

Zhejiang Galaxis Technology Group Co., Ltd.
浙江凱樂士科技集團股份有限公司

Accountants' Report on Historical Financial Information
for the years ended December 31, 2022, 2023 and 2024
and nine months ended September 30, 2025



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG GALAXIS TECHNOLOGY GROUP CO., LTD. (浙江凱樂士科技集團股份有限公司) AND GUOTAI JUNAN CAPITAL LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-70, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and September 30, 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 (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-3 to I-70 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated March 16, 2026 (the "Prospectus") in connection with the initial listing of 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 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 December 31, 2022, 2023 and 2024 and September 30, 2025 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 cash flow statement for the nine months ended September 30, 2024, 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" as 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-3 have been made.

Dividends

We refer to note 30(b) to the Historical Financial Information which states that no dividends have been 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

March 16, 2026



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").



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(unaudited)
Revenue	4	656,924	550,790	721,417	344,216	551,637
Cost of sales		(553,496)	(459,123)	(607,855)	(283,995)	(460,225)
Gross profit		103,428	91,667	113,562	60,221	91,412
Other income	5(a)	10,352	24,286	17,425	10,515	9,077
Other net (loss)/gain	5(b)	(301)	(4,080)	110	(868)	900
Selling and marketing expenses		(69,252)	(63,759)	(40,853)	(29,906)	(32,528)
Administrative expenses		(66,619)	(78,046)	(60,924)	(42,715)	(56,906)
Research and development expenses		(94,554)	(85,364)	(61,995)	(44,754)	(48,113)
Impairment loss recognized on property, plant and equipment	11	–	(7,086)	–	–	–
Impairment loss (recognized)/reversal on trade receivables and contract assets		(6,444)	(8,804)	(22,306)	(2,864)	1,148
Loss from operations		(123,390)	(131,186)	(54,981)	(50,371)	(35,010)
Net finance income	6(a)	4,404	6,294	4,226	3,560	1,758
Changes in the carrying amount of the redemption liability	25	(89,949)	(116,489)	(126,166)	(93,530)	(100,655)
Loss before taxation		(208,935)	(241,381)	(176,921)	(140,341)	(133,907)
Income tax	7(a)	(633)	(233)	(1,137)	(1,008)	(564)
Loss for the year/period		(209,568)	(241,614)	(178,058)	(141,349)	(134,471)
Loss attributable to:						
Equity shareholders of the Company		(209,338)	(241,715)	(168,958)	(135,426)	(135,005)
Non-controlling interests		(230)	101	(9,100)	(5,923)	534
Loss for the year/period		(209,568)	(241,614)	(178,058)	(141,349)	(134,471)
Loss for the year/period		(209,568)	(241,614)	(178,058)	(141,349)	(134,471)
Other comprehensive income for the year/period (after tax):						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of overseas subsidiaries		(4)	(8)	194	51	(240)
Total comprehensive income for the year/period		(209,572)	(241,622)	(177,864)	(141,298)	(134,711)
Attributable to:						
Equity shareholders of the Company		(209,342)	(241,723)	(168,764)	(135,375)	(135,245)
Non-controlling interests		(230)	101	(9,100)	(5,923)	534
Total comprehensive income for the year/period		(209,572)	(241,622)	(177,864)	(141,298)	(134,711)
Loss per share						
Basic and diluted (RMB)	10	(0.57)	(0.62)	(0.43)	(0.35)	(0.35)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in RMB)

	Note	As at December 31			As at September 30
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	117,177	125,147	115,207	108,595
Right-of-use assets	12	72,138	29,405	20,644	21,198
Intangible assets	13	8,881	7,814	9,585	7,928
Financial assets measured at amortised cost	14	3,487	3,453	–	–
Time deposits	15	253,496	134,574	21,208	30,364
Prepayments	17(b)	4,880	60	188	78
		460,059	300,453	166,832	168,163
Current assets					
Inventories	18	769,162	1,062,384	1,023,469	889,344
Trade and other receivables	17(a)	365,784	313,725	299,747	379,406
Contract assets	19(a)	62,290	98,041	93,013	89,095
Prepayments	17(b)	32,844	85,159	34,661	50,321
Financial assets measured at amortised cost	14	–	–	3,419	–
Financial assets measured at fair value through profit or loss	20	20,916	–	46,189	49,124
Income tax recoverable	28(a)	4,134	7,871	7,112	12,872
Time deposits	15	–	129,603	141,343	118,155
Restricted cash	21(a)	22,246	47,775	79,342	74,093
Cash and cash equivalents	21(a)	194,466	104,758	111,191	94,522
		1,471,842	1,849,316	1,839,486	1,756,932
Current liabilities					
Trade and other payables	22	505,396	614,025	631,978	598,673
Contract liabilities	19(b)	472,207	743,232	652,999	614,790
Bank loans	23	13,356	31,703	17,225	41,142
Lease liabilities	24	15,660	7,058	2,394	3,553
Redemption liabilities	25	1,456,113	1,572,602	1,698,768	1,799,423
Income tax payable	28(a)	2,755	615	832	899
Provisions	29	13,339	14,478	15,179	16,392
		2,478,826	2,983,713	3,019,375	3,074,872
Net current liabilities		(1,006,984)	(1,134,397)	(1,179,889)	(1,317,940)
Total assets less current liabilities		(546,925)	(833,944)	(1,013,057)	(1,149,777)



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
(Expressed in RMB)

	Note	As at December 31			As at
		2022	2023	2024	September 30
		RMB'000	RMB'000	RMB'000	2025
				RMB'000	
Non-current liabilities					
Bank loans	23	43,480	51,013	44,303	37,871
Lease liabilities	24	41,556	6,379	2,899	2,401
Deferred income	26	13,380	2,300	5,500	5,850
		<u>98,416</u>	<u>59,692</u>	<u>52,702</u>	<u>46,122</u>
NET LIABILITIES		<u>(645,341)</u>	<u>(893,636)</u>	<u>(1,065,759)</u>	<u>(1,195,899)</u>
CAPITAL AND RESERVES					
Share capital	30(c)	391,086	391,086	391,086	391,086
Reserves	30(d)	(1,044,002)	(1,283,303)	(1,450,626)	(1,581,300)
Total deficit attributable to equity shareholders of the Company		<u>(652,916)</u>	<u>(892,217)</u>	<u>(1,059,540)</u>	<u>(1,190,214)</u>
Non-controlling interests		7,575	(1,419)	(6,219)	(5,685)
TOTAL DEFICIT		<u>(645,341)</u>	<u>(893,636)</u>	<u>(1,065,759)</u>	<u>(1,195,899)</u>

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in RMB)

	Note	As at December 31			As at
		2022	2023	2024	September 30
		RMB'000	RMB'000	RMB'000	2025
				RMB'000	
Non-current assets					
Property, plant and equipment	11	76,444	92,832	90,883	86,569
Right-of-use assets	12	11,520	11,281	11,042	10,863
Intangible assets	13	2,246	3,633	3,535	3,086
Financial assets measured at amortised cost	14	3,487	3,453	–	–
Time deposits	15	223,469	103,557	21,208	30,364
Investments in subsidiaries	16	281,366	279,817	301,444	309,843
Prepayments	17(b)	–	60	4	78
		<u>598,532</u>	<u>494,633</u>	<u>428,116</u>	<u>440,803</u>
Current assets					
Inventories	18	400,523	485,775	652,670	523,918
Trade and other receivables	17(a)	573,630	448,068	516,219	665,948
Contract assets	19(a)	23,019	45,403	43,357	51,316
Prepayments	17(b)	15,125	109,253	28,427	83,884
Financial assets measured at amortised cost	14	–	–	3,419	–
Financial assets measured at fair value through profit or loss	20	6,855	–	46,189	44,604
Tax recoverable		442	949	949	4,606
Time deposits	15	–	118,303	109,333	85,405
Restricted cash	21(a)	3,592	10,745	48,238	47,950
Cash and cash equivalents	21(a)	44,006	48,619	32,468	41,365
		<u>1,067,192</u>	<u>1,267,115</u>	<u>1,481,269</u>	<u>1,548,996</u>
Current liabilities					
Trade and other payables	22	258,344	233,987	376,581	402,612
Contract liabilities	19(b)	262,192	369,910	389,022	394,720
Bank loans	23	3,344	31,703	17,225	18,133
Redemption liabilities	25	1,456,113	1,572,602	1,698,768	1,799,423
Provisions	29	9,719	12,959	14,385	14,837
		<u>1,989,712</u>	<u>2,221,161</u>	<u>2,495,981</u>	<u>2,629,725</u>
Net current liabilities		<u>(922,520)</u>	<u>(954,046)</u>	<u>(1,014,712)</u>	<u>(1,080,729)</u>
Total assets less current liabilities		<u>(323,988)</u>	<u>(459,413)</u>	<u>(586,596)</u>	<u>(639,926)</u>
Non-current liabilities					
Bank loans	23	43,480	51,013	44,303	37,871
Deferred income	26	13,380	2,300	5,500	5,850
		<u>56,860</u>	<u>53,313</u>	<u>49,803</u>	<u>43,721</u>
NET LIABILITIES		<u>(380,848)</u>	<u>(512,726)</u>	<u>(636,399)</u>	<u>(683,647)</u>
CAPITAL AND RESERVES					
Share capital	30(c)	391,086	391,086	391,086	391,086
Reserves	30(d)	(771,934)	(903,812)	(1,027,485)	(1,074,733)
TOTAL DEFICIT		<u>(380,848)</u>	<u>(512,726)</u>	<u>(636,399)</u>	<u>(683,647)</u>

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in RMB)

		Attributable to equity shareholders of the Company							
	Note	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
		RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000 (note 30(d)(iii))	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2022		360,000	(327,667)	4,358	31	(483,315)	(446,593)	(1,195)	(447,788)
Changes in deficit for 2022:									
Loss for the year		-	-	-	-	(209,338)	(209,338)	(230)	(209,568)
Other comprehensive income		-	-	-	(4)	-	(4)	-	(4)
Total comprehensive income		-	-	-	(4)	(209,338)	(209,342)	(230)	(209,572)
Equity settled share-based payment expenses	27	-	-	3,019	-	-	3,019	-	3,019
Recognition of redemption liabilities	25	-	(278,200)	-	-	-	(278,200)	-	(278,200)
Capital contributions	30(c)	31,086	247,114	-	-	-	278,200	-	278,200
Capital injection in subsidiaries from non-controlling shareholders		-	-	-	-	-	-	9,000	9,000
Balance at December 31, 2022		391,086	(358,753)	7,377	27	(692,653)	(652,916)	7,575	(645,341)
Balance at January 1, 2023		391,086	(358,753)	7,377	27	(692,653)	(652,916)	7,575	(645,341)
Changes in deficit for 2023:									
Loss for the year		-	-	-	-	(241,715)	(241,715)	101	(241,614)
Other comprehensive income		-	-	-	(8)	-	(8)	-	(8)
Total comprehensive income		-	-	-	(8)	(241,715)	(241,723)	101	(241,622)
Equity settled share-based payment expenses	27	-	-	2,327	-	-	2,327	-	2,327
Acquisition of non-controlling interests		-	95	-	-	-	95	(9,095)	(9,000)
Balance at December 31, 2023		391,086	(358,658)	9,704	19	(934,368)	(892,217)	(1,419)	(893,636)

The accompanying notes form part of the Historical Financial Information.



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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
(Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Note	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
		RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000 (note 30(d)(iii))	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024		391,086	(358,658)	9,704	19	(934,368)	(892,217)	(1,419)	(893,636)
Changes in deficit for 2024:									
Loss for the year		-	-	-	-	(168,958)	(168,958)	(9,100)	(178,058)
Other comprehensive income		-	-	-	194	-	194	-	194
Total comprehensive income		-	-	-	194	(168,958)	(168,764)	(9,100)	(177,864)
Equity settled share-based payment expenses	27	-	-	1,441	-	-	1,441	-	1,441
Capital injection in subsidiaries from non-controlling shareholders	13	-	-	-	-	-	-	4,300	4,300
Balance at December 31, 2024		391,086	(358,658)	11,145	213	(1,103,326)	(1,059,540)	(6,219)	(1,065,759)
Balance at January 1, 2025		391,086	(358,658)	11,145	213	(1,103,326)	(1,059,540)	(6,219)	(1,065,759)
Changes in deficit for the nine months ended September 30, 2025:									
Loss for the period		-	-	-	-	(135,005)	(135,005)	534	(134,471)
Other comprehensive income		-	-	-	(240)	-	(240)	-	(240)
Total comprehensive income		-	-	-	(240)	(135,005)	(135,245)	534	(134,711)
Equity settled share-based payment expenses	27	-	-	4,571	-	-	4,571	-	4,571
Balance at September 30, 2025		391,086	(358,658)	15,716	(27)	(1,238,331)	(1,190,214)	(5,685)	(1,195,899)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
(Expressed in RMB)

		Attributable to equity shareholders of the Company							
Note	Share capital	Capital reserve	Share-based payment reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests	Total deficit	
	RMB'000 <i>(note 30(c))</i>	RMB'000 <i>(note 30(d)(i))</i>	RMB'000 <i>(note 30(d)(ii))</i>	RMB'000 <i>(note 30(d)(iii))</i>	RMB'000	RMB'000	RMB'000	RMB'000	
(unaudited)									
	Balance at January 1, 2024	391,086	(358,658)	9,704	19	(934,368)	(892,217)	(1,419)	(893,636)
Changes in deficit for the nine months ended September 30, 2024:									
	Loss for the period	-	-	-	-	(135,426)	(135,426)	(5,923)	(141,349)
	Other comprehensive income	-	-	-	51	-	51	-	51
	Total comprehensive income	-	-	-	51	(135,426)	(135,375)	(5,923)	(141,298)
	Equity settled share-based payment expenses	-	-	1,387	-	-	1,387	-	1,387
	Capital injection in subsidiaries from non-controlling shareholders	-	-	-	-	-	-	4,300	4,300
	Balance at September 30, 2024	<u>391,086</u>	<u>(358,658)</u>	<u>11,091</u>	<u>70</u>	<u>(1,069,794)</u>	<u>(1,026,205)</u>	<u>(3,042)</u>	<u>(1,029,247)</u>

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED CASH FLOW STATEMENTS
(Expressed in RMB)

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Cash used in operations	21(b)	(93,635)	(90,874)	(10,650)	(65,685)	(29,031)
Income tax (paid)/refund		(626)	(6,110)	(161)	1,276	(6,257)
Net cash used in operating activities		(94,261)	(96,984)	(10,811)	(64,409)	(35,288)
Investing activities						
Payment for purchase of property, plant and equipment and intangible assets		(105,769)	(22,359)	(13,264)	(8,586)	(3,016)
Proceeds from disposal of property, plant and equipment and intangible assets		1,066	1,409	3,336	1,942	84
Payment for purchase of land use rights		(4,938)	-	-	-	-
Payment for purchase of wealth management products		(154,180)	(95,000)	(157,796)	(120,840)	(183,257)
Proceeds from disposal of wealth management products		162,549	116,563	113,454	90,455	171,432
Proceeds from maturity of PRC treasury bonds		-	-	-	-	3,306
Payment for purchase of time deposits with maturity over three months		(190,000)	(103,017)	(33,968)	(20,067)	(85,169)
Proceeds from disposal of time deposits with maturity over three months		175,701	100,375	139,744	139,616	101,793
Interest received		3,183	3,977	3,372	2,882	911
Net cash (used in)/ generated from investing activities		(112,388)	1,948	54,878	85,402	6,084

CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)
(Expressed in RMB)

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(unaudited)
Financing activities						
Proceeds from bank loans . . .	21(c)	56,760	39,728	10,500	3,000	26,000
Repayment of bank loans . . .	21(c)	–	(13,860)	(31,678)	(30,713)	(8,501)
Proceeds from shares issued . .	30(c)	278,200	–	–	–	–
Capital injection from non-controlling shareholders . .		9,000	–	–	–	–
Payment for acquisition of non-controlling interests . .		–	(3,013)	(5,987)	(5,987)	–
Payment of capital element of lease liabilities	21(c)	(9,329)	(14,082)	(6,280)	(5,491)	(2,813)
Payment of interest element of lease liabilities	21(c)	(1,466)	(1,978)	(452)	(388)	(215)
Interest of bank loans paid . .	21(c)	(1,316)	(2,813)	(2,704)	(2,100)	(1,574)
Payment of listing expenses . .		–	–	–	–	(862)
Net cash generated from/(used in) financing activities		331,849	3,982	(36,601)	(41,679)	12,035
Net increase/(decrease) in cash and cash equivalents		125,200	(91,054)	7,466	(20,686)	(17,169)
Cash and cash equivalents at January 1		68,878	194,466	104,758	104,758	111,191
Effect of foreign exchange rate changes		388	1,346	(1,033)	(2,179)	500
Cash and cash equivalents at December 31/September 30	21(a)	194,466	104,758	111,191	81,893	94,522

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

Zhejiang Galaxis Technology Group Co., Ltd. (浙江凱樂士科技集團股份有限公司, formerly known as 浙江凱樂士科技有限公司, the “Company”) was established in the People’s Republic of China (the “PRC”) on October 20, 2016 as a limited liability company under the Companies laws of the PRC. The Company was converted into a joint stock limited liability company on July 13, 2021.

