

**Jiangsu New Vision Automotive Electronics Co., Ltd.**  
(Incorporated in the People's Republic of China)

**Audited Financial Statements**

For the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025

Jiangsu New Vision Automotive Electronics Co., Ltd.

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**Independent auditor's report**  
**To the directors of Jiangsu New Vision Automotive Electronics Co., Ltd.**

**Opinion**

We have audited the consolidated financial statements of Jiangsu New Vision Automotive Electronics Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 4 to 106, which comprise the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 30 September 2025, and the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024, and the nine months ended 30 September 2025 (the "Relevant Periods"), and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025 and of the Group's consolidated financial performance and its consolidated cash flows for each of the Relevant Periods in accordance with the basis of preparation set out in notes 2.1 to the consolidated financial statements.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other matter**

Without modifying our opinion, we draw attention to the fact that the financial information for the nine months ended 30 September 2024 (the "Interim Comparative Information") is unaudited.

**Responsibilities of the directors for the consolidated financial statements**

The directors of the Company are responsible for the preparation of the consolidated financial statements, which also include the Interim Comparative Information, that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements for the Relevant Periods as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Restriction on distribution and use**

These consolidated financial statements are prepared for the purpose of preparation of financial information for inclusion in the prospectus of the Company in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited and accordingly may not be suitable for another purpose.

Our report is intended solely for the information and use by the directors of the Company and should not be distributed to or used by parties other than the Company.

*Ernst & Young*  
Certified Public Accountants  
Hong Kong  
16 March 2026

**Jiangsu New Vision Automotive Electronics Co., Ltd.**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Notes	Year ended 31 December			Nine months ended 30	
		2022	2023	2024	September	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
REVENUE	5	214,092	549,362	577,620	429,716	479,921
Cost of sales		<u>(165,709)</u>	<u>(408,932)</u>	<u>(419,749)</u>	<u>(312,441)</u>	<u>(365,027)</u>
<b>Gross profit</b>		<u>48,383</u>	<u>140,430</u>	<u>157,871</u>	<u>117,275</u>	<u>114,894</u>
Other income and gains	5	37,194	10,362	11,073	3,575	5,784
Selling and marketing expenses		(15,318)	(13,101)	(24,014)	(17,707)	(18,321)
Administrative expenses		(63,239)	(76,597)	(80,334)	(60,951)	(85,191)
Research and development expenses		(83,425)	(54,523)	(62,085)	(43,554)	(48,880)
Impairment (losses)/reversal on financial and contract assets, net		(1,987)	(8,542)	(147)	2,306	137
Other expenses		(3,552)	(3,689)	(7,694)	(4,525)	(244)
Finance costs	7	<u>(1,888)</u>	<u>(2,247)</u>	<u>(3,234)</u>	<u>(1,873)</u>	<u>(2,150)</u>
<b>Loss before fair value losses on redemption liabilities on equity shares</b>		<u>(83,832)</u>	<u>(7,907)</u>	<u>(8,564)</u>	<u>(5,454)</u>	<u>(33,971)</u>
Fair value losses on redemption liabilities on equity shares		<u>(172,312)</u>	<u>(166,656)</u>	<u>(127,992)</u>	<u>(121,371)</u>	<u>(306,975)</u>
<b>LOSS BEFORE TAX</b>	6	<u>(256,144)</u>	<u>(174,563)</u>	<u>(136,556)</u>	<u>(126,825)</u>	<u>(340,946)</u>
Income tax expense	10	<u>-</u>	<u>(55)</u>	<u>(1,295)</u>	<u>(979)</u>	<u>(2,739)</u>
<b>LOSS FOR THE YEAR/PERIOD</b>		<u>(256,144)</u>	<u>(174,618)</u>	<u>(137,851)</u>	<u>(127,804)</u>	<u>(343,685)</u>
Loss attributable to:						
Owners of the parent		(252,372)	(181,918)	(143,274)	(130,664)	(351,747)
Non-controlling interests		<u>(3,772)</u>	<u>7,300</u>	<u>5,423</u>	<u>2,860</u>	<u>8,062</u>
		<u>(256,144)</u>	<u>(174,618)</u>	<u>(137,851)</u>	<u>(127,804)</u>	<u>(343,685)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>						
Basic and diluted (RMB)		<u>(6.17)</u>	<u>(3.99)</u>	<u>(2.80)</u>	<u>(2.56)</u>	<u>(6.56)</u>

