held for the collection of contractual cash flows which represent solely payments of principal and interest. Therefore, the certificate of deposits is classified as financial assets measured at amortised cost.

18 CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION

(a) **Cash and cash equivalents comprise:**

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	<u>132,723</u>	<u>95,418</u>	<u>172,458</u>	<u>271,232</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	<u>86,886</u>	<u>49,189</u>	<u>119,431</u>	<u>208,436</u>

(b) **Pledged bank deposits:**

Pledged bank deposits are mainly deposits for bank acceptance bills.

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(c) Reconciliation of profit before taxation to cash generated from operations:

	Note	At 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before taxation		7,530	67,611	28,555	23,420	27,133
Adjustments for:						
Depreciation	6(c)	44,155	54,396	74,966	34,603	42,660
Amortisation	6(c)	206	258	436	199	238
Investment income	5	(4,230)	(3,987)	(3,068)	(1,577)	(314)
Finance costs	6(a)	3,044	3,168	3,551	2,295	1,402
Changes in the carrying amount of redemption liabilities	24	26,185	26,201	–	–	–
Impairment loss/(reversal of impairment loss) of trade and other receivables		398	444	(29)	(53)	(1)
Net loss/(gains) on disposal of property, plant and equipment and right-of-use assets	5	24	85	7	12	(159)
Equity-settled share-based payment expenses	6(b)	3,971	1,304	845	396	445
Interest income from bank deposit	5	(2,147)	(4,909)	(4,388)	(1,889)	(2,832)
Net loss of disposal of a subsidiary	5	–	–	59	–	–
Net gain on financial assets measured at FVPL		(74)	(1)	(9)	(21)	12
Net foreign exchange loss/(gain)	5	720	(2,037)	3,229	374	6,234
Changes in working capital:						
(Increase)/decrease in inventories and other contract costs		(6,624)	(9,229)	(19,139)	1,741	(26,122)
(Increase)/decrease in trade and other receivables		(43,742)	(110,749)	19,916	(11,910)	9,113
Increase in pledged bank deposits		(1,460)	(15,332)	(8,405)	(4,258)	(22,155)
Increase in trade and other payables		16,727	73,831	88,968	97,682	16,384
Increase/(decrease) in deferred income		536	(911)	8,550	5,078	(2,142)
(Decrease)/increase in contract liabilities		(12,073)	2,514	(4,324)	(9,031)	1,503
Cash generated from operations		33,146	82,657	189,720	137,061	51,399

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(d) **Reconciliation of liabilities arising from financing activities:**

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

	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 21)</i>	<i>RMB'000</i> <i>(Note 22)</i>	<i>RMB'000</i> <i>(Note 24)</i>	<i>RMB'000</i>
At 1 January 2023	<u>19,750</u>	<u>33,130</u>	<u>369,912</u>	<u>422,792</u>
Changes from financing cash flows:				
Proceeds from bank loans	16,200	–	–	16,200
Repayment of bank loans	(19,800)	–	–	(19,800)
Capital element of lease rentals paid	–	(5,518)	–	(5,518)
Interest element of lease rentals paid	–	(1,380)	–	(1,380)
Finance costs paid	<u>(1,517)</u>	<u>–</u>	<u>–</u>	<u>(1,517)</u>
Total changes from financing cash flows	<u>(5,117)</u>	<u>(6,898)</u>	<u>–</u>	<u>(12,015)</u>
Other changes:				
Redemption rights granted upon paid-in capital issuance	–	–	13,000	13,000
Finance costs	1,517	1,527	–	3,044
Changes in the carrying amount of redemption liabilities	–	–	26,185	26,185
Increase in lease liabilities from entering into new leases during the year	<u>–</u>	<u>23,540</u>	<u>–</u>	<u>23,540</u>
Total other changes	<u>1,517</u>	<u>25,067</u>	<u>39,185</u>	<u>65,769</u>
At 31 December 2023	<u>16,150</u>	<u>51,299</u>	<u>409,097</u>	<u>476,546</u>