The Company and its subsidiaries (together, “the Group”) are principally engaged in the research and development, production of logistics robots and intelligent logistics equipment and systems.

The statutory financial statements of the Company for the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Zhejiang Puhua Certified Public Accountants Co., Ltd. (浙江普華會計師事務所有限公司).

At the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company Name	Place and date of incorporation/ establishment	Particulars of registered and paid-up capital	Proportion of ownership interest		Name of statutory auditor	Principal activities
			Directly held by the Company	Indirectly held by the Company		
Guangdong Galaxis Jiadi Technology Co., Ltd. 廣東凱樂仕佳的科技有限公司 (a)(d)	PRC December 31, 2021	RMB10,000,000/ RMB10,000,000	57%		– 2022: Guangdong Mingde Pu Hua Certified Public Accountants Firm 廣東明德普華會計師事務所 (普通合夥) 2023 & 2024: Dongguan Baicheng Certified Public Accountants (General Partnership) 東莞市佰誠會計師事務所 (普通合夥)	Sales of equipment and provision of services
Anhui Galaxis Technology Co., Ltd. 安徽凱樂仕科技有限公司 (a)(d)	PRC March 01, 2022	RMB50,000,000/ RMB50,000,000	100%		– 2022: Wuhu Hengsheng Certified Public Accountants 蕪湖恒盛會計師事務所 2023: Anhui Qiandaxin Accounting Firm 安徽謙達信會計師事務所(普通合夥) 2024: Anhui Zhencheng Certified Public Accountants Co., Ltd. 安徽振誠會計師事務所有限公司	Research and development, production and sales of logistics robot and provision of services
Zhejiang Galaxis International Trade Co., Ltd. 浙江凱樂士國際貿易有限公司 (a)(b)	PRC July 20, 2022	RMB10,000,000/ Nil	100%		– NA	Sales of logistics robot and provision of services
Shenzhen Galaxis Jiechuangjia Technology Co., Ltd. 深圳凱樂仕捷創佳科技有限公司 (a)(d)	PRC December 16, 2020	RMB10,000,000/ RMB7,000,000	70%		– 2022: Shenzhen Huazhongjie Certified Public Accountants (General Partnership) 深圳華眾傑會計師事務所 (普通合夥) 2023: Anhui Qiandaxin Accounting Firm 安徽謙達信會計師事務所(普通合夥) 2024: Anhui Zhencheng Certified Public Accountants Co., Ltd. 安徽振誠會計師事務所有限公司	Sales of logistics robot and provision of services

Company Name	Place and date of incorporation/ establishment	Particulars of registered and paid-up capital	Proportion of ownership interest		Name of statutory auditor	Principal activities
			Directly held by the Company	Indirectly held by the Company		
Wuxi Galaxis Technology Co., Ltd. 無錫凱樂士 科技有限公司 (a)(c)(d)	PRC June 23, 2014	RMB50,000,000/ RMB50,000,000	100%	–	2022: Wuhan Zhidao United Certified Public Accountants (General Partnership) 武漢致道聯合會計師事務所(普通合夥) 2023: Zhejiang Puhua Certified Public Accountants Co., Ltd. 浙江普華會計師事務所有限公司 2024: NA	Research and development of tote/pallet robot and provision of subsystem planning solutions
Hubei Galaxis Tongda Technology Co., Ltd. 湖北凱樂仕 通達科技有限公司 (a)(d)	PRC January 16, 2009	RMB100,000,000/ RMB100,000,000	100%	–	2022 & 2023 & 2024: Hubei Tiandao Certified Public Accountants Co., Ltd. 湖北天道會計師事務所有限公司	Sales of logistics robot and provision of services and research and development of software

Notes:

- (a) The official name of this entity is in Chinese. The English translation is for identification purpose only. The company was registered as a limited liability company under the PRC Law.
- (b) As of the date of this report, no statutory financial statements have been prepared for these entities for the Track Record Period.
- (c) As of the date of this report, no statutory financial statements have been prepared for the entity for the year ended December 31, 2024.
- (d) This entity prepared the financial statements in accordance with the Accounting Standards for Business Enterprise applicable to the enterprise in the PRC issued by Ministry of Finance of the PRC.

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

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in note 36.

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.

As at September 30, 2025, the Group has net liabilities of RMB1,195.9 million and net current liabilities of RMB1,317.9 million, which are primarily due to the liabilities arising from redemption liabilities (see note 25) as current liabilities. The preferential rights will be waived upon a qualified Initial Public Offering of the Company and the redemption liabilities, amounting to RMB1,799.4 million as at September 30, 2025, will then be reclassified from liabilities to equity. Pursuant to the shareholders’ resolution approved on June 25, 2025, the redemption rights have been terminated on the day prior to the first submission of the listing application subject to certain conditions (see note 25). Taken the above into consideration, and together with cashflow forecast for the twelve months from the date of this report prepared by management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

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 Renminbi ("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 for certain financial assets are stated at their fair value as explained in the accounting policies set out below:

- Financial assets measured at fair value through profit and loss (see note 2 (d)); and
- Bank acceptance notes receivable measured at FVOCI (recycling) (see note 2 (d)).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, 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 judgements 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS 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 consolidated financial statements 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.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

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 derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized 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)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, are set out below.

Investments in debt and equity securities are recognized/derecognized 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 fair value through profit or loss ("FVPL") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 31(d). These investments are subsequently accounted for as follows, depending on their classification.

(i) *Non-equity investments*

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. Expected credit losses, interest income calculated using the effective interest method (see note 2(s)(ii)(a)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- 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. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI 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 recognized in profit or loss.

(ii) *Equity investments*

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income.

(e) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)(ii)):

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(t)).

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 on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

- Plant and buildings	20-50 years
- Furniture	3-10 years
- Machinery and equipment	3-10 years
- Motor vehicles	3-5 years
- Electronic equipment	3-5 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, which is stated at cost less accumulated impairment losses. 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 recognized as an expense in the period in which it is incurred. Expenditure on development activities is capitalized if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalized includes the costs of materials, direct labor, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(t)). Capitalized development costs are stated at cost less accumulated amortization and impairment losses (see note 2(h)(ii)). Other development expenditure is recognized as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(h)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

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 recognized in profit or loss.

The estimated useful lives are as follows:

- Software	2-10 years
- Patents	10 years

The useful life of software was assessed based on the expected service life during which relevant software performs its desired functionality.

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 recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. 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 recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognized 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 recognized 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 are charged to profit or loss as incurred.

The right-of-use asset recognized 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 notes 2(g) and 2(h)(ii)).

The right-of-use asset is depreciated over the unexpired term of lease.

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policies applicable to investments in non-equity securities carried at amortised cost (see notes 2(d)(i), 2(s)(ii)(a) 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, 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. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement 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 recognizes a loss allowance for expected credit losses (“ECL”s) on:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables); and
- contract assets (see note 2(j)).

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 trade 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.

ECLs are measured on either of 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 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.

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

The Group considers a financial asset to be in default when:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

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 recognized as an impairment gain or loss in profit or loss. The Group recognizes 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.

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 or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise 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 recognized 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) 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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized 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 recognized.

(i) Inventories

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

Costs is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion 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.

(j) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see note 2(s)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(h)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(k)).

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

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(s)(ii)(a)).

(k) Trade and other receivables

A receivable is recognized 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. Other receivables are initially measured at fair value plus transaction costs. 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 other financial institutions, and other 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. Cash and cash equivalents are assessed for ECL (see note 2(h)(i)).

(m) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognized 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's obligation to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the obligation to purchase is conditional on the counterparty exercising a right to redeem. The redemption liabilities are initially measured at the present value of the redemption amount and is reclassified from equity. Subsequently, the redemption liabilities are measured at amortised cost with changes in the carrying amount recognized in profit or loss.

The redemption liabilities are classified as current liabilities as some of the redemption events could occur at any time. The carrying amount of the redemption liabilities will be reclassified to equity upon a termination or expiry of the counterparty's redemption right.

(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 recognized in accordance with note 2(t).

(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 recognized 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 values of share options and awarded shares granted to employees are recognized as employee costs with corresponding increases in share-based compensation reserve within equity. The fair values are measured at grant date using the (a) in respect of share options, Binomial Model, taking into account the terms and conditions upon which the options were granted; and (b) in respect of awarded shares, the fair value of the shares of the Company. Generally, service and non-market performance conditions are not taken into account when determining the fair value of share options or awarded shares. Market performance conditions are reflected within the fair value. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options or awarded shares, the total estimated fair values of the options and awarded shares are spread over the vesting period, taking into account the probability that the options and awarded shares will vest.

During the vesting period, the numbers of share options and awarded shares that are expected to vest are reviewed. Any resulting adjustments to the cumulative fair values recognized in prior years are charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with corresponding adjustments to the share-based compensation reserve.

Modifications of an equity-settled share-based payment arrangement are accounted for only if they are beneficial to the counterparty. If the fair value of the equity instruments granted has increased, then the incremental fair value at the date of modification is recognized in addition to the grant-date fair value. The incremental fair value is recognized over the remaining modified vesting period, whereas the balance of the grant-date fair value is recognized over the remaining original vesting period.

The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the capital reserve until either the option is exercised (when it is included in the amount recognized in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

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

(q) Income tax

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

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. 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 recognized 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 recognized 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;
- 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;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

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

Deferred tax assets are recognized 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 recognize 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.

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

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

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. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(i) Revenue from contracts with customers

The Group principally generates its revenue from the sales of robots and systems and after-sales service and others.

(a) Sales of robots and systems

Revenue from the sales of robots and systems is recognized when the customer takes possession of and accepts the robots and systems. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers.

(b) After-sales service and others

Of the revenue from after-sales service, (i) maintenance services and technical supporting service are recognized on a straight-line basis over the contractual service period, (ii) related spare parts sales and system optimization service are recognized when the goods/services are delivered. Revenue from others, primarily include goods/scrap material and software sales and provision of consulting services, is generally recognized when the goods/services are delivered.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized 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. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognized in the statement 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 recognized 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 initially recognized as deferred income at fair value and then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

(t) 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 capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(u) 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 recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences arose from translation of foreign operations are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(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.
 - (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 financial statements, 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 JUDGEMENTS AND ESTIMATES

Note 31 contain information about the assumptions and their risk factors relating to fair values of financial instruments. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Impairment of trade receivables

The Group's management determines the loss allowance for expected credit losses on trade 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 realizable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses and related taxes. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-downs and affect the Group's profit or loss and net asset value.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing sales of robots and systems and after-sales service and others.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers within the scope of IFRS 15					
Disaggregated by major products or service lines					
Revenue from sales of robots and systems	628,831	539,771	702,752	330,710	541,223
Revenue from after-sales service and others	28,093	11,019	18,665	13,506	10,414
	<u>656,924</u>	<u>550,790</u>	<u>721,417</u>	<u>344,216</u>	<u>551,637</u>

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

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Disaggregation by timing of revenue recognition					
Point in time	642,847	540,391	704,631	332,564	542,994
Over time	14,077	10,399	16,786	11,652	8,643
	<u>656,924</u>	<u>550,790</u>	<u>721,417</u>	<u>344,216</u>	<u>551,637</u>

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(b)(i).

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective year/period are as follows. Details of concentrations of credit risk of the Group are set out in note 31(a).

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer I	*	*	78,207	*	*
Customer II	*	*	74,779	*	*
Customer III	*	77,014	*	*	*
Customer IV	80,011	73,185	*	*	*
Customer V	96,443	*	*	*	*

* Represents that the amount of aggregate revenue from such customer is less than 10% of the total revenue for respective year/period.

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sale contracts have an original expected duration of less than 1 year.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The Group has one single operating segment and no further analysis of the single segment is presented.

(i) *Geographic information*

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

Revenues from external customers

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Chinese Mainland	579,739	514,314	616,501	320,955	510,121
Outside Chinese Mainland	77,185	36,476	104,916	23,261	41,516
	<u>656,924</u>	<u>550,790</u>	<u>721,417</u>	<u>344,216</u>	<u>551,637</u>

The non-current assets located outside Chinese Mainland are immaterial.