**Jiangsu New Vision Automotive Electronics Co., Ltd.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Year ended 31 December			Nine months ended 30	
	2022	2023	2024	September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
<b>LOSS FOR THE YEAR/PERIOD</b>	<u>(256,144)</u>	<u>(174,618)</u>	<u>(137,851)</u>	<u>(127,804)</u>	<u>(343,685)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	<u>(230)</u>	<u>(138)</u>	<u>169</u>	<u>7</u>	<u>(146)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD</b>	<u>(256,374)</u>	<u>(174,756)</u>	<u>(137,682)</u>	<u>(127,797)</u>	<u>(343,831)</u>
<b>Attributable to:</b>					
Owners of the parent	(252,600)	(181,982)	(143,153)	(130,733)	(351,903)
Non-controlling interests	<u>(3,774)</u>	<u>7,226</u>	<u>5,471</u>	<u>2,936</u>	<u>8,072</u>
	<u>(256,374)</u>	<u>(174,756)</u>	<u>(137,682)</u>	<u>(127,797)</u>	<u>(343,831)</u>

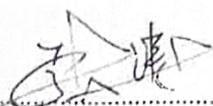
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Notes	As at 31 December			As at 30
		2022	2023	2024	September
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	13	59,686	64,879	65,450	105,329
Right-of-use assets	14(a)	13,245	11,219	10,886	28,571
Intangible assets	15	3,631	22,567	19,491	17,675
Other non-current assets	16	701	5,208	20	436
Contract assets	19	-	1,199	4,421	5,876
Financial assets at fair value through profit and loss	21	-	-	-	12,000
<b>Total non-current assets</b>		<u>77,263</u>	<u>105,072</u>	<u>100,268</u>	<u>169,887</u>
<b>CURRENT ASSETS</b>					
Inventories	18	66,264	78,171	89,310	116,968
Trade and bills receivables	19	124,023	285,823	295,697	277,681
Contract assets	19	3,083	11,269	1,968	7,347
Prepayments, other receivables and other assets	20	6,541	11,271	12,427	20,219
Financial assets at fair value through profit and loss	21	26,228	10,172	45,086	65,028
Restricted cash	22	-	-	945	1,628
Cash and cash equivalents	22	29,923	63,971	230,435	104,764
<b>Total current assets</b>		<u>256,062</u>	<u>460,677</u>	<u>675,868</u>	<u>593,635</u>
<b>CURRENT LIABILITIES</b>					
Trade payables	23	49,069	104,970	127,913	125,417
Other payables and accruals	24	42,443	46,334	52,537	57,712
Contract liabilities	25	15,493	10,505	5,681	13,770
Interest-bearing bank and other borrowings	26	46,667	40,037	89,104	103,075
Lease liabilities	14(b)	3,124	3,456	3,217	5,523
Redemption liabilities on equity shares	27	651,260	994,282	1,360,927	1,667,902
Warranty provision	29	428	1,099	1,155	1,280
Tax payable		-	55	1,295	1,795
<b>Total current liabilities</b>		<u>808,484</u>	<u>1,200,738</u>	<u>1,641,829</u>	<u>1,976,474</u>
<b>NET CURRENT LIABILITIES</b>		<u>(552,422)</u>	<u>(740,061)</u>	<u>(965,961)</u>	<u>(1,382,839)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(475,159)</u>	<u>(634,989)</u>	<u>(865,693)</u>	<u>(1,212,952)</u>
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing bank and other borrowings	26	-	-	23,000	-
Lease liabilities	14(b)	11,371	8,737	8,697	21,759
Deferred income	30	-	-	-	1,279
<b>Total non-current liabilities</b>		<u>11,371</u>	<u>8,737</u>	<u>31,697</u>	<u>23,038</u>
<b>NET LIABILITIES</b>		<u>(486,530)</u>	<u>(643,726)</u>	<u>(897,390)</u>	<u>(1,235,990)</u>