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	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 21)	RMB'000 (Note 22)	RMB'000 (Note 24)	RMB'000
At 1 January 2024	16,150	51,299	409,097	476,546
Changes from financing cash flows:				
Proceeds from bank loans	15,502	–	–	15,502
Repayment of bank loans	(13,500)	–	–	(13,500)
Capital element of lease rentals paid	–	(8,456)	–	(8,456)
Interest element of lease rentals paid	–	(3,431)	–	(3,431)
Finance costs paid	(731)	–	–	(731)
Total changes from financing cash flows	1,271	(11,887)	–	(10,616)
Other changes:				
Finance costs	731	2,437	–	3,168
Changes in the carrying amount of redemption liabilities	–	–	26,201	26,201
Increase in lease liabilities from entering into new leases during the year	–	14,693	–	14,693
Changes in connection with discounted bills	(2,902)	–	–	(2,902)
Total other changes	(2,171)	17,130	26,201	41,160
At 31 December 2024	15,250	56,542	435,298	507,090
	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 21)	RMB'000 (Note 22)	RMB'000 (Note 24)	RMB'000
At 1 January 2025	15,250	56,542	435,298	507,090
Changes from financing cash flows:				
Proceeds from bank loans	35,000	–	–	35,000
Repayment of bank loans	(11,000)	–	–	(11,000)
Capital element of lease rentals paid	–	(9,464)	–	(9,464)
Interest element of lease rentals paid	–	(2,340)	–	(2,340)
Finance costs paid	(1,772)	–	–	(1,772)
Total changes from financing cash flows	22,228	(11,804)	–	10,424
Other changes:				
Finance costs	1,772	1,779	–	3,551
Derecognition of redemption liabilities	–	–	(435,298)	(435,298)
Increase in lease liabilities from entering into new leases during the year	–	3,311	–	3,311
Decrease in lease liabilities from early termination of leases during the year	–	(9,794)	–	(9,794)
Total other changes	1,772	4,704	(435,298)	(438,230)
At 31 December 2025	39,250	40,034	–	79,284

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	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 21)	RMB'000 (Note 22)	RMB'000 (Note 24)	RMB'000
(Unaudited)				
At 1 January 2025	15,250	56,542	435,298	507,090
Changes from financing cash flows:				
Proceeds from bank loans	10,000	–	–	10,000
Repayment of bank loans	(250)	–	–	(250)
Capital element of lease rentals paid	–	(4,766)	–	(4,766)
Interest element of lease rentals paid	–	(1,300)	–	(1,300)
Finance costs paid	(1,073)	–	–	(1,073)
Total changes from financing cash flows	8,677	(6,066)	–	2,611
Other changes:				
Finance costs	1,073	1,222	–	2,295
Derecognition of redemption liabilities	–	–	(435,298)	(435,298)
Increase in lease liabilities from entering into new leases during the period	–	2,910	–	2,910
Decrease in lease liabilities from early termination of leases during the period	–	(1,866)	–	(1,866)
Total other changes	1,073	2,266	(435,298)	(431,959)
At 30 June 2025	25,000	52,742	–	77,742
	Bank loans	Lease liabilities	Total	
	RMB'000 (Note 21)	RMB'000 (Note 22)	RMB'000	
At 1 January 2026	39,250	40,034	79,284	
Changes from financing cash flows:				
Proceeds from bank loans	35,000	–	35,000	
Repayment of bank loans	(10,250)	–	(10,250)	
Capital element of lease rentals paid	–	(3,930)	(3,930)	
Interest element of lease rentals paid	–	(691)	(691)	
Finance costs paid	(688)	–	(688)	
Total changes from financing cash flows	24,062	(4,621)	19,441	
Other changes:				
Finance costs	688	714	1,402	
Increase in lease liabilities from entering into new leases during the period	–	4,103	4,103	
Decrease in lease liabilities from early termination of leases during the period	–	(922)	(922)	
Total other changes	688	3,895	4,583	
At 30 June 2026	64,000	39,308	103,308	

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(e) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases comprise the following:

	At 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Within operating cash flows	600	947	1,201	783	622
Within financing cash flows	6,898	11,887	11,804	6,066	4,621
	<u>7,498</u>	<u>12,834</u>	<u>13,005</u>	<u>6,849</u>	<u>5,243</u>

These amounts are related to lease rentals paid.

(f) Net cash outflow arising from the acquisition of a subsidiary

In December 2023, the Group acquired a subsidiary, with the purpose of acquiring its assets. The recognised amounts of assets acquired and liabilities at the date of acquisition of a subsidiary comprise the following:

	Year ended 31 December 2023
	RMB’000
Property, plant and equipment (<i>Note 11</i>)	11,102
Right-of-use assets (<i>Note 12</i>)	4,918
Trade and other receivables	276
Cash and cash equivalents	190
Trade and other payables	(5)
Total consideration paid in cash	16,481
Less: cash of subsidiary acquired	(190)
	<u>16,291</u>

19 CONTRACT LIABILITIES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Sales of goods and provision of services				
– Billing in advance of performance	<u>3,473</u>	<u>5,987</u>	<u>1,663</u>	<u>3,166</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Sales of goods and provision of services				
– Billing in advance of performance	<u>3,167</u>	<u>4,754</u>	<u>339</u>	<u>624</u>

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Movements in contract liabilities