5 OTHER INCOME AND OTHER NET (LOSS)/GAIN

(a) *Other income*

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Government grants	6,732	18,856	10,743	4,844	4,080
Value-added tax credits	44	5	2,512	2,512	2,943
Tax refund	2,518	4,982	3,100	2,702	2,046
Insurance claims payment	850	5	65	–	–
Others	208	438	1,005	457	8
	<u>10,352</u>	<u>24,286</u>	<u>17,425</u>	<u>10,515</u>	<u>9,077</u>

(b) *Other net (loss)/gain*

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net realized and unrealized gains from financial assets measured at amortised cost	75	74	73	54	–
Net realized and unrealized gains from financial assets measured at fair value through profit or loss	378	539	1,740	1,412	997
Net loss on disposal of property, plant and equipment	(470)	(4,470)	(7)	(50)	(278)
Net foreign exchange gain/(loss)	392	2,273	(1,380)	(2,230)	710
Contractual liquidated damages from the early termination of lease contracts	(989)	(1,289)	–	–	–
Others	313	(1,207)	(316)	(54)	(529)
	<u>(301)</u>	<u>(4,080)</u>	<u>110</u>	<u>(868)</u>	<u>900</u>

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after (charging)/crediting:

(a) Net finance income

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank loans	(1,392)	(2,825)	(2,694)	(2,073)	(1,560)
Interest on lease liabilities	(1,466)	(1,978)	(452)	(388)	(215)
Other interest	—	—	(303)	—	—
Finance costs	<u>(2,858)</u>	<u>(4,803)</u>	<u>(3,449)</u>	<u>(2,461)</u>	<u>(1,775)</u>
Less: interest expense capitalised into construction in progress	1,170	—	—	—	—
Interest income	<u>6,092</u>	<u>11,097</u>	<u>7,675</u>	<u>6,021</u>	<u>3,533</u>
	<u>4,404</u>	<u>6,294</u>	<u>4,226</u>	<u>3,560</u>	<u>1,758</u>

(b) Staff costs

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, wages and other benefits	179,509	200,564	155,448	116,013	114,240
Contributions to defined contribution retirement schemes	8,510	9,434	7,454	5,556	5,850
Equity-settled share-based payment expenses (note 27)	<u>3,019</u>	<u>2,327</u>	<u>1,441</u>	<u>1,387</u>	<u>4,571</u>
	<u>191,038</u>	<u>212,325</u>	<u>164,343</u>	<u>122,956</u>	<u>124,661</u>

Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of inventories (note 18)	553,496	459,123	607,855	283,995	460,225
Depreciation charge					
– property, plant and equipment (note 11)	4,806	11,473	10,527	7,940	7,234
– right-of-use assets (note 12)	11,178	14,744	6,653	5,620	2,925
Amortization cost of intangible assets (note 13)	3,284	3,277	3,411	2,540	2,015
Increase in provisions (note 29)	15,750	9,185	7,025	3,177	4,886
Impairment loss recognized on property, plant and equipment (note 11)	—	7,086	—	—	—
Impairment loss/(reversal) on trade receivables and contract assets	6,444	8,804	22,306	2,864	(1,148)
Research and development expenses	94,554	85,364	61,995	44,754	48,113
Listing expenses	—	—	—	—	15,490

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 December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current tax					
Provision for the year/period	633	233	1,137	1,008	564

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss before taxation	(208,935)	(241,381)	(176,921)	(140,341)	(133,907)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the entities concerned	(52,247)	(60,039)	(44,543)	(35,376)	(33,271)
Tax effects of:					
- Additional deduction on research and development expenses	(17,573)	(13,896)	(10,576)	(7,637)	(7,880)
- Preferential tax rate	12,448	18,002	14,183	8,998	7,924
- Non-deductible expenses	1,051	1,022	621	497	939
- Temporary differences and unused tax losses not recognized	57,177	55,152	44,256	36,077	33,336
- Utilization of tax losses previously not recognized	(223)	(8)	(2,804)	(1,551)	(484)
Actual tax expense	633	233	1,137	1,008	564

Notes:

(i) Income tax rate applies to the Group:

According to the Corporate Income Tax Law of China (the "Tax Law"), the Group's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which qualify as High and New Technology Enterprise ("HNTE") are entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis.

For the Hong Kong subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Hong Kong subsidiary was calculated at the same basis in the Track Record Period.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries.

(ii) An additional 75% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations before October 1, 2022 during the Track Record Period. And an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and its relevant regulations after October 1, 2022.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments as recorded in the Historical Financial Information are as follows:

	Year ended December 31, 2022						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
GU Chun Guang	–	299	–	38	337	–	337
SHEN Lu	–	346	–	16	362	–	362
YANG Yan	–	333	–	11	344	–	344
Independent							
Non-executive directors							
YANG Zhe	60	–	–	–	60	–	60
HU Jian Qiang	60	–	–	–	60	–	60
MO Rong	60	–	–	–	60	–	60
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui	–	–	–	–	–	–	–
Supervisors							
MA Lan (resigned on October 31, 2022)	–	–	–	–	–	–	–
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun (appointed on November 1, 2022)	–	–	–	–	–	–	–
	<u>180</u>	<u>978</u>	<u>–</u>	<u>65</u>	<u>1,223</u>	<u>–</u>	<u>1,223</u>

	Year ended December 31, 2023						
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
GU Chun Guang	–	306	–	50	356	–	356
SHEN Lu	–	342	–	14	356	–	356
YANG Yan	–	323	–	14	337	–	337
Independent							
Non-executive directors							
YANG Zhe	60	–	–	–	60	–	60
HU Jian Qiang	60	–	–	–	60	–	60
MO Rong	60	–	–	–	60	–	60
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui	–	–	–	–	–	–	–
Supervisors							
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun	–	–	–	–	–	–	–
	<u>180</u>	<u>971</u>	<u>–</u>	<u>78</u>	<u>1,229</u>	<u>–</u>	<u>1,229</u>

Year ended December 31, 2024

	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
GU Chun Guang	–	565	–	43	608	–	608
SHEN Lu	–	293	–	15	308	–	308
YANG Yan	–	351	–	15	366	–	366
Independent Non-executive directors							
YANG Zhe (resigned on July 12, 2024)	55	–	–	–	55	–	55
HU Jian Qiang	60	–	–	–	60	–	60
MO Rong	60	–	–	–	60	–	60
XU Guang Wei (appointed on July 13, 2024)	5	–	–	–	5	–	5
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui (resigned on July 12, 2024)	–	–	–	–	–	–	–
DING Lan (appointed on July 13, 2024)	–	–	–	–	–	–	–
Supervisors							
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun	–	–	–	–	–	–	–
	<u>180</u>	<u>1,209</u>	<u>–</u>	<u>73</u>	<u>1,462</u>	<u>–</u>	<u>1,462</u>

Nine months ended September 30, 2025

	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
GU Chun Guang	–	484	40	33	557	–	557
SHEN Lu	–	233	21	12	266	–	266
YANG Yan	–	292	26	11	329	–	329
BAI Hong Xing (appointed on June 4, 2025) (i)	–	501	44	32	577	179	756
Independent Non-executive directors							
HU Jian Qiang	45	–	–	–	45	–	45
MO Rong	45	–	–	–	45	–	45
LIU Ke Li (appointed on June 4, 2025)	15	–	–	–	15	–	15
XU Guang Wei (resigned on June 3, 2025)	30	–	–	–	30	–	30
Non-executive directors							
LU Yi Yang (resigned on June 3, 2025)	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
DING Lan	–	–	–	–	–	–	–
SHEN Qi (appointed on June 4, 2025)	–	–	–	–	–	–	–
Supervisors							
LI Ying (resigned on June 4, 2025)	–	–	–	–	–	–	–
CAI Ying (resigned on June 4, 2025)	–	–	–	–	–	–	–
SHEN Yi Qun (resigned on June 4, 2025)	–	–	–	–	–	–	–
	<u>135</u>	<u>1,510</u>	<u>131</u>	<u>88</u>	<u>1,864</u>	<u>179</u>	<u>2,043</u>

Nine months ended September 30, 2024 (unaudited)

	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Equity-settled share-based payments (note)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
GU Chun Guang	–	401	–	32	433	–	433
SHEN Lu	–	216	–	11	227	–	227
YANG Yan	–	240	–	11	251	–	251
Independent Non-executive directors							
YANG Zhe (resigned on July 12, 2024)	45	–	–	–	45	–	45
HU Jian Qiang	45	–	–	–	45	–	45
MO Rong	45	–	–	–	45	–	45
XU Guang Wei (appointed on July 13, 2024)	–	–	–	–	–	–	–
Non-executive directors							
LU Yi Yang	–	–	–	–	–	–	–
LI Qiu Yu	–	–	–	–	–	–	–
FENG Rui (resigned on July 12, 2024)	–	–	–	–	–	–	–
DING Lan (appointed on July 13, 2024)	–	–	–	–	–	–	–
Supervisors							
LI Ying	–	–	–	–	–	–	–
CAI Ying	–	–	–	–	–	–	–
SHEN Yi Qun	–	–	–	–	–	–	–
	<u>135</u>	<u>857</u>	<u>–</u>	<u>54</u>	<u>1,046</u>	<u>–</u>	<u>1,046</u>

Note: These represent the estimated value of restricted shares and share option granted to the directors under the Group's share award scheme. The value of these share awards is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(p)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of shares granted, are disclosed in note 27.

During the Track Record Period, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office.

- (i) Dr. BAI Hong Xing was key management personnel of the Group and director of the Group (appointed on June 4, 2025) during the nine months ended September 30, 2025. The emoluments disclosed above include those services rendered by him as key management personnel and director.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the years ended December 31, 2022, 2023 and 2024, none of the five highest paid individuals are directors of the Company. During the nine months ended September 30, 2025, of the five individuals with the highest emoluments, two are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and other emoluments	3,320	3,242	3,071	2,191	1,584
Discretionary bonuses	32	203	188	168	139
Retirement scheme contributions	78	71	52	38	29
Equity-settled share-based payment expenses	400	444	346	300	634
	<u>3,830</u>	<u>3,960</u>	<u>3,657</u>	<u>2,697</u>	<u>2,386</u>

The emoluments of the five highest paid individuals are within the following bands:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	Number of individuals	Number of individuals	Number of individuals	Number of individuals	Number of individuals
				<i>(unaudited)</i>	
HK\$ nil to HK\$1,000,000	5	5	5	5	5
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share during the Track Record Period is based on the loss for the year/period attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue, calculated as follows:

(i) Loss attributable to ordinary equity shareholders of the Company

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Loss attributable to all equity shareholders of the Company	(209,338)	(241,715)	(168,958)	(135,426)	(135,005)
Allocation of loss for the year/period attributable to ordinary shares with redemption right (note 25)	<u>142,392</u>	<u>169,614</u>	<u>118,559</u>	<u>95,029</u>	<u>94,733</u>
Loss attributable to ordinary equity shareholders of the Company	<u>(66,946)</u>	<u>(72,101)</u>	<u>(50,399)</u>	<u>(40,397)</u>	<u>(40,272)</u>

(ii) Weighted average number of ordinary shares

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	'000	'000	'000	'000	'000
				<i>(unaudited)</i>	
Issued ordinary shares at the beginning of the year/period	360,000	391,086	391,086	391,086	391,086
Effect of ordinary shares with redemption right (note 25)	(248,467)	(274,429)	(274,429)	(274,429)	(274,429)
Effect of issuance of shares (note 30(c))	<u>5,124</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares at the end of the year/period	<u>116,657</u>	<u>116,657</u>	<u>116,657</u>	<u>116,657</u>	<u>116,657</u>

(b) Diluted loss per share

During the Track Record Period, share options granted under employee incentive schemes (note 27) and ordinary shares with redemption right (note 25) were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amounts of diluted loss per share were the same as basic loss per share.

11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant and buildings	Furniture	Machinery and equipment	Electronic equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At January 1, 2022	320	1,389	7,999	7,532	1,296	14,143	32,679
Additions	17,377	1,187	15,654	3,716	760	61,791	100,485
Transfers from construction in progress	62,477	–	–	–	–	(62,477)	–
Disposals	–	(10)	(2,233)	(109)	–	–	(2,352)
At December 31, 2022 and at January 1, 2023	80,174	2,566	21,420	11,139	2,056	13,457	130,812
Additions	2,728	2,198	294	2,771	736	23,434	32,161
Transfers from construction in progress	14,526	–	18,149	55	–	(32,730)	–
Disposals	(379)	(876)	(5,192)	(5,294)	(268)	–	(12,009)
At December 31, 2023 and at January 1, 2024	97,049	3,888	34,671	8,671	2,524	4,161	150,964
Additions	1,593	146	592	249	183	783	3,546
Transfers from construction in progress	–	–	1,122	25	–	(1,147)	–
Disposals	(2,754)	(195)	(773)	(791)	(300)	–	(4,813)
At December 31, 2024 and at January 1, 2025	95,888	3,839	35,612	8,154	2,407	3,797	149,697
Additions	–	80	25	577	–	292	974
Transfers from construction in progress	292	25	2,243	–	–	(2,560)	–
Disposals	–	(24)	(1,008)	(127)	–	–	(1,159)
At September 30, 2025	96,180	3,920	36,872	8,604	2,407	1,529	149,512
Accumulated depreciation:							
At January 1, 2022	(21)	(972)	(2,635)	(5,287)	(853)	–	(9,768)
Charge for the year	(949)	(345)	(1,665)	(1,529)	(318)	–	(4,806)
Written back on disposals	–	5	923	11	–	–	939
At December 31, 2022 and at January 1, 2023	(970)	(1,312)	(3,377)	(6,805)	(1,171)	–	(13,635)
Charge for the year	(5,625)	(717)	(2,891)	(1,821)	(419)	–	(11,473)
Written back on disposals	46	547	1,813	3,909	62	–	6,377
At December 31, 2023 and at January 1, 2024	(6,549)	(1,482)	(4,455)	(4,717)	(1,528)	–	(18,731)
Charge for the year	(4,371)	(740)	(3,135)	(1,801)	(480)	–	(10,527)
Written back on disposals	924	136	233	447	114	–	1,854
At December 31, 2024 and at January 1, 2025	(9,996)	(2,086)	(7,357)	(6,071)	(1,894)	–	(27,404)
Charge for the period	(3,263)	(490)	(2,256)	(954)	(271)	–	(7,234)
Written back on disposals	–	21	672	114	–	–	807
At September 30, 2025	(13,259)	(2,555)	(8,941)	(6,911)	(2,165)	–	(33,831)
Impairment:							
At January 1, 2022 and January 1, 2023	–	–	–	–	–	–	–
Additions	–	(23)	(6,977)	(86)	–	–	(7,086)
At December 31, 2023, December 31, 2024 and September 30, 2025	–	(23)	(6,977)	(86)	–	–	(7,086)
Net book value:							
At December 31, 2022	79,204	1,254	18,043	4,334	885	13,457	117,177
At December 31, 2023	90,500	2,383	23,239	3,868	996	4,161	125,147
At December 31, 2024	85,892	1,730	21,278	1,997	513	3,797	115,207
At September 30, 2025	82,921	1,342	20,954	1,607	242	1,529	108,595

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group's property, plant and equipment and land use right with carrying amount of RMB95,751,000, RMB92,048,000, RMB88,346,000 and RMB85,569,000 were pledged as collateral for the Group's bank loans (note 23(a)), respectively.

For the year ended December 31, 2023, the Group recorded impairment losses on property, plant and equipment of RMB7,086,000 due to the full impairment of trial equipment related to certain research and development initiatives which the Group determined to suspend.