Jiangsu New Vision Automotive Electronics Co., Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Notes	As at 31 December			As at 30
		2022	2023	2024	September
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
<b>EQUITY</b>					
Equity attributable to owners of the parent					
Share capital	31	42,282	50,990	53,584	53,584
Reserves	32	(526,485)	(699,615)	(962,037)	(1,311,784)
		<u>(484,203)</u>	<u>(648,625)</u>	<u>(908,453)</u>	<u>(1,258,200)</u>
Non-controlling interests		<u>(2,327)</u>	<u>4,899</u>	<u>11,063</u>	<u>22,210</u>
<b>Total deficits</b>		<u>(486,530)</u>	<u>(643,726)</u>	<u>(897,390)</u>	<u>(1,235,990)</u>



Mr. Zhang Tao  
Executive Director and chairperson of the Board



Mr. Fan Xin  
Executive Director and general manager

Jiangsu New Vision Automotive Electronics Co., Ltd.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Year ended 31 December 2022

	Attributable to owners of the parent								Non-controlling interests	Total deficits
	Share capital	Share premium*	Other reserves*	Share-based payment reserve*	Fair value change of financial assets at fair value through other comprehensive income*	Accumulated deficits*	Total			
	RMB'000	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000	RMB'000	RMB'000
At 1 January 2022	40,288	291,799	(290,526)	28,068	(55)	(194,259)	(124,685)	(83)	(124,768)	
Loss for the year	-	-	-	-	-	(252,372)	(252,372)	(3,772)	(256,144)	
Other comprehensive loss for the year:										
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	(228)	-	(228)	(2)	(230)	
Total comprehensive loss for the year	-	-	-	-	(228)	(252,372)	(252,600)	(3,774)	(256,374)	
Capital injection from shareholders	1,994	65,627	-	-	-	-	67,621	-	67,621	
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	1,530	1,530	
Recognition of redemption liabilities on equity shares	-	-	(179,239)	-	-	-	(179,239)	-	(179,239)	
Share-based payment	-	-	-	4,700	-	-	4,700	-	4,700	
<b>At 31 December 2022</b>	<b>42,282</b>	<b>357,426</b>	<b>(469,765)</b>	<b>32,768</b>	<b>(283)</b>	<b>(446,631)</b>	<b>(484,203)</b>	<b>(2,327)</b>	<b>(486,530)</b>	

Jiangsu New Vision Automotive Electronics Co., Ltd.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

Year ended 31 December 2023

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total deficits RMB'000
	Share capital RMB'000	Share premium* RMB'000 (note 32)	Other reserves* RMB'000 (note 32)	Share-based payment reserve* RMB'000 (note 32)	Fair value change of financial assets at fair value through other comprehensive income* RMB'000 (note 32)	Accumulated deficits* RMB'000 (note 32)	Total RMB'000		
At 1 January 2023	42,282	357,426	(469,765)	32,768	(283)	(446,631)	(484,203)	(2,327)	(486,530)
Loss for the year	-	-	-	-	-	(181,918)	(181,918)	7,300	(174,618)
Other comprehensive loss for the year:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	(64)	-	(64)	(74)	(138)
Total comprehensive loss for the year	-	-	-	-	(64)	(181,918)	(181,982)	7,226	(174,756)
Capital injection from shareholders	8,708	163,943	-	-	-	-	172,651	-	172,651
Recognition of redemption liabilities on equity shares	-	-	(176,366)	-	-	-	(176,366)	-	(176,366)
Share-based payment	-	-	-	21,275	-	-	21,275	-	21,275
<b>At 31 December 2023</b>	<b>50,990</b>	<b>521,369</b>	<b>(646,131)</b>	<b>54,043</b>	<b>(347)</b>	<b>(628,549)</b>	<b>(648,625)</b>	<b>4,899</b>	<b>(643,726)</b>

Jiangsu New Vision Automotive Electronics Co., Ltd.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