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	15,546	3,473	5,987	1,663
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(15,517)	(446)	(5,956)	(1,086)
Increase in contract liabilities as a result of billing in advance of sales of goods	3,444	2,960	1,632	2,589
Balance at 31 December/30 June	<u>3,473</u>	<u>5,987</u>	<u>1,663</u>	<u>3,166</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	1,355	3,167	4,754	339
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(1,326)	(140)	(4,754)	(322)
Increase in contract liabilities as a result of billing in advance of sales of goods	3,138	1,727	339	607
Balance at 31 December/30 June	<u>3,167</u>	<u>4,754</u>	<u>339</u>	<u>624</u>

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the amounts of contract liabilities of the Group expected to be recognised as income after more than one year are RMB3,012,000, RMB69,000, nil and nil respectively. All of the other contract liabilities are expected to be recognised as income within one year.

20 TRADE AND OTHER PAYABLES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
– Related parties (<i>Note 30(d)</i>)	3,975	4,118	2,966	4,110
– Third parties	24,098	48,398	43,506	54,580
	<u>28,073</u>	<u>52,516</u>	<u>46,472</u>	<u>58,690</u>
Bills payables				
– Related parties	20,658	27,680	109,498	117,681
– Third parties	3,800	18,221	15,455	16,920
	<u>24,458</u>	<u>45,901</u>	<u>124,953</u>	<u>134,601</u>
Trade and bill payables	52,531	98,417	171,425	193,291
Payables for purchase of property, plant and equipment	31,617	48,186	65,396	70,706
Accrued payroll	14,339	27,991	16,526	18,176
Other payables and accruals	23,570	21,243	21,269	16,664
	<u>122,057</u>	<u>195,837</u>	<u>274,616</u>	<u>298,837</u>

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The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
– Subsidiaries	12,515	15,551	27,792	47,596
– Related parties	1,900	3,348	2,381	3,824
– Third parties	17,650	35,380	27,597	31,715
	<u>32,065</u>	<u>54,279</u>	<u>57,770</u>	<u>83,135</u>
Bills payables				
– Subsidiaries	20,858	41,708	95,561	79,475
– Third parties	3,800	18,221	15,455	16,920
	<u>24,658</u>	<u>59,929</u>	<u>111,016</u>	<u>96,395</u>
Trade and bill payables	56,723	114,208	168,786	179,530
Payables for purchase of property, plant and equipment	10,905	20,219	31,563	39,108
Accrued payroll	9,770	19,430	9,091	9,537
Other payables and accruals	25,598	19,668	25,167	21,590
	<u>102,996</u>	<u>173,525</u>	<u>234,607</u>	<u>249,765</u>

All trade and other payables are expected to be settled within one year or are repayable on demand. Trade payables to related parties are disclosed in Note 30(d).

As of the end of each reporting period, the ageing analysis of trade and bill payables (which are included in trade and other payables), based on the invoice date, is as follows:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	52,395	98,160	170,782	192,956
One to two years	111	184	412	89
Two to three years	25	51	169	82
Over three years	–	22	62	164
	<u>52,531</u>	<u>98,417</u>	<u>171,425</u>	<u>193,291</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	56,593	113,968	168,349	179,222
One to two years	105	172	194	72
Two to three years	25	46	167	78
Over three years	–	22	76	158
	<u>56,723</u>	<u>114,208</u>	<u>168,786</u>	<u>179,530</u>

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21 BANK LOANS

- (a) As of the end of each reporting period, bank loans were repayable as follows:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year or on demand	16,150	11,000	35,750	31,200
After one year but within two years	–	750	3,500	11,000
After two years but within five years	–	3,500	–	21,800
	–	4,250	3,500	32,800
	16,150	15,250	39,250	64,000

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year or on demand	16,150	11,000	25,750	30,200
After one year but within two years	–	750	3,500	10,000
After two years but within five years	–	3,500	–	18,800
	–	4,250	3,500	28,800
	16,150	15,250	29,250	59,000

- (b) As of the end of each reporting period, bank loans of the Group were guaranteed and secured as follows:

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Unsecured and guaranteed bank loans (<i>note i</i>)	9,750	–	10,000	5,000
Discounted bills (<i>note ii</i>)	2,902	–	–	–
Unsecured and unguaranteed bank loans	3,498	15,250	29,250	29,000
Secured and unguaranteed bank loans (<i>note iii</i>)	–	–	–	30,000
	16,150	15,250	39,250	64,000

Notes:

- (i) As at 31 December 2023, the bank loan was borrowed by the Company, and guaranteed by the shareholders. As at 31 December 2025 and 30 June 2026, the bank loan was borrowed by a subsidiary of the Company, and guaranteed by the Company.
- (ii) As at 31 December 2023, bank loans of RMB2,902,000 represented the discounted bills with recourse which had a maturity of three months.
- (iii) As at 30 June 2026, the bank loan was borrowed by the Company and secured by the Company’s patent right.