The Company

	Plant and buildings	Furniture	Machinery and equipment	Electronic equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At January 1, 2022	–	303	4,545	1,047	154	14,143	20,192
Additions	–	152	–	244	89	59,048	59,533
Transfers from construction in progress	62,477	–	–	–	–	(62,477)	–
Disposals	–	(10)	(1,093)	(66)	–	–	(1,169)
At December 31, 2022 and at January 1, 2023	62,477	445	3,452	1,225	243	10,714	78,556
Additions	795	2,021	1,217	608	15	17,254	21,910
Transfers from construction in progress	14,526	–	11,174	55	–	(25,755)	–
Disposals	–	(88)	(1,342)	(274)	–	–	(1,704)
At December 31, 2023 and at January 1, 2024	77,798	2,378	14,501	1,614	258	2,213	98,762
Additions	840	93	3,375	194	40	202	4,744
Transfers from construction in progress	–	–	1,122	25	–	(1,147)	–
Disposals	–	(11)	(521)	(141)	–	–	(673)
At December 31, 2024 and at January 1, 2025	78,638	2,460	18,477	1,692	298	1,268	102,833
Additions	–	35	–	242	–	292	569
Transfers from construction in progress	292	–	1,268	–	–	(1,560)	–
Disposals	–	(5)	–	(30)	–	–	(35)
At September 30, 2025	78,930	2,490	19,745	1,904	298	–	103,367
Accumulated depreciation:							
At January 1, 2022	–	(209)	(1,329)	(695)	(46)	–	(2,279)
Charge for the year	–	(108)	(473)	(180)	(31)	–	(792)
Written back on disposals	–	5	923	31	–	–	959
At December 31, 2022 and at January 1, 2023	–	(312)	(879)	(844)	(77)	–	(2,112)
Charge for the year	(3,280)	(310)	(738)	(238)	(47)	–	(4,613)
Written back on disposals	–	70	477	248	–	–	795
At December 31, 2023 and at January 1, 2024	(3,280)	(552)	(1,140)	(834)	(124)	–	(5,930)
Charge for the year	(3,718)	(482)	(1,561)	(382)	(57)	–	(6,200)
Written back on disposals	–	10	36	134	–	–	180
At December 31, 2024 and at January 1, 2025	(6,998)	(1,024)	(2,665)	(1,082)	(181)	–	(11,950)
Charge for the period	(2,774)	(361)	(1,424)	(289)	(34)	–	(4,882)
Written back on disposals	–	5	–	29	–	–	34
At September 30, 2025	(9,772)	(1,380)	(4,089)	(1,342)	(215)	–	(16,798)
Net book value:							
At December 31, 2022	62,477	133	2,573	381	166	10,714	76,444
At December 31, 2023	74,518	1,826	13,361	780	134	2,213	92,832
At December 31, 2024	71,640	1,436	15,812	610	117	1,268	90,883
At September 30, 2025	69,158	1,110	15,656	562	83	–	86,569

12 RIGHT-OF-USE ASSETS

The Group

	Land use rights	Plant and buildings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:			
At January 1, 2022	11,937	19,155	31,092
Additions	4,938	59,875	64,813
Early termination of lease term	-	(7,638)	(7,638)
Expiration of lease term	-	(2,975)	(2,975)
At December 31, 2022 and January 1, 2023	<u>16,875</u>	<u>68,417</u>	<u>85,292</u>
Additions	-	3,051	3,051
Early termination of lease term	-	(42,448)	(42,448)
Expiration of lease term	-	(6,210)	(6,210)
At December 31, 2023 and January 1, 2024	<u>16,875</u>	<u>22,810</u>	<u>39,685</u>
Additions	-	2,632	2,632
Early termination of lease term	-	(13,236)	(13,236)
Expiration of lease term	-	(1,904)	(1,904)
At December 31, 2024 and at January 1, 2025	<u>16,875</u>	<u>10,302</u>	<u>27,177</u>
Additions	-	3,646	3,646
Early termination of lease term	-	(223)	(223)
Expiration of lease term	-	(2,269)	(2,269)
At September 30, 2025	<u>16,875</u>	<u>11,456</u>	<u>28,331</u>
Accumulated depreciation:			
At January 1, 2022	(179)	(7,423)	(7,602)
Charge for the year	(308)	(10,870)	(11,178)
Early termination of lease term	-	2,651	2,651
Expiration of lease term	-	2,975	2,975
At December 31, 2022 and January 1, 2023	<u>(487)</u>	<u>(12,667)</u>	<u>(13,154)</u>
Charge for the year	(358)	(14,386)	(14,744)
Early termination of lease term	-	11,408	11,408
Expiration of lease term	-	6,210	6,210
At December 31, 2023 and January 1, 2024	<u>(845)</u>	<u>(9,435)</u>	<u>(10,280)</u>
Charge for the year	(358)	(6,295)	(6,653)
Early termination of lease term	-	8,496	8,496
Expiration of lease term	-	1,904	1,904
At December 31, 2024 and at January 1, 2025	<u>(1,203)</u>	<u>(5,330)</u>	<u>(6,533)</u>
Charge for the period	(268)	(2,657)	(2,925)
Early termination of lease term	-	56	56
Expiration of lease term	-	2,269	2,269
At September 30, 2025	<u>(1,471)</u>	<u>(5,662)</u>	<u>(7,133)</u>
Net book value:			
At December 31, 2022	<u>16,388</u>	<u>55,750</u>	<u>72,138</u>
At December 31, 2023	<u>16,030</u>	<u>13,375</u>	<u>29,405</u>
At December 31, 2024	<u>15,672</u>	<u>4,972</u>	<u>20,644</u>
At September 30, 2025	<u>15,404</u>	<u>5,794</u>	<u>21,198</u>

The Company

	Land use rights	Plant and buildings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:			
At January 1, 2022	11,937	851	12,788
Expiration of lease term	-	(851)	(851)
At December 31, 2022, December 31, 2023, December 31, 2024 and September 30, 2025	<u>11,937</u>	<u>-</u>	<u>11,937</u>

	Land use rights RMB'000	Plant and buildings RMB'000	Total RMB'000
Accumulated depreciation:			
At January 1, 2022	(179)	(736)	(915)
Charge for the year	(238)	(115)	(353)
Expiration of lease term	–	851	851
At December 31, 2022 and January 1, 2023	(417)	–	(417)
Charge for the year	(239)	–	(239)
At December 31, 2023 and January 1, 2024	(656)	–	(656)
Charge for the year	(239)	–	(239)
At December 31, 2024 and at January 1, 2025	(895)	–	(895)
Charge for the period	(179)	–	(179)
At September 30, 2025	(1,074)	–	(1,074)
Net book value:			
At December 31, 2022	11,520	–	11,520
At December 31, 2023	11,281	–	11,281
At December 31, 2024	11,042	–	11,042
At September 30, 2025	10,863	–	10,863

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	As at December 31			As at September 30
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Ownership interests in leasehold land held for own use, carried at depreciated cost in the PRC, with remaining lease term of:				
– between 10 and 50 years (note (i))	16,388	16,030	15,672	15,404
Other properties leased for own use, carried at depreciated cost (note (ii))	55,750	13,375	4,972	5,794
	<u>72,138</u>	<u>29,405</u>	<u>20,644</u>	<u>21,198</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended December 31			Nine months ended September 30	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Depreciation charge of right-of-use assets (note 12)	11,178	14,744	6,653	5,620	2,925
Interest on lease liabilities (note 6(a))	1,466	1,978	452	388	215
Expenses relating to short-term leases	11,243	9,465	14,608	9,644	1,970
COVID-19-Related rent concessions received (note (iii))	166	–	–	–	–
	<u>24,053</u>	<u>26,187</u>	<u>21,713</u>	<u>15,652</u>	<u>5,110</u>

During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, additions to right-of-use assets were RMB64,813,000, RMB3,051,000, RMB2,632,000, and RMB3,646,000, respectively. This amount 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 21(d) and 24, respectively.

Notes:

(i) **Ownership interests in leasehold land held for own use**

The Group obtained land use rights in Zhejiang Province, PRC in 2021, with the amortization period spanning 50 years commencing from the lease start date; a separate land use rights acquisition in Anhui Province, PRC in 2022 carries an amortization term of 43 years from the respective lease commencement date.

(ii) **Other properties leased for own use**

The Group has obtained the right to use the plant and buildings as its office and business operation through tenancy agreements. The leases typically run for an initial period of 2 to 5 years.

(iii) **COVID-19-related concessions**

As disclosed in note 2(g), the Group has applied the practical expedient to all eligible rent concessions received by the Group during the Track Record Period.

13 INTANGIBLE ASSETS

The Group

	Software and patents
	<i>RMB'000</i>
Cost:	
At January 1, 2022	28,786
Additions	135
At December 31, 2022 and January 1, 2023	28,921
Additions	2,295
Disposals	(147)
At December 31, 2023 and January 1, 2024	31,069
Additions*	5,182
At December 31, 2024 and January 1, 2025	36,251
Additions	358
At September 30, 2025	36,609
Accumulated amortisation:	
At January 1, 2022	(16,756)
Charge for the year	(3,284)
At December 31, 2022 and January 1, 2023	(20,040)
Charge for the year	(3,277)
Disposals	62
At December 31, 2023 and January 1, 2024	(23,255)
Charge for the year	(3,411)
At December 31, 2024 and January 1, 2025	(26,666)
Charge for the period	(2,015)
At September 30, 2025	(28,681)
Net book value:	
At December 31, 2022	8,881
At December 31, 2023	7,814
At December 31, 2024	9,585
At September 30, 2025	7,928

* The additions of intangible assets in the year ended December 31, 2024 included several patents injected in subsidiaries from non-controlling shareholders, amounting to RMB4,300,000.

The Company

	<u>Software and patents</u>
	<i>RMB'000</i>
Cost:	
At January 1, 2022	2,935
Additions	92
At December 31, 2022 and January 1, 2023	3,027
Additions	2,206
At December 31, 2023 and January 1, 2024	5,233
Additions	882
At December 31, 2024 and January 1, 2025	6,115
Additions	358
At September 30, 2025	6,473
Accumulated amortisation:	
At January 1, 2022	(486)
Charge for the year	(295)
At December 31, 2022 and January 1, 2023	(781)
Charge for the year	(819)
At December 31, 2023 and January 1, 2024	(1,600)
Charge for the year	(980)
At December 31, 2024 and January 1, 2025	(2,580)
Charge for the period	(807)
At September 30, 2025	(3,387)
Net book value:	
At December 31, 2022	2,246
At December 31, 2023	3,633
At December 31, 2024	3,535
At September 30, 2025	3,086

The amortisation charge for the Track Record Period is included in administrative expenses, selling and marketing expenses, cost of sales, and research and development expenses in the consolidated statements of profit or loss and other comprehensive income.

14 FINANCIAL ASSETS MEASURED AT AMORTISED COST
The Group and the Company

	As at December 31						As at September 30	
	2022		2023		2024		2025	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
	<i>current</i>	<i>non-current</i>	<i>current</i>	<i>non-current</i>	<i>current</i>	<i>non-current</i>	<i>current</i>	<i>non-current</i>
PRC treasury bonds	—	3,487	—	3,453	3,419	—	—	—
	=	=	=	=	=	=	=	=

PRC treasury bonds matured on January 10, 2025, and bore a fixed coupon rate of 3.23% and effective interest rates of 2.11% per annum, with the aggregated principal amounted to RMB3,305,700 as at December 31, 2022, 2023 and 2024. The bond was held as a security pledge for the Group's guarantee letters as at December 31, 2022, 2023 and 2024.

15 TIME DEPOSITS

The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Time deposits	—	129,603	141,343	118,155
Non-current				
Time deposits	253,496	134,574	21,208	30,364

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Time deposits	—	118,303	109,333	85,405
Non-current				
Time deposits	223,469	103,557	21,208	30,364

The time deposits with maturity over three months but within one year are presented in the current portion, while the time deposits with maturity over one year are presented in the non-current portion.

As at December 31, 2022, 2023 and 2024 and September 30, 2025, certain of the Group's time deposits with an aggregate value of RMB51,442,000, RMB89,977,000, RMB54,855,000 and RMB31,105,000 were pledged to the banks to secure the issuance of bank acceptance bills and guarantee letters.

16 INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries, at cost . . .	275,405	284,064	304,156	309,156
Deemed investments arising from share-based payments	5,961	7,753	9,288	12,687
Less: impairment losses (i)	—	(12,000)	(12,000)	(12,000)
	<u>281,366</u>	<u>279,817</u>	<u>301,444</u>	<u>309,843</u>

Further details of the principal subsidiaries of the Group are set out in Note 1.

(i) The Company fully impaired investments in one subsidiary with relevant impairment of RMB12 million recognized in year ended December 31, 2023.

17 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS
(a) Trade and other receivables
The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivables	6,261	16,166	17,085	20,945
Trade receivables				
– Related parties (<i>note 34(c)</i>)	23,732	26,786	8,501	3,053
– Third parties	276,004	221,920	253,307	302,496
Gross amount of trade and bills receivables	305,997	264,872	278,893	326,494
Less: loss allowance (<i>note 31(a)</i>)	(8,975)	(15,899)	(35,909)	(34,568)
	297,022	248,973	242,984	291,926
Bank acceptance notes receivable, carried at FVOCI	31,706	3,578	1,600	12,176
Pledge and guarantee deposits*	22,315	32,555	26,686	27,552
Value added tax recoverable and receivables	11,541	26,731	26,554	43,988
Other receivables	3,200	1,888	1,923	3,764
	68,762	64,752	56,763	87,480
	365,784	313,725	299,747	379,406

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivables	5,151	13,968	11,962	18,890
Trade receivables				
– Subsidiaries	54,502	18,988	10,574	41,774
– Related parties	–	5,588	–	–
– Third parties	152,835	114,693	117,016	162,434
Gross amount of trade and bills receivables	212,488	153,237	139,552	223,098
Less: loss allowance	(3,783)	(5,452)	(14,328)	(20,542)
	208,705	147,785	125,224	202,556
Bank acceptance notes receivable, carried at FVOCI	28,236	3,206	330	9,998
Pledge and guarantee deposits*	9,591	20,472	20,974	21,054
Value added tax recoverable and receivables	–	4,205	2,547	10,782
Other receivables				
– Subsidiaries	326,032	271,328	366,554	421,208
– Third parties	1,066	1,072	590	350
	364,925	300,283	390,995	463,392
	573,630	448,068	516,219	665,948

* Pledge and guarantee deposits mainly represented tender deposits and performance deposits which will be released to the Group upon the award and the completion of the relevant projects as the case may be.

Ageing analysis

As at the Track Record Period, the ageing analysis of trade and bills receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	193,495	129,451	182,324	234,956
Between 1 year and 2 years	64,051	77,947	14,983	36,200
Between 2 years and 3 years	32,328	26,337	36,591	16,003
Between 3 years and 4 years	7,148	15,238	9,086	4,767
	<u>297,022</u>	<u>248,973</u>	<u>242,984</u>	<u>291,926</u>

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	148,123	88,229	100,177	176,848
Between 1 year and 2 years	42,744	41,602	9,020	18,965
Between 2 years and 3 years	15,921	11,655	14,176	2,011
Between 3 years and 4 years	1,917	6,299	1,851	4,732
	<u>208,705</u>	<u>147,785</u>	<u>125,224</u>	<u>202,556</u>

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 31(a).

Bank acceptance notes receivable, carried at FVOCI

Due to the requirement of cash management, the Group endorsed or discounted part of the bank acceptance notes receivable to the suppliers or from bank. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group classified bank acceptance notes receivable of RMB31,706,000, RMB3,578,000, RMB1,600,000 and RMB12,176,000 as bank acceptance notes receivable carried at fair value and whose changes are included in other comprehensive income.