Year ended 31 December 2024

	Attributable to owners of the parent						Non-controlling interests	Total deficits	
	Share capital	Share premium*	Other reserves*	Share-based payment reserve*	Fair value change of financial assets at fair value through other comprehensive income*	Accumulated deficits*			Total
	RMB'000	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000	RMB'000	
At 1 January 2024	50,990	521,369	(646,131)	54,043	(347)	(628,549)	(648,625)	4,899	(643,726)
Loss for the year	-	-	-	-	-	(143,274)	(143,274)	5,423	(137,851)
Other comprehensive income for the year:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	121	-	121	48	169
Total comprehensive loss for the year	-	-	-	-	121	(143,274)	(143,153)	5,471	(137,682)
Capital injection from shareholders	2,594	117,349	-	-	-	-	119,943	-	119,943
Recognition of redemption liabilities on equity shares	-	-	(238,653)	-	-	-	(238,653)	-	(238,653)
Share-based payment	-	-	-	2,035	-	-	2,035	693	2,728
<b>At 31 December 2024</b>	<b>53,584</b>	<b>638,718</b>	<b>(884,784)</b>	<b>56,078</b>	<b>(226)</b>	<b>(771,823)</b>	<b>(908,453)</b>	<b>11,063</b>	<b>(897,390)</b>

Jiangsu New Vision Automotive Electronics Co., Ltd.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

Nine months ended 30 September 2024 (unaudited)

	Attributable to owners of the parent							Non-controlling interests	Total deficits
	Share capital	Share premium*	Other reserves*	Share-based payment reserve*	Fair value change of financial assets at fair value through other comprehensive income*	Accumulated deficits*	Total		
	RMB'000	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000	RMB'000	RMB'000
At 1 January 2024	50,990	521,369	(646,131)	54,043	(347)	(628,549)	(648,625)	4,899	(643,726)
Loss for the period	-	-	-	-	-	(130,664)	(130,664)	2,860	(127,804)
Other comprehensive income for the period:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	(69)	-	(69)	76	7
Total comprehensive loss for the period	-	-	-	-	(69)	(130,664)	(130,733)	2,936	(127,797)
Capital injection from shareholders	314	14,380	-	-	-	-	14,694	-	14,694
Recognition of redemption liabilities on equity shares	-	-	(128,046)	-	-	-	(128,046)	-	(128,046)
Share-based payment	-	-	-	1,526	-	-	1,526	520	2,046
<b>At 30 September 2024</b>	<b>51,304</b>	<b>535,749</b>	<b>(774,177)</b>	<b>55,569</b>	<b>(416)</b>	<b>(759,213)</b>	<b>(891,184)</b>	<b>8,355</b>	<b>(882,829)</b>

Jiangsu New Vision Automotive Electronics Co., Ltd.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

Nine months ended 30 September 2025

	Attributable to owners of the parent						Non-controlling interests	Total deficits	
	Share capital	Share premium*	Other reserves*	Share-based payment reserve*	Fair value change of financial assets at fair value through other comprehensive income*	Accumulated deficits*			Total
	RMB'000	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000	RMB'000	
At 1 January 2025	53,584	638,718	(884,784)	56,078	(226)	(771,823)	(908,453)	11,063	(897,390)
Loss for the period	-	-	-	-	-	(351,747)	(351,747)	8,062	(343,685)
Other comprehensive loss for the period:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	(156)	-	(156)	10	(146)
Total comprehensive loss for the period	-	-	-	-	(156)	(351,747)	(351,903)	8,072	(343,831)
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	2,220	2,220
Share-based payment	-	-	-	2,156	-	-	2,156	855	3,011
<b>At 30 September 2025</b>	<b>53,584</b>	<b>638,718</b>	<b>(884,784)</b>	<b>58,234</b>	<b>(382)</b>	<b>(1,123,570)</b>	<b>(1,258,200)</b>	<b>22,210</b>	<b>(1,235,990)</b>