Certain of the Group’s banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group’s financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the

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related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Further details of the covenants and the Group’s management of liquidity risk are set out in Note 28(b). As at 31 December 2023, 2024 and 2025 and 30 June 2026, none of the covenants relating to drawn down facilities had been breached.

22 LEASE LIABILITIES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within one year	10,769	11,104	8,578	9,223
After one year but within two years	6,532	9,083	8,005	8,743
After two years but within five years	20,609	29,091	21,504	20,458
After five years	13,389	7,264	1,947	884
	40,530	45,438	31,456	30,085
	51,299	56,542	40,034	39,308

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within one year	3,639	6,054	6,368	7,081
After one year but within two years	3,847	5,922	6,725	7,840
After two years but within five years	11,549	19,678	16,082	14,827
After five years	4,210	1,114	18	–
	19,606	26,714	22,825	22,667
	23,245	32,768	29,193	29,748

23 DEFERRED INCOME

Deferred income represented unamortised conditional government grants for compensating the Group for the cost of assets and will be recognised in profit or loss over the useful lives of these assets.

24 REDEMPTION LIABILITIES

Pursuant to the agreements signed before and during the Track Record Period between the Company, the controlling shareholders, Mr. Chen Zhiyong and Mr. Xu Jiangtao (the “Controlling Shareholders”) and investors, the investors were granted the right to require the Company and the Controlling Shareholders of the Company to redeem all or part of their capital upon the occurrence of triggering events, including but not limited to: (i) a qualified listing does not occur before a specified date; (ii) a material breach of the agreement by the Company; and (iii) a change in the actual controllers of the Group without the written consent of the investors.

The redemption price of each share shall be equal to the aggregate of the original price plus an amount at a simple annual rate of 7% per annum for the period from the payment date of the consideration up to the redemption date, deducting all paid dividends.

Presentation and classification

The Company recognised its obligation to pay to those investors with redemption rights as redemption liabilities, because not all triggering events are within the control of the Company. The redemption liabilities are measured at the present value of the redemption amount. The changes in the carrying amount of the financial liabilities were recorded in profit or loss as “changes in the carrying amount of redemption liabilities”.

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The movements of the redemption liabilities for the years ended 31 December 2023, 2024 and 2025 are as follows:

The Group and the Company

	At 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year/period	369,912	409,097	435,298
Redemption rights granted upon share issuance . . .	13,000	–	–
Changes in the carrying amount of the redemption liabilities	26,185	26,201	–
Reclassification of redemption liabilities to equity (note)	–	–	(435,298)
At the end of the year/period	409,097	435,298	–

Note: In January 2025, pursuant to the supplementary agreement signed by the Company, Controlling Shareholders and investors with redemption rights, the redemption rights granted in previous years were terminated. Hence, the redemption liabilities were reclassified to equity thereafter.

25 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Controlling Shareholders adopted a restricted share scheme in January 2021 (the “Restricted Share Scheme”) for the purpose of providing incentives to the selected employees. Under the Restricted Share Scheme, a total of 6,068,948 restricted shares of the Company can be granted to the selected employees in the Group.

These restricted shares will vest upon being granted, or after certain periods from the grant date on the condition that the employees remain in service. If employees leave the Group before the vesting date, the restricted shares will be forfeited. The forfeited shares will be repurchased by the Controlling Shareholders or other shareholders designated by them, at the original subscription price, and if applicable, could be reallocated in the subsequent grants at the discretion of the Controlling Shareholders.

(a) The terms and conditions of equity-settled share-based payments granted are as follows:

	Before Track Record Period	28 August 2023	1 December 2023	20 February 2025
Subscription price per share (RMB)	1.21-3.17	5.53	5.62	6.47
Fair value per share (RMB).	7.02-9.07	9.11	9.11	13.52
Number of shares granted	5,160,714	796,605	250,000	550,000
Vesting period	Vested upon being granted/ grant date to 31 December 2024	Vested upon being granted/ grant date to 31 December 2024	Grant date to 31 December 2024	Grant date to 31 December 2027

(b) Movements in the number of restricted shares granted to employees are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	Number of restricted shares	Number of restricted shares	Number of restricted shares	Number of restricted shares
At the beginning of the year/period.	675,529	1,063,402	–	555,000
Granted during the year/period	1,046,605	–	555,000	–
Forfeited during the year/period	(128,115)	–	–	(40,000)
Vested during the year/period	(530,617)	(1,063,402)	–	–
At the end of the year/period.	1,063,402	–	555,000	515,000

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(c) Fair value of share-based payment and assumptions

The fair value of the restricted shares granted was determined by reference on the fair value of ordinary shares of the Company as of the grant date. The directors have used the discounted cash flow approach or referred to the price per share in the latest equity financing transaction, to determine the fair value of the underlying shares of the Company.