(b) Prepayments
The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Prepayments for property, plant and equipment and intangible assets	<u>4,880</u>	<u>60</u>	<u>188</u>	<u>78</u>
Current				
Prepayments				
– Prepayments for listing expenses	–	–	–	1,581
– Prepayments for inventories	30,161	83,208	30,776	42,874
– Prepayments for expenses	2,683	1,951	3,885	5,866
	<u>32,844</u>	<u>85,159</u>	<u>34,661</u>	<u>50,321</u>

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Prepayments for property, plant and equipment and intangible assets	<u>–</u>	<u>60</u>	<u>4</u>	<u>78</u>

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Prepayments				
– Prepayments for listing expenses . . .	–	–	–	1,581
– Prepayments for inventories	13,494	108,334	27,747	79,117
– Prepayments for expenses	1,631	919	680	3,186
	<u>15,125</u>	<u>109,253</u>	<u>28,427</u>	<u>83,884</u>

18 INVENTORIES

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	74,519	74,430	62,555	63,192
Finished goods and work in progress . .	720,639	1,019,884	999,230	860,006
Less: write-down of inventories	(25,996)	(31,930)	(38,316)	(33,854)
	<u>769,162</u>	<u>1,062,384</u>	<u>1,023,469</u>	<u>889,344</u>

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	38,775	56,066	48,005	45,341
Finished goods and work in progress . .	373,234	447,059	627,948	497,009
Less: write-down of inventories	(11,486)	(17,350)	(23,283)	(18,432)
	<u>400,523</u>	<u>485,775</u>	<u>652,670</u>	<u>523,918</u>

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

The Group

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Carrying amount of inventories sold	536,843	453,189	601,469	281,088	464,687
Write-down/(reversal) of inventories	16,653	5,934	6,386	2,907	(4,462)
	<u>553,496</u>	<u>459,123</u>	<u>607,855</u>	<u>283,995</u>	<u>460,225</u>

19 CONTRACT ASSETS AND CONTRACT LIABILITIES
(a) Contract assets
The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets	65,568	103,199	100,467	96,742
Less: allowance for credit losses	(3,278)	(5,158)	(7,454)	(7,647)
	<u>62,290</u>	<u>98,041</u>	<u>93,013</u>	<u>89,095</u>

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets	24,231	47,793	48,197	54,017
Less: allowance for credit losses	(1,212)	(2,390)	(4,840)	(2,701)
	<u>23,019</u>	<u>45,403</u>	<u>43,357</u>	<u>51,316</u>

The Group typically agrees to a 1 year-3 years retention period for 5% or 10% of the contract value of sales contract. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's products keep properly functioning during the retention period.

(b) Contract liabilities
The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>472,207</u>	<u>743,232</u>	<u>652,999</u>	<u>614,720</u>

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>262,192</u>	<u>369,910</u>	<u>389,022</u>	<u>394,720</u>

Movement in contract liabilities
The Group

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year/period	284,630	472,207	743,232	652,999

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(379,117)	(392,251)	(517,527)	(489,957)
Increase in contract liabilities as a result of receipts in advance	566,694	663,276	427,294	451,748
Balance at the end of the year/period	<u>472,207</u>	<u>743,232</u>	<u>652,999</u>	<u>614,790</u>

The Company

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year/period	93,117	262,192	369,910	389,022
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(94,132)	(227,590)	(226,847)	(308,801)
Increase in contract liabilities as a result of receipts in advance	263,207	335,308	245,959	314,499
Balance at the end of the year/period	<u>262,192</u>	<u>369,910</u>	<u>389,022</u>	<u>394,720</u>

20 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products (i)	<u>20,916</u>	<u>—</u>	<u>46,189</u>	<u>49,124</u>

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products (i)	<u>6,855</u>	<u>—</u>	<u>46,189</u>	<u>44,604</u>

(i) The amount represents investments in wealth management products issued by reputable financial institutions in Chinese Mainland. There are no fixed or determinable returns of these wealth management products.

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION
(a) Cash and cash equivalents comprise
The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	216,712	152,533	190,203	161,009
Time deposits with initial terms within three months	—	—	330	7,606
	<u>216,712</u>	<u>152,533</u>	<u>190,533</u>	<u>168,615</u>
Less: Restricted bank balances (i)	<u>(22,246)</u>	<u>(47,775)</u>	<u>(79,342)</u>	<u>(74,093)</u>
	<u>194,466</u>	<u>104,758</u>	<u>111,191</u>	<u>94,522</u>

(i) During the Track Record Period, the Group's cash and bank balances with restriction in use, mainly comprise of (1) bank deposits frozen as a result of the litigations relating to certain disputes with suppliers, of nil at December 31, 2022, RMB119,000 at December 31, 2023, RMB15,809,000 at December 31, 2024 and RMB10,071,000 at September 30, 2025, the frozen deposits will be released upon the litigations resolved; (2) security deposit placed in bank for the issuance of bank acceptance bills, of RMB12,945,000 at December 31, 2022, RMB43,981,000 at December 31, 2023, RMB61,019,000 at December 31, 2024 and RMB47,292,000 at September 30, 2025, the security deposit will be released upon settlement or maturity of the relevant bank acceptance bills; (3) security deposit placed in bank for the issuance of guarantee letter of RMB9,301,000 at December 31, 2022, RMB3,675,000 at December 31, 2023, RMB2,514,000 at December 31, 2024 and RMB6,730,000 at September 30, 2025, the security deposit will be released upon the expiration of the guarantee letter; (4) temporary security deposit placed in bank for wealth management products purchase, of nil at December 31, 2022, 2023 and 2024, RMB10,000,000 at September 30, 2025.

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	47,598	59,364	80,706	89,315
Less: Restricted bank balances	<u>(3,592)</u>	<u>(10,745)</u>	<u>(48,238)</u>	<u>(47,950)</u>
Cash and cash equivalents	<u>44,006</u>	<u>48,619</u>	<u>32,468</u>	<u>41,365</u>

(b) Reconciliation of loss before taxation to cash used in operations

Note	Year ended December 31			Nine months ended	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Loss before taxation	(208,935)	(241,381)	(176,921)	(140,341)	(133,907)
Adjustments for:					
Depreciation of property, plant and equipment	6(c) 4,806	11,473	10,527	7,940	7,234
Amortisation of intangible assets	6(c) 3,284	3,277	3,411	2,540	2,015
Depreciation of right-of-use assets	6(c) 11,178	14,744	6,653	5,620	2,925
Write-down/(reversal) of inventories	18 16,653	5,934	6,386	2,907	(4,462)
Impairment loss recognised/(reversal) on trade receivables and contract assets	6(c) 6,444	8,804	22,306	2,864	(1,148)
Impairment loss on property, plant and equipment	11 —	7,086	—	—	—
Equity settled share-based payments	27 3,019	2,327	1,441	1,387	4,571
Finance costs	6(a) 2,858	4,803	3,449	2,461	1,775
Capitalised borrowing costs	6(a) (1,170)	—	—	—	—

	Note	Year ended December 31			Nine months ended September 30	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income	6(a)	(6,092)	(11,097)	(7,675)	(6,021)	(3,533)
Net foreign exchange (gain)/loss	5(b)	(392)	(2,273)	1,380	2,230	(710)
Changes in the carrying amount of redemption liabilities	25	89,949	116,489	126,166	93,530	100,655
Net realized and unrealized gains from financial assets measured at amortised cost	5(b)	(75)	(74)	(73)	(54)	–
Net realized and unrealized gains from financial assets measured at fair value through profit or loss	5(b)	(378)	(539)	(1,740)	(1,412)	(997)
Net loss on disposal of property, plant and equipment and early termination of lease term of right-of-use assets		119	2,762	253	294	273
Covid-19-related rent concessions received	12	(166)	–	–	–	–
Changes in working capital:						
(Increase)/decrease in inventories		(238,227)	(299,156)	32,529	(57,625)	138,587
(Increase)/decrease in trade and other receivables		(70,243)	45,136	(6,034)	12,819	(78,318)
(Increase)/decrease in contract assets		(48,536)	(37,631)	2,732	25,040	3,725
Decrease/(increase) in prepayments		25,517	(52,315)	50,498	16,575	(14,079)
Increase/(decrease) in trade and other payables		139,680	95,202	31,961	(44,246)	(32,240)
Increase/(decrease) in contract liabilities		187,577	271,025	(90,233)	39,851	(38,209)
Increase in provisions		846	1,139	701	857	1,213
Increase/(decrease) in deferred income		5,000	(11,080)	3,200	5,500	350
(Increase)/decrease in restricted cash		(16,351)	(25,529)	(31,567)	(38,401)	15,249
Cash used in operations		<u>(93,635)</u>	<u>(90,874)</u>	<u>(10,650)</u>	<u>(65,685)</u>	<u>(29,031)</u>

(c) **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 cash flow statement as cash flows from financing activities.

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (note 23)	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000
At January 1, 2022	–	12,173	1,087,964	1,100,137
Changes from financing cash flows:				
Proceeds from shares issued	–	–	278,200	278,200
Payment of capital element of lease liabilities	–	(9,329)	–	(9,329)
Payment of interest element of lease liabilities	–	(1,466)	–	(1,466)
Proceeds from bank loans	56,760	–	–	56,760
Interest of bank loans paid	(1,316)	–	–	(1,316)
Total changes from financing cash flows	<u>55,444</u>	<u>(10,795)</u>	<u>278,200</u>	<u>322,849</u>
Other changes:				
Changes in the carrying amount of redemption liabilities (note 25)	–	–	89,949	89,949
Increase in lease liabilities from entering into new leases contracts during the year (note 12)	–	59,875	–	59,875
Decrease in lease liabilities from early termination of lease contracts	–	(5,337)	–	(5,337)
COVID-19-Related rent concessions received	–	(166)	–	(166)

	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(note 23)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i> <i>(note 25)</i>	<i>RMB'000</i>
Interest expenses (<i>note 6(a)</i>)	222	1,466	–	1,688
Capitalised borrowing costs (<i>note 6(a)</i>)	1,170	–	–	1,170
Total other changes	<u>1,392</u>	<u>55,838</u>	<u>89,949</u>	<u>147,179</u>
At December 31, 2022	<u>56,836</u>	<u>57,216</u>	<u>1,456,113</u>	<u>1,570,165</u>

	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(note 23)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i> <i>(note 25)</i>	<i>RMB'000</i>
At January 1, 2023	56,836	57,216	1,456,113	1,570,165
Changes from financing cash flows:				
Payment of capital element of lease liabilities	–	(14,082)	–	(14,082)
Payment of interest element of lease liabilities	–	(1,978)	–	(1,978)
Proceeds from bank loans	39,728	–	–	39,728
Repayment of bank loans	(13,860)	–	–	(13,860)
Interest of bank loans paid	(2,813)	–	–	(2,813)
Total changes from financing cash flows	<u>23,055</u>	<u>(16,060)</u>	<u>–</u>	<u>6,995</u>
Other changes:				
Changes in the carrying amount of redemption liabilities (<i>note 25</i>)	–	–	116,489	116,489
Increase in lease liabilities from entering into new leases contracts during the year (<i>note 12</i>)	–	3,051	–	3,051
Decrease in lease liabilities from early termination of lease contracts	–	(32,748)	–	(32,748)
Interest expenses (<i>note 6(a)</i>)	2,825	1,978	–	4,803
Total other changes	<u>2,825</u>	<u>(27,719)</u>	<u>116,489</u>	<u>91,595</u>
At December 31, 2023	<u>82,716</u>	<u>13,437</u>	<u>1,572,602</u>	<u>1,668,755</u>

	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(note 23)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i> <i>(note 25)</i>	<i>RMB'000</i>
At January 1, 2024	82,716	13,437	1,572,602	1,668,755
Changes from financing cash flows:				
Payment of capital element of lease liabilities	–	(6,280)	–	(6,280)
Payment of interest element of lease liabilities	–	(452)	–	(452)
Proceeds from bank loans	10,500	–	–	10,500
Repayment of bank loans	(31,678)	–	–	(31,678)
Interest of bank loans paid	(2,704)	–	–	(2,704)
Total changes from financing cash flows	<u>(23,882)</u>	<u>(6,732)</u>	<u>–</u>	<u>(30,614)</u>
Other changes:				
Changes in the carrying amount of redemption liabilities (<i>note 25</i>)	–	–	126,166	126,166
Increase in lease liabilities from entering into new leases contracts during the year (<i>note 12</i>)	–	2,632	–	2,632
Decrease in lease liabilities from early termination of lease contracts	–	(4,496)	–	(4,496)
Interest expenses (<i>note 6(a)</i>)	2,694	452	–	3,146
Total other changes	<u>2,694</u>	<u>(1,412)</u>	<u>126,166</u>	<u>127,448</u>
At December 31, 2024	<u>61,528</u>	<u>5,293</u>	<u>1,698,768</u>	<u>1,765,589</u>

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (note 23)	RMB'000 (note 24)	RMB'000 (note 25)	RMB'000
At January 1, 2025	61,528	5,293	1,698,768	1,765,589
Changes from financing cash flows:				
Payment of capital element of lease liabilities	–	(2,813)	–	(2,813)
Payment of interest element of lease liabilities	–	(215)	–	(215)
Proceeds from bank loans	26,000	–	–	26,000
Repayment of bank loans	(8,501)	–	–	(8,501)
Interest of bank loans paid	(1,574)	–	–	(1,574)
Total changes from financing cash flows	15,925	(3,028)	–	12,897
Other changes:				
Changes in the carrying amount of redemption liabilities (note 25)	–	–	100,655	100,655
Increase in lease liabilities from entering into new leases contracts during the period (note 12)	–	3,646	–	3,646
Decrease in lease liabilities from early termination of lease contracts	–	(172)	–	(172)
Interest expenses (note 6(a))	1,560	215	–	1,775
Total other changes	1,560	3,689	100,655	105,904
At September 30, 2025	79,013	5,954	1,799,423	1,884,390

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following, which are related to lease rentals paid:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within operating cash flows	11,215	9,539	14,527	10,167	2,238
Within financing cash flows	10,795	16,060	6,732	5,879	3,028
	<u>22,010</u>	<u>25,599</u>	<u>21,259</u>	<u>16,046</u>	<u>5,266</u>

22 TRADE AND OTHER PAYABLES

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
– Third parties	408,439	475,227	450,791	398,693
– Related parties	3,767	3,485	2,391	2,152
Bills payable	23,948	67,447	126,081	156,018
	<u>436,154</u>	<u>546,159</u>	<u>579,263</u>	<u>556,863</u>
Other payables and accruals				
– Third parties	6,771	9,458	5,156	4,444
– Related parties	–	5,987	–	–
Listing expense payable	–	–	–	7,436
Financial liabilities measured at amortised cost	442,925	561,604	584,419	568,743
Accrued payroll and other benefits	25,979	18,393	20,806	18,571
Other taxes and charges payable	36,492	34,028	26,753	11,359
	<u>505,396</u>	<u>614,025</u>	<u>631,978</u>	<u>598,673</u>

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
– Third parties	153,322	153,324	237,927	239,228
– Related parties	2,485	2,007	2,392	2,152
– Subsidiaries	60,963	2,071	17,662	11,750
Bills payable	9,532	41,572	96,898	126,304
	<u>226,302</u>	<u>198,974</u>	<u>354,879</u>	<u>379,434</u>
Other payables and accruals				
– Third parties	275	4,418	706	1,211
– Related parties	–	5,987	–	–
– Subsidiaries	11,900	2,331	3,198	1,467
Listing expense payable	–	–	–	7,436
Financial liabilities measured at amortised cost	238,477	211,710	358,783	389,548
Accrued payroll and other benefits	2,636	2,665	4,854	3,861
Other taxes and charges payable	17,231	19,612	12,944	9,203
	<u>258,344</u>	<u>233,987</u>	<u>376,581</u>	<u>402,612</u>

The amounts due to related parties are unsecured and interest-free. Details of the amounts due to related parties are set out in note 34(c).