\* The reserve accounts comprise the consolidated reserves of RMB(526,485,000), RMB(699,615,000), RMB(962,037,000), RMB(942,488,000) and RMB(1,311,784,000) in the consolidated statements of financial position as at 31 December 2022, 2023, 2024 and 30 September 2024 and 2025, respectively.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Loss before tax		(256,144)	(174,563)	(136,556)	(126,825)	(340,946)
Adjustments for:						
Finance costs	7	1,888	2,247	3,234	1,873	2,150
Bank interest income	5	(795)	(637)	(364)	(295)	(346)
Investment income from structured deposits	5	(394)	(681)	(649)	(346)	(983)
Losses on disposal of items of property, plant and equipment	6	34	4,475	5,053	1,834	25
Losses on disposal of intangible assets		-	642	60	60	-
Depreciation of property, plant and equipment	13	8,925	14,906	23,474	16,493	14,407
Depreciation of right-of-use assets	14(a)	2,613	3,525	3,866	2,867	4,887
Amortisation of intangible assets	15	2,627	1,144	4,146	2,753	3,878
Loss/(reversal) of impairment on inventories		3,518	(1,838)	1,988	1,736	226
Loss of impairment on financial and contract assets	6	1,987	8,542	147	(2,306)	(137)
Fair value losses on redemption liabilities on equity shares	27	172,312	166,656	127,992	121,371	306,975
Share-based payment expense	6	4,700	21,275	2,728	2,046	3,011
Effect of foreign exchange differences, net	5	190	(152)	(3)	(3)	49
(Increase)/decrease in inventories		(38,533)	(10,069)	(13,127)	3,894	(27,884)
Increase in trade and bills receivables		(83,997)	(169,800)	(17,495)	(26,156)	(926)
(Increase)/decrease in contract assets		(2,982)	(10,116)	5,460	3,013	(6,919)
(Increase)/decrease in prepayments, other receivables and other assets		1,929	(4,680)	(1,164)	(2,609)	(1,829)
Increase in restricted cash		-	-	(945)	(190)	(683)
(Increase)/decrease in other non-current assets		(5,761)	(4,507)	5,188	3,660	-
Increase/(decrease) in trade payables		18,658	55,901	22,943	1,200	(2,496)
Increase/(decrease) in other payables and accruals		19,733	(23,089)	(2,328)	6,838	(9,027)
Increase/(decrease) in contract liabilities		8,607	(4,988)	(4,824)	3,341	8,089
Increase in warranty provision		199	671	56	47	125
Increase in deferred income		-	-	-	-	1,279
Cash (used in)/generated from operations		(140,686)	(125,136)	28,880	14,296	(47,075)
Interest received		795	637	364	295	346
Income tax paid		-	-	(55)	(55)	(2,240)
<b>Net cash flows (used in)/from operating activities</b>		<b>(139,891)</b>	<b>(124,499)</b>	<b>29,189</b>	<b>14,536</b>	<b>(48,969)</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of items of property, plant and equipment		(25,892)	(11,208)	(12,214)	(10,718)	(41,057)
Purchases of intangible assets		(2,525)	(7,163)	(9,482)	(6,774)	(2,312)
Proceeds from disposal of items of property, plant and equipment		40	55	-	-	-
Purchases of financial assets at fair value through profit and loss		(72,606)	(76,756)	(84,351)	(69,654)	(197,915)
Proceeds from maturity of financial assets through profit and loss		101,772	93,493	50,085	35,085	166,959
Net cash flows from/(used in) investing activities		<u>789</u>	<u>(1,579)</u>	<u>(55,962)</u>	<u>(52,061)</u>	<u>(74,325)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Net proceeds of capital injection from shareholders		67,621	172,652	119,943	14,694	-
Capital injection from non-controlling shareholders		1,530	-	-	-	2,220
New interest-bearing bank loans and other borrowings		52,735	41,250	138,520	66,326	69,928
Repayment of interest-bearing bank loans		(25,220)	(47,240)	(58,220)	(30,000)	(60,000)
Lease payments		(2,613)	(4,415)	(4,322)	(3,873)	(7,815)
Interest paid		(581)	(2,273)	(2,687)	(1,428)	(1,467)
Payments on listing expenditures		-	-	-	-	(5,194)
Net cash flows from/(used in) financing activities		<u>93,472</u>	<u>159,974</u>	<u>193,234</u>	<u>45,719</u>	<u>(2,328)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>						
		(45,630)	33,896	166,461	8,194	(125,622)
Cash and cash equivalents at beginning of year/period		75,743	29,923	63,971	63,971	230,435
Effect of foreign exchange differences, net		(190)	152	3	3	(49)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD</b>		<u>29,923</u>	<u>63,971</u>	<u>230,435</u>	<u>72,168</u>	<u>104,764</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>						
Cash and bank balances	22	29,923	63,971	231,380	72,358	106,392
Less: Restricted cash	22	-	-	945	190	1,628
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows		<u>29,923</u>	<u>63,971</u>	<u>230,435</u>	<u>72,168</u>	<u>104,764</u>