The key assumptions to the valuation at the grant date are summarised as below:

	Year ended 31 December	Year ended 31 December
	2023	2025
Risk-free interest rate	2.30%	1.14%
Expected dividend yield	0.00%	0.00%
Expected volatility	58.70%	50.46%
Discount lack of marketability	22.23%	15.63%

(d) Equity settled share-based transactions expenses recognised in the consolidated statements of profit or loss and other comprehensive income:

Total share-based payment expenses of RMB3,971,000, RMB1,304,000, RMB845,000, RMB396,000 (unaudited) and RMB445,000 are recognised as staff costs (Note 6(b)) in the consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

26 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Balance of CIT at 1 January		1,728	(127)	6,615	665
Provision for income tax for the year/period	7(a)	1,169	9,378	52	3,100
Income tax (paid)/refunded during the year/period		(3,024)	(2,636)	(6,002)	298
Balance of CIT at 31 December/ 30 June		(127)	6,615	665	4,063
Represented by:					
Current taxation		833	6,615	665	4,063
Tax recoverable		(960)	–	–	–

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(b) Deferred tax assets recognised

The components of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year/period are as follows:

Deferred tax arising from:	Deferred income	Provisions for inventories and receivables	Unused tax losses	Right-of-use assets	Lease liabilities	Other	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,410	873	432	(4,142)	4,417	378	3,368
Credited/(charged) to profit or loss	80	(168)	(432)	(2,562)	3,277	239	434
At 31 December 2023 and 1 January 2024	1,490	705	-	(6,704)	7,694	617	3,802
(Charged)/credited to profit or loss	(135)	149	-	(942)	786	5	(137)
At 31 December 2024 and 1 January 2025	1,355	854	-	(7,646)	8,480	622	3,665
Credited/(charged) to profit or loss	1,282	(319)	2,500	2,538	(2,540)	(508)	2,953
At 31 December 2025 and 1 January 2026	2,637	535	2,500	(5,108)	5,940	114	6,618
(Charged)/credited to profit or loss	(321)	18	2,386	108	(45)	166	2,312
At 30 June 2026	2,316	553	4,886	(5,000)	5,895	280	8,930

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB697,000, RMB5,175,000, RMB20,152,000 and RMB28,914,000 as of 31 December 2023, 2024 and 2025 and 30 June 2026 respectively as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities.

The unrecognised tax losses will be expired in the following years:

	As 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
2028	697	483	483	483
2029	-	4,692	4,692	4,692
2030	-	-	14,962	14,979
2031	-	-	15	8,722
After 2031	-	-	-	83
	697	5,175	20,152	28,914

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27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity of the Company

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company’s individual components of equity between the beginning and the end of the year are set out below:

	Note	Paid-in capital RMB’000 (Note 27(c))	Share capital RMB’000 (Note 27(d))	Capital reserve RMB’000 (Note 27(f)(iii))	Share-based payment reserve RMB’000 (Note 27(f)(iv))	Statutory reserve RMB’000 (Note 27(f)(i))	Retained profits RMB’000	Total equity RMB’000
Balance at 1 January 2023		94,160	–	(892)	1,757	655	5,895	101,575
Profit and total comprehensive income for the year		–	–	–	–	–	1,487	1,487
Issuance of financial instruments with redemption rights issued to investors		–	–	(13,000)	–	–	–	(13,000)
Capital contribution from shareholders	27(c)	720	–	12,280	–	–	–	13,000
Appropriation to statutory reserve		–	–	–	–	149	(149)	–
Vesting of restricted shares		–	–	1,724	(1,724)	–	–	–
Equity-settled share-based payment	25	–	–	–	3,536	–	–	3,536
Balance at 31 December 2023 and 1 January 2024		94,880	–	112	3,569	804	7,233	106,598
Profit and total comprehensive income for the year		–	–	–	–	–	47,901	47,901
Conversion to a joint stock company	27(c), (d)	(94,880)	94,880	(47,336)	–	–	47,336	–
Appropriation to statutory reserve		–	–	–	–	4,790	(4,790)	–
Vesting of restricted shares		–	–	5,359	(5,359)	–	–	–
Equity-settled share-based payment	25	–	–	–	1,792	–	–	1,792
Balance at 31 December 2024 and 1 January 2025		–	94,880	(41,865)	2	5,594	97,680	156,291
Profit and total comprehensive income for the year		–	–	–	–	–	36,247	36,247
Reclassification of redemption liabilities as equity	24	–	–	435,298	–	–	–	435,298
Equity-settled share-based payment		–	–	–	787	–	–	787
Appropriation to statutory reserve		–	–	–	–	3,625	(3,625)	–
Dividends declared	27(b)	–	–	–	–	–	(14,991)	(14,991)
Balance at 31 December 2025 and 1 January 2026		–	94,880	393,433	789	9,219	115,311	613,632
Profit and total comprehensive income for the period		–	–	–	–	–	44,955	44,955
Equity-settled share-based payment		–	–	–	413	–	–	413
Balance at 30 June 2026		–	94,880	393,433	1,202	9,219	160,266	659,000