As of the end of the reporting period, the ageing analysis of trade and bills payables based on the invoice date, is as follows:

The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	346,595	445,759	421,395	445,287
Between one year and two years	77,651	64,329	107,106	67,615
Between two years and three years	8,986	26,620	32,312	28,324
Over three years	2,922	9,451	18,450	15,637
	<u>436,154</u>	<u>546,159</u>	<u>579,263</u>	<u>556,863</u>

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	179,816	163,907	300,267	337,340
Between one year and two years	45,091	26,953	34,741	28,449
Between two years and three years	1,282	6,749	16,671	8,088
Over three years	113	1,365	3,200	5,557
	<u>226,302</u>	<u>198,974</u>	<u>354,879</u>	<u>379,434</u>

23 BANK LOANS
The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans				
– Secured (a)	56,836	59,698	51,019	48,498
– Unsecured	–	23,018	10,509	30,515
	<u>56,836</u>	<u>82,716</u>	<u>61,528</u>	<u>79,013</u>

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans				
– Secured	46,824	59,698	51,019	45,496
– Unsecured	–	23,018	10,509	10,508
	<u>46,824</u>	<u>82,716</u>	<u>61,528</u>	<u>56,004</u>

Bank loans bear interest ranging from 3.85% to 4.60% per annum, 2.80% to 4.30% per annum, 2.60% to 4.20% per annum and 2.50% to 3.60% per annum as at December 31, 2022, 2023, 2024 and September 30, 2025, respectively.

(a) Assets pledged as security for bank loans

As at December 31, 2022, 2023, 2024 and September 30, 2025, bank loans of RMB56,836,000, RMB56,760,000, RMB51,019,000 and RMB48,498,000 of the Group were secured by property, plant and equipment and land use right of the Group with carrying amount of RMB95,751,000, RMB92,048,000, RMB88,346,000 and RMB85,569,000 (note 11).

As at December 31, 2023, bank loans of RMB2,938,000 of the Group were secured by discounted bills with recourse.

As at December 31, 2022, bank loans of RMB10,012,000 of the Group were guaranteed by the ultimate controlling parties of the non-controlling shareholders of Anhui Galaxis Technology Company Ltd.. The guarantee was released with the repayment of loans during the year ended December 31, 2023.

(b) The analysis of the repayment schedule of bank loans is as follows:
The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	13,356	31,703	17,225	41,142
More than 1 year	43,480	51,013	44,303	37,871
	<u>56,836</u>	<u>82,716</u>	<u>61,528</u>	<u>79,013</u>

The Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	3,344	31,703	17,225	18,133
More than 1 year	43,480	51,013	44,303	37,871
	<u>46,824</u>	<u>82,716</u>	<u>61,528</u>	<u>56,004</u>

As at December 31, 2022, 2023, 2024 and September 30, 2025, bank loans of RMB10,012,000, RMB3,003,000, RMB3,003,000 and RMB6,004,000 of the Group 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 related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants and none bank loans are classified as non-current according to repayment schedule as at the Track Record Period.

24 LEASE LIABILITIES

As at the Track Record Period, the lease liabilities were repayable as follows:

The Group

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	2025
Within 1 year	15,660	7,058	2,394	3,553
After 1 year but within 2 years	14,972	4,191	1,990	2,296
After 2 years but within 5 years	23,004	2,188	909	105
After 5 years	3,580	–	–	–
	<u>41,556</u>	<u>6,379</u>	<u>2,899</u>	<u>2,401</u>
	<u>57,216</u>	<u>13,437</u>	<u>5,293</u>	<u>5,954</u>

25 REDEMPTION LIABILITIES

The Group and the Company

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	2025
Redemption liabilities	<u>1,456,113</u>	<u>1,572,602</u>	<u>1,698,768</u>	<u>1,799,423</u>

From August 23, 2014 to November 1, 2022, the Company conducted several rounds of financing by issuing shares to investors.

The investors are entitled to the same voting rights and dividend rights as other shareholders of the Company. They were also granted with preferential rights when they entered into the investment agreements with the Company. The key terms of preferential rights are summarised as follows:

Redemption rights

The investors shall have the right to put back to the Company the shares acquired upon the occurrence of specified triggering events, including a qualified initial public offering ("IPO") not being completed by December 31, 2024; or a breach of the investment agreements by the Company or its controlling shareholder.

The redemption price is the sum of 100% of the issue price, a compound interest of 8% per annum, and any declared but unpaid dividends.

Liquidation Preference

In the event of a liquidation, dissolution or winding up of the Company, all assets and funds of the Company legally available for distribution shall be distributed as follows:

- (a) firstly, to the series E investors, at the subscription price paid by the series E investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;
- (b) secondly, to the series D investors, at the subscription price paid by the series D investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;
- (c) thirdly, to the series C investors, at the subscription price paid by the series C investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;
- (d) fourthly, to the series B investors, at the subscription price paid by the series B investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;

- (e) fifthly, to the series A investors, at the subscription price paid by the series A investors, plus a compound interest of 8% per annum and any declared but unpaid dividends;
- (f) any remaining assets and funds shall be distributed rateably among all shareholders (including the investors) on a pro-rata basis.

The Company's obligation to buy back its own shares for cash gives rise to a financial liability. Such financial liability is accounted for in accordance with note 2(n).

Pursuant to the shareholders' resolution approved on June 25, 2025, all preferential rights will be terminated on the day immediately prior to the listing date except that the redemption rights have been terminated on the day prior to the first submission of the listing application, but shall again become exercisable upon (i) the Company voluntarily withdrawing the listing application; (ii) the regulatory authorities rejecting or refusing to approve the listing application; or (iii) the earlier of December 31, 2026 or the expiry of 18 months following the first submission of the listing application, if the listing is not completed by that time. The aforesaid amendments did not change the classification of these financial instruments in the consolidated statements of financial position.

Pursuant to the currently effective shareholders' agreement, the preferential rights include, among others, (i) the right to appoint directors; (ii) pre-emptive right, (iii) right of first refusal and co-sale, (iv) anti-dilution adjustment rights, (v) redemption rights, (vi) liquidation references, and (vii) information and inspection rights.

The movements of the redemption liabilities during the Track Record Period are set out as below:

	<u>Redemption liabilities</u>
	<i>RMB'000</i>
The Group and the Company	
At January 1, 2022	1,087,964
Grant of redemption right upon issue of shares	278,200
Changes in the carrying amount	89,949
At December 31, 2022 and January 1, 2023	1,456,113
Changes in the carrying amount	116,489
At December 31, 2023 and January 1, 2024	1,572,602
Changes in the carrying amount	126,166
At December 31, 2024 and January 1, 2025	1,698,768
Changes in the carrying amount	100,655
At September 30, 2025	1,799,423

26 DEFERRED INCOME

The Group and the Company

	<u>As at December 31</u>			<u>As at</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>September 30</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	13,380	2,300	5,500	5,850

27 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Group has adopted employee incentive schemes on August 30, 2019 (the "Employee Incentive Scheme 2019") and May 13, 2021 (the "Employee Incentive Scheme 2021"), respectively. The purpose of the employee incentive schemes is to provide incentives and rewards to eligible participants for their past and future contributions to the Group. The share-based awards granted pursuant to the employee incentive schemes are governed by the contractual terms of the awards.

The table below sets forth share-based payments expenses for share options and restricted share units (the "RSUs") during the Track Record Period:

	<u>Year ended December 31</u>			<u>Nine months ended September 30</u>	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employee Incentive Scheme 2019 – RSU (a)	1,479	816	461	234	1,764

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Employee Incentive Scheme 2019 – share options (b)	554	549	457	416	515
Employee Incentive Scheme 2021 – share options (c)	986	962	523	737	2,292
	<u>3,019</u>	<u>2,327</u>	<u>1,441</u>	<u>1,387</u>	<u>4,571</u>

(a) **Employee Incentive Scheme 2019 — RSUs**

Under the Employee Incentive Scheme 2019, the maximum number of shares that may be issued shall be 16,334,438 shares* through RSUs.

The qualified participants of the Employee Incentive Scheme 2019 are entitled to purchase RSUs at a purchase price of RMB0.64 or RMB1.13 per share*, while they are originally required to satisfy vesting period until 3 years after the completion of a qualified initial public offering on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “STAR Board”) for the entitlements of RSUs. On June 4, 2025, the Group modified the vesting period as until 1 year after the Listing, which is beneficial to the eligible participants. The modification does not affect the fair value of the RSUs granted, the modified vesting conditions have been taken into account in determining the share-based payments expenses.

(i) Movements in the number* of RSUs granted under Employee Incentive Scheme 2019 during the Track Record Period are as follows:

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
At the beginning of the year/period.	15,015,449	14,870,343	13,281,995	13,281,995	11,572,870
Forfeited	(145,106)	(1,588,348)	(1,709,125)	(1,570,101)	(133,810)
At the end of the year/period	<u>14,870,343</u>	<u>13,281,995</u>	<u>11,572,870</u>	<u>11,711,894</u>	<u>11,439,060</u>

(ii) **Fair value of shares granted under Employee Incentive Scheme 2019**

The fair value of services received in return for RSUs is measured by reference to the fair value of RSUs granted, which was determined based on the fair value of the Company’s ordinary shares at the grant date. The estimate of the fair value of the Company’s ordinary share is measured based on an equity allocation model. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimate.

The assumptions used in the measurement of fair value of the Company’s ordinary share at grant date are as follows:

Risk-free interest rate	2.82%
Expected Volatility	42.47%
Expected Dividend yield	0.00%

The directors estimated the risk-free interest rate based on the government yield. The expected volatility is based on average of historic volatilities of the comparable companies with length commensurable to the time, adjusted for any expected changes to future volatility based on publicly available information. Expected dividend yield is based on historical dividends and management estimation at the grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

RSUs were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the RSUs granted.

The fair value of the Company’s ordinary share was RMB 1.50 per share* at the grant date.

(b) **Employee Incentive Scheme 2019 — share options**

Under the Employee Incentive Scheme 2019, the maximum number of shares that may be issued shall be 3,416,512 shares* through share options.

The qualified participants of the Employee Incentive Scheme 2019 are required to satisfy vesting period until 3 years after the completion of a qualified initial public offering on the STAR Board, and non-market performance conditions for the entitlements. Total granted options in the Employee Incentive Scheme 2019 are divided into three tranches, subject to the individual KPI and Group’s financial performance targets in respect of the 2019, 2020 and 2021 financial years, respectively. The contractual life of share options is 10 years.

Subsequently, the Board has resolved to modify the non-market performance conditions with effect from May 13, 2021 as follows:

- the Group's financial performance targets in respect of the 2020 financial year was not met and have been changed to a new set of performance targets, which including the individual KPI and Group's financial performance targets, in respect of the 2022 financial year (the "First Modification"); and
- the Group's financial performance target, in particular the target revenue of the Group, in respect of the 2021 financial year has been decreased (the "Second Modification").

The above modifications are beneficial to the eligible participants. The First Modification has been treated as a new grant as the non-market performance conditions for second tranche were not met and the tranche should have been forfeited under the original terms and conditions before the modification. The Second Modification does not affect the modification date fair value of the share options. The modified vesting conditions have been taken into account in determining the share-based payments expenses.

On June 4, 2025, the Group modified the vesting period as until 1 year to 4 years after the Listing, and extended the contractual life of share options from 10 years to 15 years (the "Third Modification"), which are beneficial to the eligible participants. The extension of contractual life of share options increased the fair value of the share options granted, measured immediately before and after the modification. The incremental fair value is immaterial and has been recognised as expenses on the modification date. The modified vesting conditions have been taken into account in determining the share-based payments expenses.

(i) Movements in the number* and weighted average exercise prices of share options granted under Employee Incentive Scheme 2019 during the Track Record Period are as follows:

	Year ended December 31						Nine months ended September 30			
	2022		2023		2024		2024		2025	
	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options
At the beginning of the year/period . . .	RMB2.27	3,411,038	RMB2.27	3,385,044	RMB2.27	3,371,229	RMB2.27	3,371,229	RMB2.27	3,299,336
Forfeited	RMB2.27	(25,994)	RMB2.27	(13,815)	RMB2.27	(71,893)	-	(71,893)	RMB2.27	(25,546)
At the end of the year/period . . .	RMB2.27	<u>3,385,044</u>	RMB2.27	<u>3,371,229</u>	RMB2.27	<u>3,299,336</u>	RMB2.27	<u>3,299,336</u>	RMB2.27	<u>3,273,790</u>

No share option was vested and exercisable during the Track Record Period.

The share options outstanding at December 31, 2022, 2023, 2024 and September 30, 2025 had an exercise price per share* of RMB2.27, RMB2.27, RMB2.27 and RMB2.27, and a weighted average remaining contractual life of 12.40 years, 11.40 years, 10.40 years and 9.70 years under the modified contract terms.

(ii) *Fair value of share options granted under Employee Incentive Scheme 2019*

The fair value of services received in return for share options is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial tree model. Expectations of early exercise are incorporated into the binomial tree model.

The assumptions used in the measurement of fair value of the share options at grant date/modification date are based on the directors' best estimate as follows:

	Options granted in 2019	Options granted in 2019 and modified in 2025 (immediately before the modification)	Options granted in 2019 and modified in 2025 (immediately after the modification)	Options granted in 2021	Options granted in 2021 and modified in 2025 (immediately before the modification)	Options granted in 2021 and modified in 2025 (immediately after the modification)
Risk-free interest rates	3.14%	1.48%	1.64%	2.85%	1.57%	1.69%
Expected volatility	56.04%	52.30%	48.79%	51.96%	48.59%	51.92%
Projections of future performance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Exercise price per share*	2.27	2.27	2.27	2.27	2.27	2.27
Fair value of per ordinary share*	1.50	6.51	6.51	3.33	6.51	6.51
Option life	10 years	10 years	15 years	10 years	10 years	15 years
Expected dividend yield	0%	0%	0%	0%	0%	0%

The expected volatility is based on average of historic volatilities of the comparable companies with length commensurable to the time (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividend yield is based on historical dividends and management estimation at the grant date/modification date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service and non-market performance conditions. These conditions have not been taken into account in the grant date/modification date fair value measurement of the services received. There were no market conditions associated with the share options granted.

The weighted average fair value of share options was RMB0.72 per share option* and RMB2.01 per share option* for the share options granted in 2019 and 2021 at the grant date, respectively.

(c) Employee Incentive Scheme 2021 — share options

Under the Employee Incentive Scheme 2021, the maximum number of shares that may be issued shall be 5,815,832 shares* through share options.

The Group granted 3,626,649 share options* in total to certain qualified participants in 2021 (the "First Grant Under ESOP 2021").

The qualified participants of the First Grant Under ESOP 2021 are originally required to satisfy vesting period until 3 years after the completion of a qualified initial public offering on the STAR Board, and non-market performance conditions for the entitlements. Total granted options of the First Grant Under ESOP 2021 are divided into three tranches, subject to the individual KPI and Group's financial performance targets in respect of the 2021, 2022 and 2023 financial years, respectively. The original contractual life of share options is 10 years.