**STATEMENTS OF FINANCIAL POSITION OF THE COMPANY**

	Notes	As at 31 December			As at 30
		2022	2023	2024	September
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	13	55,369	63,201	64,987	109,448
Right-of-use assets	14(a)	11,137	9,266	8,540	24,086
Intangible assets	15	2,832	21,662	17,912	16,351
Other non-current assets	16	201	-	20	176
Investments in subsidiaries	17	13,414	13,862	153,136	155,745
Contract assets	19	-	1,199	1,165	200
Financial assets at fair value through profit and loss	21	-	-	-	12,000
<b>Total non-current assets</b>		<b>82,953</b>	<b>109,190</b>	<b>245,760</b>	<b>318,006</b>
<b>CURRENT ASSETS</b>					
Inventories	18	59,701	83,729	116,248	147,120
Trade and bills receivables	19	72,146	159,206	211,309	182,654
Contract assets	19	3,083	2,660	-	638
Due from subsidiaries	36	143,462	275,725	210,617	239,239
Prepayments, other receivables and other assets	20	1,929	1,751	4,686	8,655
Financial assets at fair value through profit and loss	21	21,220	10,172	45,086	15,013
Restricted cash	22	-	-	945	1,628
Cash and cash equivalents	22	16,294	47,016	87,334	57,146
<b>Total current assets</b>		<b>317,835</b>	<b>580,259</b>	<b>676,225</b>	<b>652,093</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	23	48,618	103,265	123,333	118,356
Due to subsidiaries	36	2,310	43,158	49,772	130,068
Other payables and accruals	24	24,631	31,160	40,402	37,762
Contract liabilities	25	12,240	9,666	5,620	10,515
Interest-bearing bank and other borrowings	26	46,667	38,035	89,104	103,075
Lease liabilities	14(b)	1,734	1,870	2,099	3,388
Redemption liabilities on equity shares	27	651,260	994,282	1,360,927	1,667,902
Warranty provision	29	432	1,006	1,070	1,121
<b>Total current liabilities</b>		<b>787,892</b>	<b>1,222,442</b>	<b>1,672,327</b>	<b>2,072,187</b>
<b>NET CURRENT LIABILITIES</b>		<b>(470,057)</b>	<b>(642,183)</b>	<b>(996,102)</b>	<b>(1,420,094)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(387,104)</b>	<b>(532,993)</b>	<b>(750,342)</b>	<b>(1,102,088)</b>
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing bank and other borrowings	26	-	-	23,000	-
Lease liabilities	14(b)	10,502	8,633	7,687	20,216
Deferred income	30	-	-	-	1,279
<b>Total non-current liabilities</b>		<b>10,502</b>	<b>8,633</b>	<b>30,687</b>	<b>21,495</b>
<b>NET LIABILITIES</b>		<b>(397,606)</b>	<b>(541,626)</b>	<b>(781,029)</b>	<b>(1,123,583)</b>
<b>EQUITY</b>					
Share capital	31	42,282	50,990	53,584	53,584
Reserves	32	(439,888)	(592,616)	(834,613)	(1,177,167)
<b>Total deficits</b>		<b>(397,606)</b>	<b>(541,626)</b>	<b>(781,029)</b>	<b>(1,123,583)</b>

NOTES TO FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Jiangsu New Vision Automotive Electronics Co., Ltd. (the “Company”) was registered in the People’s Republic of China (the “PRC”) on 29 May, 2015 as a joint stock limited liability company under the Company Law of the PRC. The registered office address of the Company is located at Building 1, Automobile Electronics Industrial Park, No. 3 Tianyue Road, Automobile Industry Park, Yizheng, Yangzhou City, Jiangsu Province, the PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the “Group”) were principally engaged in research and development and production and sale of head-up display (“HUD”) solutions, testing solutions and other innovative initiatives.