(b) Dividends

For the year ended 31 December 2025, the Company declared and paid the dividends of RMB14,991,000 to its then shareholders of RMB0.158 per share. The Company did not declare dividends during the years ended 31 December 2023 and 2024 and the six months ended 30 June 2026.

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(c) Paid-in capital

The paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	Total
	<i>RMB’000</i>
At 1 January 2023	94,160
Capital contribution from shareholders	720
At 31 December 2023 and 1 January 2024	94,880
Conversion into a joint stock company (<i>Note 27(d)</i>)	(94,880)
At 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	–

(d) Share capital

	Numbers of ordinary shares	RMB’000
	<i>’000</i>	
At 1 January 2023, 31 December 2023 and 1 January 2024	–	–
Issue of new shares upon conversion into a joint stock company (<i>note</i>)	94,880	94,880
At 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	94,880	94,880

Note: In October 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date were converted into 94,880,000 ordinary shares at RMB1.00 each.

(e) Acquisition of non-controlling interests

In March 2026, the Company acquired 33.0% equity interest of a subsidiary, Huizhou Weidong New Energy Co., Ltd. with consideration of RMB230,000 and acquired 38.7% equity interest of a subsidiary, Guangdong Gic-Power New Energy Co., Ltd. with consideration of RMB590,000 from the then minority shareholders. After the acquisition, the subsidiaries became wholly owned subsidiaries of the Company. As at 30 June 2026, the consideration was paid in full.

(f) Nature and purpose of reserves

(i) Statutory reserve

According to the Company’s Articles of Association, the Group is required to appropriate at least 10% of its net profit as determined in accordance with the Company Law of the PRC to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The appropriation to this reserve must be made before distribution of a dividend to equity owners. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to convert into capital, provided that the balance after such issue is not less than 25% of its registered capital. The statutory reserve of the Group only comprises the appropriation of net profit of the Company.

(ii) Capital reserve

The capital reserve mainly comprises the amounts in relation to the recognition of the redemption liabilities (see Note 24); and the excess of the net contributions from the shareholders of the Company over the total paid-in capital issued.

(iii) Exchange reserve

The exchange reserve comprises the foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iv) Share-based payment reserve

The share-based payment reserve represented the portion of the grant date fair value of restricted shares granted to the employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(p).

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(g) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables and other receivables and deposits.

The Group’s exposure to credit risk arising from cash and cash equivalents, bills receivables and financial assets measured at amortised costs is limited because the counterparties are banks and tax authorities for which the Group considers to have low credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 0 days to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. The trade receivables from the Group’s five largest customers at 31 December 2023, 2024, 2025 and 30 June 2026 represented 32%, 51%, 44% and 43% of the total trade receivables respectively, while 9%, 13%, 10% and 12% of the total trade receivables were due from the largest customer respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group’s different customer bases.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables:

As at 31 December 2023			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Provision on a collective basis			
Not past due	0.03%	105,528	30
Aged less than three months	0.74%	4,047	30
Aged three to six months	12.71%	425	54
Aged six to nine months	30.61%	49	15
Aged nine to twelve months	72.00%	50	36
Aged over one year	100.00%	76	76
		110,175	241

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As at 31 December 2024			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Provision on an individual basis	100.00%	291	291
Provision on a collective basis			
Not past due	0.02%	208,756	40
Aged less than three months	0.85%	2,827	24
Aged three to six months	7.18%	209	15
Aged over one year	100.00%	73	73
		<u>212,156</u>	<u>443</u>

As at 31 December 2025			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Provision on a collective basis.			
Not past due.	0.01%	182,052	20
Aged less than three months.	0.52%	1,717	9
Aged three to six months.	5.56%	72	4
Aged six to nine months	16.82%	1	-
Aged nine to twelve months	33.33%	3	1
Aged over one year	100.00%	75	75
		<u>183,920</u>	<u>109</u>