On June 4, 2025, the Group modified the vesting period as until 1 year to 4 years after the Listing, and extended the contractual life of share options from 10 years to 15 years, which are beneficial to the eligible participants. The extension of contractual life of share options increased the fair value of the share options granted, measured immediately before and after the modification. The incremental fair value is immaterial and has been recognised as expenses on the modification date. The modified vesting conditions have been taken into account in determining the share-based payments expenses.

On June 4, 2025, the Group further granted share options to certain qualified participants with an aggregate of 2,881,876 shares of the Company under the Employee Incentive Scheme 2021 (the "Second Grant Under ESOP 2021"). The total granted options of the Second Grant Under ESOP 2021 shall be vested in three tranches, with 30% vesting in 2026, 30% vesting in 2027, and 40% vesting in 2028, respectively, subject to the individual KPI in respect of the 2025, 2026 and 2027 financial years, and after the Group has completed the Listing, on condition that participants remain in service.

(i) Movements in the number* and weighted average exercise prices of share options granted under Employee Incentive Scheme 2021 during the Track Record Period are as follows:

	Year ended December 31						Nine months ended September 30			
	2022		2023		2024		2024		2025	
	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options	Weighted average exercise price*	Number of options
At the beginning of the year/period	RMB3.24	3,626,649	RMB3.24	3,522,244	RMB3.24	3,471,901	RMB3.24	3,471,901	RMB3.24	3,031,786
Granted	-	-	-	-	-	-	-	-	RMB3.24	2,881,876
Forfeited	RMB3.24	(104,405)	RMB3.24	(50,343)	RMB3.24	(440,115)	-	-	RMB3.24	(141,005)
At the end of the year/period	RMB3.24	<u>3,522,244</u>	RMB3.24	<u>3,471,901</u>	RMB3.24	<u>3,031,786</u>	RMB3.24	<u>3,471,901</u>	RMB3.24	<u>5,772,657</u>

No share option was vested and exercisable during the Track Record Period.

The share options outstanding at December 31, 2022, 2023, 2024 and September 30, 2025 had an exercise price per share* of RMB3.24, RMB3.24, RMB3.24 and RMB3.24, and a weighted average remaining contractual life of 13.67 years, 12.67 years, 11.67 years and 12.81 years under the modified contract terms.

(ii) Fair value of share options granted under Employee Incentive Scheme 2021

The fair value of services received in return for share options is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial tree model. Expectations of early exercise are incorporated into the binomial tree model.



The assumptions used in the measurement of fair value of the share options at grant date/modification date are based on the directors' best estimate as follow:

	Options granted in 2021	Options granted in 2021 and modified in 2025 (immediately before the modification)	Options granted in 2021 and modified in 2025 (immediately after the modification)	Options granted in 2025
Risk-free interest rates	2.85%	1.57%	1.69%	1.78%
Expected volatility	51.96%	48.59%	51.92%	51.92%
Projections of future performance	100.00%	100.00%	100.00%	100.00%
Exercise price per share*	3.24	3.24	3.24	3.24
Fair value of per ordinary share*	3.33	6.51	6.51	6.51
Option life	10 years	10 years	15 years	15 years
Expected dividend yield	0%	0%	0%	0%

The expected volatility is based on average of historic volatilities of the comparable companies with length commensurable to the time (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividend yield is based on historical dividends and management estimation at the grant date/modification date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service and non-market performance conditions. These conditions have not been taken into account in the grant date/modification date fair value measurement of the services received. There were no market conditions associated with the share options granted.

The weighted average fair value of share options of the First Grant Under ESOP 2021 was RMB1.79 per share option* at the grant date. The weighted average fair value of share options of the Second Grant Under ESOP 2021 was RMB4.34 per share option*.

* The number of shares (including RSUs and share options), exercise price per share, fair value of per ordinary share, fair value of each share options before the Company's conversion into a joint stock Company were adjusted for the exchange ratio established in the conversion on July 13, 2021.

28 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

The Group

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	(1,386)	(1,379)	(7,256)	(6,280)
Provision for current income tax for the year/period	633	233	1,137	564
Payments during the year/period	(626)	(6,110)	(161)	(6,257)
At the end of the year/period	<u>(1,379)</u>	<u>(7,256)</u>	<u>(6,280)</u>	<u>(11,973)</u>
Represented by:				
Income tax recoverable	(4,134)	(7,871)	(7,112)	(12,872)
Income tax payable	2,755	615	832	899
	<u>(1,379)</u>	<u>(7,256)</u>	<u>(6,280)</u>	<u>(11,973)</u>

(b) Deferred tax assets and liabilities recognized:

(i) Movement of each component of deferred tax assets and liabilities

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

	Fair value change of financial assets measured at FVPL	Right-of-use assets	Lease liabilities	Intangible assets arising from business combination	Accumulated tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax arising from:						
At January 1, 2022	–	(2,603)	2,678	(1,393)	1,318	–
(Charged)/credited to profit or loss	–	(10,592)	10,861	400	(669)	–

	Fair value change of financial assets measured at FVPL	Right-of-use assets	Lease liabilities	Intangible assets arising from business combination	Accumulated tax losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2022 and January 1, 2023	-	(13,195)	13,539	(993)	649	-
Credited/(charged) to profit or loss	-	10,421	(10,789)	322	46	-
At December 31, 2023 and January 1, 2024	-	(2,774)	2,750	(671)	695	-
(Charged)/credited to profit or loss	(164)	1,859	(1,790)	268	(173)	-
At December 31, 2024 and January 1, 2025	(164)	(915)	960	(403)	522	-
Credited/(charged) to profit or loss	103	(96)	57	102	(166)	-
At September 30, 2025	(61)	(1,011)	1,017	(301)	356	-

(ii) *Reconciliation to the consolidated statements of financial position*

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax asset in the consolidated statements of financial position	14,188	3,445	1,482	1,373
Net deferred tax liability in the consolidated statements of financial position	(14,188)	(3,445)	(1,482)	(1,373)
	-	-	-	-

(c) **Deferred tax assets not recognized**

In accordance with the accounting policy set out in note 2(q), the Group has not recognized deferred tax assets in respect of temporary differences and cumulative tax losses of certain subsidiaries as it is not probable that future taxable profits against which the losses or temporary differences can be utilized will be available in the relevant tax jurisdiction and entity.

The following table presents the Group's deductible temporary differences and cumulative tax losses for which deferred tax assets were not recognized at the reporting dates:

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cumulative tax losses (i)	429,350	741,297	943,472	1,109,205
Deductible temporary differences	64,994	76,852	109,445	105,397
At the end of the year/period	494,344	818,149	1,052,917	1,214,602

- (i) The tax losses arising from operations in Chinese Mainland can be carried forward to offset against taxable profits of subsequent years for up to ten years from the year in which they arose.

29 PROVISIONS

The Group

	As at December 31			As at September 30
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Warranty provisions	13,339	14,478	15,179	16,392

The movements of provisions during the Track Record Period were as follows:

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year/period . .	12,493	13,339	14,478	15,179
Provisions for warranty provisions . . .	15,750	9,185	7,025	4,886
Settlement for warranty provisions . . .	(14,904)	(8,046)	(6,324)	(3,673)
Balance at the end of the year/period .	13,339	14,478	15,179	16,392

The Company

	As at December 31			As at September 30
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Warranty provisions	9,719	12,959	14,385	14,837

The movements of provisions during the Track Record Period were as follows:

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year/period . .	5,633	9,719	12,959	14,385
Provisions for warranty provisions . . .	5,142	4,811	3,312	1,448
Settlement for warranty provisions . . .	(1,056)	(1,571)	(1,886)	(996)
Balance at the end of the year/period .	9,719	12,959	14,385	14,837

Under the terms of the Group's sales agreements, the Group offers warranties for its projects typically for from 1 year to 3 years. Provision is therefore made based on the estimate of the expected claim, which takes into account the Group's recent claim experience, under these agreements in respect of sales prior to the end of each reporting period.

30 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

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

The Company

Note	Attributable to equity shareholders of the Company					
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total	
	RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000	RMB'000	
	Balance at January 1, 2022	360,000	(357,498)	4,358	(266,474)	(259,614)
	Changes in deficit for 2022:					
	Loss for the year	—	—	—	(124,253)	(124,253)
	Total comprehensive income	—	—	—	(124,253)	(124,253)
	Equity settled share-based payment expenses	—	—	3,019	—	3,019
	Recognition of redemption liabilities	—	(278,200)	—	—	(278,200)
30(c)	Capital contributions	31,086	247,114	—	—	278,200
	Balance at December 31, 2022	<u>391,086</u>	<u>(388,584)</u>	<u>7,377</u>	<u>(390,727)</u>	<u>(380,848)</u>

Note	Attributable to equity shareholders of the Company					
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total	
	RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000	RMB'000	
	Balance at January 1, 2023	391,086	(388,584)	7,377	(390,727)	(380,848)
	Changes in deficit for 2023:					
	Loss for the year	—	—	—	(134,205)	(134,205)
	Total comprehensive income	—	—	—	(134,205)	(134,205)
	Equity settled share-based payment expenses	—	—	2,327	—	2,327
	Balance at December 31, 2023	<u>391,086</u>	<u>(388,584)</u>	<u>9,704</u>	<u>(524,932)</u>	<u>(512,726)</u>

Note	Attributable to equity shareholders of the Company					
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total	
	RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000	RMB'000	
	Balance at January 1, 2024	391,086	(388,584)	9,704	(524,932)	(512,726)
	Changes in deficit for 2024:					
	Loss for the year	—	—	—	(125,114)	(125,114)
	Total comprehensive income	—	—	—	(125,114)	(125,114)
	Equity settled share-based payment expenses	—	—	1,441	—	1,441
	Balance at December 31, 2024	<u>391,086</u>	<u>(388,584)</u>	<u>11,145</u>	<u>(650,046)</u>	<u>(636,399)</u>

Note	Attributable to equity shareholders of the Company				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000	RMB'000
Balance at January 1, 2025	391,086	(388,584)	11,145	(650,046)	(636,399)
Changes in deficit for the nine months ended September 30, 2025:					
Loss for the period	—	—	—	(51,819)	(51,819)
Total comprehensive income	—	—	—	(51,819)	(51,819)
Equity settled share-based payment expenses	—	—	4,571	—	4,571
Balance at September 30, 2025	391,086	(388,584)	15,716	(701,865)	(683,647)

Note	Attributable to equity shareholders of the Company				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000 (note 30(c))	RMB'000 (note 30(d)(i))	RMB'000 (note 30(d)(ii))	RMB'000	RMB'000
(unaudited) Balance at January 1, 2024	391,086	(388,584)	9,704	(524,932)	(512,726)
Changes in deficit for the nine months ended September 30, 2024:					
Loss for the period	—	—	—	(72,929)	(72,929)
Total comprehensive income	—	—	—	(72,929)	(72,929)
Equity settled share-based payment expenses	—	—	1,387	—	1,387
Balance at September 30, 2024	391,086	(388,584)	11,091	(597,861)	(584,268)

(b) Dividends

No dividends were paid by the companies comprising the Group during the Track Record Period. The Company did not declare and pay any dividends since its incorporation.

(c) Share capital

	Number of original shares RMB'000	Share capital RMB'000
Issued and fully paid		
Balance at January 1, 2022	360,000	360,000
Issuance of shares (i)	31,086	31,086
Balance at December 31, 2022, 2023, 2024 and September 30, 2025	391,086	391,086

- (i) On November 1, 2022, the Company entered into an investment agreement with several investors, pursuant to which, the investors agreed to subscribe for 31,086,000 shares, representing 7.9486% of the Company's equity interest for RMB278,200,000. The excess of the consideration of RMB278,200,000, over the increase in the share capital of RMB31,086,000 was credited to the Company's capital reserve, amounting to RMB247,114,000.

(d) **Nature and purpose of reserves**

(i) *Capital reserve*

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of share capital issued by the Company; and (ii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company; (iii) the amounts in relation to the recognition of the redemption liabilities as set out in note 25; (iv) merger reserve arose from business combination under common control.

(ii) *Share-based payment reserve*

The share-based payment reserve comprises the portion of difference between the fair value of shares granted and the consideration paid by the directors and employees of the Group that has been recognized in accordance with the accounting policy adopted for equity settled share-based payments in note 2(p)(ii).

(iii) *Exchange reserve*

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB.

(e) **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.

31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate 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 contract assets. The Group's exposure to credit risk arising from cash and cash equivalents, time deposit, restricted cash and bills receivables is limited because the counterparties are banks and financial institutions for which the Group considers to represent low credit risk. In respect of other receivables including deductible input VAT, deposits, staff advance, tax reimbursement for export and others, the Group has assessed that the expected credit loss rate for these receivables is immaterial under 12 months expected losses method based on historical settlement records and looking-forward information (including the economic environment). Thus no loss allowance provision for these receivables was recognized in the Track Record Period.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

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 operate. Trade receivables are due within a period of 0-30 business days upon achieving a milestone. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At December 31, 2022, 2023 and 2024 and September 30, 2025, 27.89%, 32.11%, 22.85% and 14.01% of the total trade receivables and contract assets was due from the Group's five largest customers in each year/period during the Track Record Period, respectively.

The Group measures loss allowances for trade receivables and contract assets 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 December 31, 2022						
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	RMB'000	RMB'000	%	RMB'000	RMB'000
Within one year	188,488	–	188,488	0.66%	1,253	1,253
Between 1 year and 2 years	65,582	–	65,582	2.33%	1,531	1,531
Between 2 years and 3 years	34,670	–	34,670	6.76%	2,342	2,342
Between 3 years and 4 years	10,933	–	10,933	34.63%	3,786	3,786
Over 4 years	63	–	63	100.00%	63	63
	<u>299,736</u>	<u>–</u>	<u>299,736</u>	<u>2.99%</u>	<u>8,975</u>	<u>8,975</u>

As at December 31, 2023						
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	RMB'000	RMB'000	%	RMB'000	RMB'000
Within one year	114,413	115	114,298	0.89%	1,011	1,126
Between 1 year and 2 years	81,376	1,450	79,926	2.48%	1,979	3,429
Between 2 years and 3 years	28,367	–	28,367	7.16%	2,031	2,031
Between 3 years and 4 years	19,918	352	19,566	22.12%	4,329	4,681
Over 4 years	4,632	–	4,632	100.00%	4,632	4,632
	<u>248,706</u>	<u>1,917</u>	<u>246,789</u>	<u>5.67%</u>	<u>13,982</u>	<u>15,899</u>

As at December 31, 2024						
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	RMB'000	RMB'000	%	RMB'000	RMB'000
Within one year	171,975	2,701	169,274	2.38%	4,035	6,736
Between 1 year and 2 years	16,612	642	15,970	6.18%	987	1,629
Between 2 years and 3 years	43,266	1,055	42,211	13.31%	5,620	6,675
Between 3 years and 4 years	15,345	–	15,345	40.79%	6,259	6,259
Over 4 years	14,610	352	14,258	100.00%	14,258	14,610
	<u>261,808</u>	<u>4,750</u>	<u>257,058</u>	<u>12.12%</u>	<u>31,159</u>	<u>35,909</u>

As at September 30, 2025						
	Gross carrying amount	Provision on individual basis	Carrying amount after individual provision	ECL rate	ECL	Loss allowance
	RMB'000	RMB'000	RMB'000	%	RMB'000	RMB'000
Within one year	221,701	3,392	218,309	1.97%	4,299	7,691
Between 1 year and 2 years	40,191	1,868	38,323	5.54%	2,122	3,990
Between 2 years and 3 years	20,638	3,372	17,266	15.99%	1,263	4,635
Between 3 years and 4 years	15,187	10,055	5,132	49.65%	365	10,420
Over 4 years	7,832	352	7,480	100.00%	7,480	7,832
	<u>305,549</u>	<u>19,039</u>	<u>286,510</u>	<u>5.42%</u>	<u>15,529</u>	<u>34,568</u>

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets:

As at December 31, 2022			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	<u>5.00%</u>	<u>65,568</u>	<u>3,278</u>
As at December 31, 2023			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	<u>5.00%</u>	<u>103,199</u>	<u>5,158</u>
As at December 31, 2024			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	<u>7.42%</u>	<u>100,467</u>	<u>7,454</u>
As at September 30, 2025			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	<u>7.90%</u>	<u>96,742</u>	<u>7,647</u>

Expected loss rates are based on actual loss experience over the past 48 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.