At the end of the Relevant Periods, the Company had direct interests in all subsidiaries, all of which are private limited liability companies. The particulars of which are set out below:

Name	Notes	Place and date of registration and place of operations	Issued share capital/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
New Vision (Xi’an) Automotive Electronics Co., Ltd.	(a), (b)	PRC/ Chinese Mainland 13 May, 2021	RMB 10,000,000	100%	-	Research and development of automotive components
New Vision (Chongqing) Automotive Electronics Co., Ltd.	(a), (c)	PRC/ Chinese Mainland 30 September, 2021	RMB 10,000,000	100%	-	Sale of automotive components
Jilin New Vision Automotive Electronics Co., Ltd.	(a), (d)	PRC/ Chinese Mainland 29 September, 2021	RMB 10,000,000	51%	-	Sale of automotive components
New Vision (Ningbo) Automotive Electronics Co., Ltd.	(f)	PRC/ Chinese Mainland 22 August, 2024	RMB 125,000,000	100%	-	Sale of automotive components
Shanghai Sirius Testing Technology Co., Ltd.	(a), (e)	PRC/ Chinese Mainland 20 October, 2021	RMB 5,000,000	85%	-	Manufacture, research and sale of testing solutions
NEOVISION (Hong Kong) Limited	(f)	Hong Kong 25 March, 2025	HKD 1	100%	-	Sale of automotive components
GIRAFFEVISION PTE. LTD.	(f)	Singapore 28 April, 2025	SGD 10,000	100%	-	Sale of automotive components
GIRAFFEVISION KFT	(f)	Hungary 28 August, 2025	HUF 5,000,000	-	100%	Manufacture and sale of automotive components

Continued/...

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**1 CORPORATE INFORMATION (continued)**

*Notes:*

- (a) The statutory financial statements of these entities for the year ended 31 December 2022 prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Yangzhou Branch, Gongzheng Tianye Certified Public Accountants, a certified public accounting firm registered in the PRC.
- (b) The statutory financial statements of entity for the year ended 31 December 2023 prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Yangzhou Xinyang Certified Public Accountants Co., Ltd, a certified public accounting firm registered in the PRC.
- (c) The statutory financial statements of entity for the year ended 31 December 2023 prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Yangzhou Branch, Gongzheng Tianye Certified Public Accountants, a certified public accounting firm registered in the PRC.
- (d) The statutory financial statements of entity for the year ended 31 December 2023 prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Shenzhen Jintian Certified Public Accountants (Common Cooperate), a certified public accounting firm registered in the PRC.
- (e) The statutory financial statements of entity for the year ended 31 December 2023 prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Hua Jian Certified Public Accountants (Shenzhen) Co., Ltd., a certified public accounting firm registered in the PRC.
- (f) No audited financial statements have been prepared for these entities since their dates of incorporation.

**2.1 BASIS OF PREPARATION**

The financial statements are prepared for the purpose of preparation of financial information for inclusion in the listing documents of the Company in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. They have been prepared in accordance with IFRS Accounting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board("IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the financial statements throughout the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025(the "Relevant Periods"). The Group has previously prepared financial statements under Chinese Accounting Standards for Business Enterprises ("CASBE"as issued by the Ministry of Finance of the People's Republic of China. These financial statements are the first financial statements prepared by the Group in accordance with IFRS Accounting Standards. Accordingly, IFRS 1(Revised) "First-time adoption of international Financial Reporting Standards" has been applied in preparing these financial statements and the transition date is 1 January 2022. There were no material adjustments to the financial information arising from the transition from CASBE to IFRS Accounting Standards.