As at 30 June 2026			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Provision on a collective basis			
Not past due	0.01%	183,510	16
Aged less than three months	0.40%	1,749	7
Aged three to six months	4.37%	389	17
Aged six to nine months	13.04%	23	3
Aged nine to twelve months	34.33%	67	23
Aged over one year	100.00%	3	3
		<u>185,741</u>	<u>69</u>

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

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Movement in the loss allowance account in respect of trade receivables for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Balance at 1 January	27	241	443	443	109
Amounts write-off	–	–	(291)	(291)	–
Impairment losses/(reversal of impairment loss) recognised during the year/period	214	202	(43)	(30)	(40)
Balance at 31 December/30 June	<u>241</u>	<u>443</u>	<u>109</u>	<u>122</u>	<u>69</u>

Other receivables and deposits

Credit risk in respect of other receivables and deposits is limited since the balance mainly includes deposits to suppliers.

The Group measures loss allowances for other receivables and deposits at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group assessed that there is no significant loss allowance recognised in accordance with HKFRS 9 for other receivables and deposits as at 31 December 2023, 2024 and 2025 and 30 June 2026.

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(b) Liquidity risk

The Group’s policy is to regularly monitor liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As disclosed in Note 21(b), certain of the Group’s banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group’s financial metrics, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand, the Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans classified as non-current at the end of the reporting period is set out below:

Loans	Carrying amount				Covenant(s)	Timing to comply with the covenant(s)
	At 31 December			At 30 June		
	2023	2024	2025	2026		
	RMB’000	RMB’000	RMB’000	RMB’000		
Loan A.	–	4,750	4,250	4,000	(i) The Company’s debt-to-asset ratio* shall not exceed 90% (ii) The total amount of external guarantees shall not exceed its own net assets	At any time throughout the loan term
Loan B.	–	–	–	20,000	(i) The Company’s debt-to-asset ratio* shall not exceed 90% (ii) Operating cash cannot remain negative for three years	At any time throughout the loan term

* This is calculated based on the total debts (defined as total liabilities minus redemption liabilities) divided by total assets of the Company.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay.

At 31 December 2023					
Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Bank loans	16,350	–	–	–	16,350
Trade and other payables . .	122,307	–	–	–	122,307
Redemption liabilities	409,097	–	–	–	409,097
Lease liabilities	12,959	8,411	24,283	14,295	51,299
	<u>560,713</u>	<u>8,411</u>	<u>24,283</u>	<u>14,295</u>	<u>598,603</u>

At 31 December 2024					
Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Bank loans	11,390	874	3,553	–	15,817
Trade and other payables . .	195,837	–	–	–	195,837
Redemption liabilities	435,298	–	–	–	435,298
Lease liabilities	13,369	10,944	32,218	7,640	56,542
	<u>655,894</u>	<u>11,818</u>	<u>35,771</u>	<u>7,640</u>	<u>702,927</u>

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At 31 December 2025

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	36,350	3,553	–	–	39,903	39,250
Trade and other payables . .	274,616	–	–	–	274,616	274,616
Lease liabilities	9,061	9,064	22,776	1,989	42,890	40,034
	<u>320,027</u>	<u>12,617</u>	<u>22,776</u>	<u>1,989</u>	<u>357,409</u>	<u>353,900</u>

At 30 June 2026

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 year but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	32,263	11,765	22,090	–	66,118	64,000
Trade and other payables . .	298,837	–	–	–	298,837	298,837
Lease liabilities	10,408	9,628	21,414	896	42,346	39,308
	<u>341,508</u>	<u>21,393</u>	<u>43,504</u>	<u>896</u>	<u>407,301</u>	<u>402,145</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group’s interest rate risk arises primarily from bank loans and lease liabilities. Bank loans and lease liabilities that are at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

The Group’s interest rate profile as monitored by management is set out below.

(i) Interest rate profile

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed rate instruments				
Bank loans	3,500	10,500	30,000	55,000
Lease liabilities	46,716	54,445	40,034	39,308
	<u>50,216</u>	<u>64,945</u>	<u>70,034</u>	<u>94,308</u>
Variable rate instruments				
Bank loans	9,750	4,750	9,250	9,000

(ii) Sensitivity analysis

At 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that a general increase/decrease of 25 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group’s profit after tax and retained profits by RMB21,000, RMB10,000, RMB20,000 and RMB10,000 respectively in response to the general increase/decrease in interest rates.

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The sensitivity analysis above indicates the instantaneous change in the Group’s profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group’s profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis during the Track Record Period.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars (“USD”).

(i) Exposure to currency risk

The following table details the Group’s exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the period end date.