Movement in the loss allowance account in respect of trade receivables and contract assets during the year/period is as follows:

	Year ended December 31			Nine months ended September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year/period	5,809	12,253	21,057	43,363
Impairment loss recognized/ (reversal) during the year/period, net	<u>6,444</u>	<u>8,804</u>	<u>22,306</u>	<u>(1,148)</u>
Balance at the end of the year/period	<u>12,253</u>	<u>21,057</u>	<u>43,363</u>	<u>42,215</u>

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses, participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative 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:

As at December 31, 2022

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Bank loans	15,603	5,108	17,204	28,906	66,821	56,836
Trade and other payables	505,396	—	—	—	505,396	505,396
Redemption liabilities	1,456,113	—	—	—	1,456,113	1,456,113
Lease liabilities	17,913	16,518	24,796	3,629	62,856	57,216
Contractual and expected undiscounted cash outflow	<u>1,995,025</u>	<u>21,626</u>	<u>42,000</u>	<u>32,535</u>	<u>2,091,186</u>	<u>2,075,561</u>

As at December 31, 2023

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Bank loans	34,379	8,508	23,927	25,574	92,388	82,716
Trade and other payables	614,025	—	—	—	614,025	614,025
Redemption liabilities	1,572,602	—	—	—	1,572,602	1,572,602
Lease liabilities	7,500	4,361	2,267	—	14,128	13,437
Contractual and expected undiscounted cash outflow	<u>2,228,506</u>	<u>12,869</u>	<u>26,194</u>	<u>25,574</u>	<u>2,293,143</u>	<u>2,282,780</u>

As at December 31, 2024

	Contractual undiscounted cash out flow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Bank loans	19,294	9,082	23,338	17,080	68,794	61,528
Trade and other payables	631,978	—	—	—	631,978	631,978
Redemption liabilities	1,698,768	—	—	—	1,698,768	1,698,768
Lease liabilities	2,568	2,068	922	—	5,558	5,293
Contractual and expected undiscounted cash outflow	<u>2,352,608</u>	<u>11,150</u>	<u>24,260</u>	<u>17,080</u>	<u>2,405,098</u>	<u>2,397,567</u>

As at September 30, 2025

	Contractual undiscounted cash out flow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Bank loans	43,572	6,871	24,229	10,897	85,569	79,013
Trade and other payables	598,673	—	—	—	598,673	598,673
Redemption liabilities	1,799,423	—	—	—	1,799,423	1,799,423
Lease liabilities	3,739	2,340	105	—	6,184	5,954
Contractual and expected undiscounted cash outflow	<u>2,445,407</u>	<u>9,211</u>	<u>24,334</u>	<u>10,897</u>	<u>2,489,849</u>	<u>2,483,063</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 cash at banks, bank loans, redemption liabilities and lease liabilities. Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group's interest rate risk profile as monitored by management is set out in (i) below.

(i) **Interest rate risk profile**

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group at the end of each reporting period:

	Note	As at December 31			As at
		2022	2023	2024	September 30
		RMB'000	RMB'000	RMB'000	2025
				RMB'000	
Fixed rate instruments:					
Time deposits	15	253,496	264,177	162,551	148,519
Financial assets measured at amortised cost	14	3,487	3,453	3,419	—
Lease liabilities	24	(57,216)	(13,437)	(5,293)	(5,954)
Bank loans	23	(13,356)	(31,703)	(17,225)	(23,010)
Redemption liabilities	25	(1,456,113)	(1,572,602)	(1,698,768)	(1,799,423)
		<u>(1,269,702)</u>	<u>(1,350,112)</u>	<u>(1,555,316)</u>	<u>(1,679,868)</u>
Variable rate instruments:					
Bank loans	23	(43,480)	(51,013)	(44,303)	(56,003)
Cash at bank and restricted bank balance	21(a)	216,712	152,533	190,533	168,615
		<u>173,232</u>	<u>101,520</u>	<u>146,230</u>	<u>112,612</u>

(ii) **Sensitivity analysis**

At December 31, 2022, 2023, 2024 and September 30, 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's loss after tax and accumulated losses by approximately RMB1,732,000, RMB1,015,000, RMB1,462,000 and RMB1,126,000, respectively.

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 and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk 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 sensitivity analyses are performed on the same basis during the Track Record Period.

(d) **Fair value measurement**

(i) **Financial assets and liabilities measured at fair value**

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

32 COMMITMENTS

Commitments outstanding at the Track Record Period not provided for in the financial statements were as follows:

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Contracted for acquisition of property, plant and equipment and intangible assets	2,370	729	359	34

33 PLEDGE OF ASSETS

Details of the Group's pledged time deposits, restricted bank balances and PRC bonds for the Group's bank acceptance bills and guarantee letters are included in notes 15, 21 and 14 to the financial statements.

Details of the Group's bank deposits frozen as a result of the litigations are included in note 21 to the financial statements.

Details of the Group's assets pledged as security for bank loans are included in note 23 to the financial statements.

34 MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, transactions with the following parties are considered as related party transactions:

Name of related party	Relationship with the Group
Sichuan Wulianyida Science and Technology Co., Ltd.* 四川物聯億達科技有限公司	Entity Controlled by Mr. Gu Chunguang
S.F. Technology Co., Ltd.* 順豐科技有限公司	Entity with significantly influence in the Company
Hebei SF Express Co., Ltd.* 河北順豐速運有限公司	Entity with significantly influence in the Company
Hubei SF Express Co., Ltd.* 湖北順豐速運有限公司	Entity with significantly influence in the Company
SF Integrated Logistics (Shenzhen) Co., Ltd.* 深圳市順豐綜合物流服務有限公司	Entity with significantly influence in the Company
S.F. Express (Dongguan) Co., Ltd.* 順豐速運(東莞)有限公司	Entity with significantly influence in the Company
Sichuan SF Express Co., Ltd.* 四川順豐速運有限公司	Entity with significantly influence in the Company
SF Express (Huizhou) Co., Ltd.* 順豐速運(惠州)有限公司	Entity with significantly influence in the Company
SF Express Co., Ltd.* 順豐速運有限公司	Entity with significantly influence in the Company
Shenzhen Shuncheng Supply Chain Service Co., Ltd.* 深圳市順成供應鏈服務有限公司	Entity with significantly influence in the Company
Shenzhen SF International Supply Chain Management Co., Ltd.* 深圳順豐國際供應鏈管理有限公司	Entity with significantly influence in the Company
Zhejiang Shuangjie Supply Chain Technology Co., Ltd.* 浙江雙捷供應鏈科技有限公司	Entity with significantly influence in the Company
Shenzhen Fenglang Supply Chain Co., Ltd.* 深圳豐朗供應鏈有限公司	Entity with significantly influence in the Company
Shanghai Xinhong Newchuang Management Consulting Co., Ltd.* 上海鑫弘紐創管理諮詢有限公司	Non-controlling shareholder of Anhui Galaxis Technology Co., Ltd.
Anhui new automation equipment Co., Ltd.* 安徽紐創自動化設備股份有限公司	Entity Controlled by the ultimate controlling party of non-controlling shareholder of Anhui Galaxis Technology Co., Ltd.
Shanghai Aijiayu Automation Industry Technology Co., Ltd.* 上海艾加昱自動化工業技術有限公司	Entity Controlled by the ultimate controlling party of non-controlling shareholder of Shanghai Galaxis Automation Technology Co., Ltd.
Dongguan SF Taisen Logistics Management Co., Ltd.* 東莞順豐泰森物流管理有限公司	Entity with significantly influence in the Company

* The official name of this entity is in Chinese. The English translation is for identification purpose only.

(a) Key management personnel remuneration

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

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	2,244	2,257	2,458	1,714	2,625
Discretionary bonuses	–	–	50	38	236
Retirement scheme contributions	102	115	111	83	120
Equity-settled share-based payment expenses	171	171	171	128	656
	<u>2,517</u>	<u>2,543</u>	<u>2,790</u>	<u>1,963</u>	<u>3,637</u>

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

(b) Other transactions with related parties

	Year ended December 31			Nine months ended September 30	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Trade in nature:					
Sales of goods and service					
– S.F. Technology Co., Ltd.	–	35,861	–	–	–
– Hubei SF Express Co., Ltd.	–	–	205	52	44
– SF Integrated Logistics (Shenzhen) Co., Ltd.	60,010	–	–	–	–
– S.F. Express (Dongguan) Co., Ltd.	23	37,144	810	746	295
– SF Express Co., Ltd.	–	–	424	424	–
– Sichuan SF Express Co., Ltd.	–	9	–	–	–
– Anhui new automation equipment Co., Ltd.	–	1,839	–	–	–
– Shenzhen Shuncheng Supply Chain Service Co., Ltd.	12,478	65	–	–	–
– Shenzhen SF International Supply Chain Management Co., Ltd.	7,500	–	–	–	–
– Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	–	106	–	–	60
Purchase of goods and service					
– Sichuan Wulianyida Science and Technology Co., Ltd.	368	2,464	2,286	1,543	1,817
– S.F. Technology Co., Ltd.	–	–	8,467	8,467	–
– Anhui new automation equipment Co., Ltd.	5,563	–	–	–	–
Non-trade in nature:					
Right-of-use assets recognized					
– Dongguan SF Taisen Logistics Management Co., Ltd.	1,262	–	–	–	–
Payments for lease liabilities					
– Dongguan SF Taisen Logistics Management Co., Ltd.	273	273	273	273	–
Interest expenses on lease liabilities					
– Dongguan SF Taisen Logistics Management Co., Ltd.	56	30	9	9	–
Purchase of right-of-use assets					
– Anhui new automation equipment Co., Ltd.	4,938	–	–	–	–
Purchase of property, plant and equipment					
– Anhui new automation equipment Co., Ltd.	23,435	–	–	–	–
Acquisition of non-controlling interests					
– Shanghai Xinhong Newchuang Management Consulting Co., Ltd.	–	9,000	–	–	–

(c) Balances with related parties

	As at December 31						As at September 30	
	2022		2023		2024		2025	
	RMB'000		RMB'000		RMB'000		RMB'000	
	Gross carrying amount	Loss allowance						
Trade in nature:								
Trade and other receivables								
- S.F. Technology Co., Ltd.	-	-	12,719	113	724	45	2,211	44
- Hebei SF Express Co., Ltd.	107	7	-	-	-	-	-	-
- Hubei SF Express Co., Ltd.	-	-	-	-	197	5	30	1
- SF Integrated Logistics (Shenzhen) Co., Ltd.	20,460	136	300	7	6,720	160	-	-
- S.F. Express (Dongguan) Co., Ltd.	13	-	12,754	113	165	4	117	3
- Shenzhen Shuncheng Supply Chain Service Co., Ltd.	2,116	14	-	-	-	-	-	-
- Zhejiang Shuangjie Supply Chain Technology Co., Ltd.	-	-	120	1	-	-	-	-
- Shenzhen Fenglang Supply Chain Co., Ltd.	-	-	136	1	-	-	-	-
- Shanghai Aijiayu Automation Industry Technology Co., Ltd.	1,036	186	757	274	695	695	695	695
	<u>23,732</u>	<u>343</u>	<u>26,786</u>	<u>509</u>	<u>8,501</u>	<u>909</u>	<u>3,053</u>	<u>743</u>

	As at December 31						As at September 30	
	2022		2023		2024		2025	
	RMB'000		RMB'000		RMB'000		RMB'000	
	Gross carrying amount	Loss allowance						
Trade in nature:								
Contract assets								
- S.F. Technology Co., Ltd.	-	-	3,989	199	3,989	199	-	-
- SF Integrated Logistics (Shenzhen) Co., Ltd.	6,720	336	6,720	336	-	-	-	-
- S.F. Express (Dongguan) Co., Ltd.	-	-	4,100	205	4,100	205	-	-
- Shenzhen Shuncheng Supply Chain Service Co., Ltd.	1,417	71	-	-	-	-	-	-
- Shenzhen SF International Supply Chain Management Co., Ltd.	424	21	-	-	-	-	-	-
- Shenzhen Fenglang Supply Chain Co., Ltd.	136	7	-	-	-	-	-	-
	<u>8,697</u>	<u>435</u>	<u>14,809</u>	<u>740</u>	<u>8,089</u>	<u>404</u>	<u>-</u>	<u>-</u>

	As at December 31			As at September 30
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade in nature:				
Trade and other payables				
- Sichuan Wulianyida Science and Technology Co., Ltd.		575	2,462	698
- S.F. Technology Co., Ltd.		-	-	844
- Anhui new automation equipment Co., Ltd.		3,172	1,023	849
- Dongguan SF Taisen Logistics Management Co., Ltd.		20	-	-
		<u>3,767</u>	<u>3,485</u>	<u>2,391</u>
				<u>2,152</u>

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Trade in nature:				
Contract liabilities				
– S.F. Technology Co., Ltd.	12,445	3,936	9,469	16,892
– Hubei SF Express Co., Ltd.	–	17	–	–
– S.F. Express (Dongguan) Co., Ltd.	7,354	–	36	100
– Sichuan SF Express Co., Ltd.	8	–	–	–
	<u>19,807</u>	<u>3,953</u>	<u>9,505</u>	<u>16,992</u>

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade in nature:				
Lease liabilities				
– Dongguan SF Taisen Logistics Management Co., Ltd.	<u>1,045</u>	<u>535</u>	–	–

	As at December 31			As at
	2022	2023	2024	September 30
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade in nature:				
Trade and other payables				
– Shanghai Xinhong Newchuang Management Consulting Co., Ltd.	–	<u>5,987</u>	–	–

The non-trade balances of lease liabilities and trade and other payables with related parties as at December 31, 2023 were settled during the year ended December 31, 2024.

As at December 31, 2022, bank loans of RMB10,012,000 of the Group were guaranteed by the ultimate controlling parties of the non-controlling shareholders of Anhui Galaxis Technology Company Ltd.. The guarantee was released with the repayment of loans during the year ended December 31, 2023 (note 23(a)).

35 ULTIMATE CONTROLLING PARTY

The directors of the Company considered the ultimate controlling party of the Company as at the Track Record Period was Mr. Gu Chunguang.

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

Up to the date of issue of the Historical Financial Information, the IASB 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. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, Presentation and disclosure in financial statements	January 1, 2027
IFRS 19, Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined



The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for the year beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 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 IFRS 18 and IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

37 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have been occurred to the Company and its subsidiaries in respect of any period subsequent to September 30, 2025.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to September 30, 2025.