	Exposure to foreign currencies (expressed in RMB)			
	2023	2024	2025	30 June 2026
	USD RMB’000	USD RMB’000	USD RMB’000	USD RMB’000
Trade and other receivables . . .	59,016	70,303	95,605	110,711
Cash and cash equivalents . . .	46,519	76,891	102,624	193,575
Trade and other payables . . .	(21,353)	(28,188)	(54,422)	(59,174)
	<u>84,182</u>	<u>119,006</u>	<u>143,807</u>	<u>245,112</u>

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group’s profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	Increase/ (decrease) in foreign exchange rates	Change in profit after tax and retained profits RMB’000
At 31 December 2023		
USD	5% (5)%	3,578 (3,578)
At 31 December 2024		
USD	5% (5)%	5,058 (5,058)
At 31 December 2025		
USD	5% (5)%	6,112 (6,112)
At 30 June 2026		
USD	5% (5)%	10,417 (10,417)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities’ profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

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	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB’000	RMB’000	RMB’000	RMB’000
Recurring fair value measurement				
Financial assets measured at FVPL:				
– Structured deposits	70,007	-	70,007	-
– Bonds	999	999	-	-
	<u>71,006</u>	<u>999</u>	<u>70,007</u>	<u>-</u>

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Valuation techniques and inputs used for fair value measurement at the Level 2:

The fair value of wealth management products and fund investment are measured by referencing to the net asset value published by the banks, and the structured deposits with variable interest rate are measured by referencing to the expected return rates of 0.9%-2.75%.

(ii) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group’s financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2023, 2024 and 2025 and 30 June 2026.

29 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2023, 2024 and 2025 and 30 June 2026 not provided for in the Historical Financial Information were as follows:

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Contracted for acquisition of property, plant and equipment	65,046	106,724	106,493	132,139

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) **Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Group’s directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Salaries, wages and other benefits	3,823	5,202	5,481	3,015	2,653
Discretionary bonuses	340	964	20	496	-
Contributions to defined contribution retirement plan	30	44	67	30	24
Equity-settled share-based payment expenses	538	645	-	30	121
	<u>4,731</u>	<u>6,855</u>	<u>5,568</u>	<u>3,571</u>	<u>2,798</u>

Total remuneration is included in staff costs (see Note 6(b)).

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ACCOUNTANTS’ REPORT

(b) Identity of related parties

During the Track Record Period, the directors are of the view that related parties of the Group that had transactions with the Group include the following:

Names of related parties	Relationship with the Group
Shandong Ruisi Precision Industry Co., Ltd.* (山東睿思精密工業有限公司)	An entity controlled by a director of the Company
Luxshare Precision Industry Co., Ltd.* (立訊精密工業股份有限公司)	An entity controlled by close relatives of a director of the Company

* The official names of these entities are in Chinese. The English translation is for identification purposes only.

(c) Significant transactions with related parties

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<i>Sales of goods:</i>					
Luxshare Precision Industry Co., Ltd. . . .	8,662	35,579	19,837	10,674	7,392
Shandong Ruisi Precision Industry Co., Ltd.	40	–	–	–	–
	<u>8,702</u>	<u>35,579</u>	<u>19,837</u>	<u>10,674</u>	<u>7,392</u>
<i>Purchase of goods and services:</i>					
Shandong Ruisi Precision Industry Co., Ltd.	12,037	12,434	8,902	4,506	4,337
	<u>12,037</u>	<u>12,434</u>	<u>8,902</u>	<u>4,506</u>	<u>4,337</u>
<i>Purchase of property, plant and equipment:</i>					
Shandong Ruisi Precision Industry Co., Ltd.	53	97	–	–	80
	<u>53</u>	<u>97</u>	<u>–</u>	<u>–</u>	<u>80</u>

(d) Balances with related parties

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Trade receivables</i>				
Luxshare Precision Industry Co., Ltd. . .	4,295	14,470	4,990	5,875
	<u>4,295</u>	<u>14,470</u>	<u>4,990</u>	<u>5,875</u>
<i>Trade payables</i>				
Shandong Ruisi Precision Industry Co., Ltd.	3,975	4,118	2,966	4,110
	<u>3,975</u>	<u>4,118</u>	<u>2,966</u>	<u>4,110</u>

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 30 June 2026, the directors consider the ultimate controlling parties of the Group to be Mr. Chen Zhiyong and Mr. Xu Jiangtao.

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the HKICPA has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information.

	<u>Effective for accounting periods beginning on or after</u>
HKFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to HKAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
HKFRS 20, <i>Regulatory Assets and Regulatory Liabilities</i>	1 January 2029
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial [REDACTED]. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

33 SIGNIFICANT NON-ADJUSTING EVENTS AFTER 30 JUNE 2026

There is no significant non-adjusting event after 30 June 2026.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 30 June 2026.