The financial statements have been prepared under the historical cost convention except for Redemption liabilities on equity shares and certain financial instruments which have been measured at fair value.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.1 BASIS OF PREPARATION (continued)

The Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 30 September 2025, the Group recorded net current liabilities and net liabilities amounting to RMB1,382,839,000 and RMB1,235,990,000, respectively. The net current liabilities and net liabilities primarily arose from the redemption liabilities on equity shares amounting to RMB1,667,902,000 as at 30 September 2025. As set out in the paragraph headed “Special rights of the Pre-IPO Investors — HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE” to this document, pursuant to a supplemental agreement entered into by the Company with, among others, the then shareholders of the Company, the redemption feature has ceased to be effective prior to the first submission of the listing application to the Stock Exchange for the purpose of the Global Offering, and will only be exercisable if:

- (i) the listing application of the Company is not accepted or voluntarily withdrawn;
- (ii) the listing application fails to pass the filing with CSRC, or fails to pass the review, approval, or registration with the Stock Exchange;
- (iii) the Joint Sponsors withdraw sponsorship, resulting in terminating of listing application;
- (iv) the listing application is advised to be withdrawn, resulting in terminating of listing application;
- (v) the Listing does not take place prior to 31 December, 2027; or
- (vi) the Listing does not take place within 24 months of the Listing approval from Stock Exchange.

Based on the Group’s historical performance and management’s operating and financing plans, the directors of the Company believe the cash and cash equivalents and the operating and financing cash flows are sufficient to meet the cash requirements to fund the Group’s planned operations, capital expenditures and other obligations for at least the next twelve months after 30 September 2025. Therefore, the Historical Financial Information has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

#### Basis of consolidation

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation (continued)

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

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

### 2.2 FIRST-TIME ADOPTION OF IFRS ACCOUNTING STANDARDS

In preparing these consolidated financial statements, the Group's opening statement of financial position was prepared as at 1 January 2022, being the date of transition to IFRS Accounting Standards.

#### Reconciliation of equity

As at 1 January 2022 (date of transition to IFRS Accounting Standards) and 31 December 2021 (the end of the latest period of the most recent annual financial statements under CASBE), there were no reclassifications or remeasurements to equity arising from the transition from CASBE to IFRS Accounting Standards.

#### Reconciliation of total comprehensive income

During the year ended 31 December 2021 (the latest period of the most recent annual financial statements under CASBE), there were no reclassifications or remeasurements to total comprehensive income arising from the transition from CASBE to IFRS Accounting Standards.

#### Reconciliation of cash flows

The transition of CASBE to IFRS Accounting Standards did not have any adjustments to the cash flows

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>2</sup></i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>1</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency<sup>2</sup></i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

The application of IFRS 18 will have no impact on the consolidated statement of financial position of the Group, but will have impact on the presentation of the consolidated statement of profit or loss and the consolidated statement of comprehensive income and consolidated statements of cash flows. Except for IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3 MATERIAL ACCOUNTING POLICIES

#### Fair value measurement

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

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

#### Impairment of non-financial assets

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets (continued)

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

#### Related parties

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

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Motor vehicles	19% to 31.67%
Electronic and office equipment	19% to 31.67%
Machinery and others	9.5% to 31.67%

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

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

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

#### Intangible assets (other than goodwill)

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Intangible assets (other than goodwill) (continued)

Intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software	3 to 10 years
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#### *Research and development expenses*

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

#### Leases

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

#### *Group as a lessee*

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

#### (a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	3 to 10 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### (b) Lease liabilities

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Leases (continued)

##### *Group as a lessee* (continued)

##### (b) Lease liabilities (continued)

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

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

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

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

#### Investments and other financial assets

##### *Initial recognition and measurement*

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### *Initial recognition and measurement (continued)*

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

##### *Subsequent measurement*

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

##### *Financial assets at amortised cost (debt instruments)*

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

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

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

##### Financial assets at fair value through profit or loss

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

##### Derecognition of financial assets

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Impairment of financial assets

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

#### *General approach*

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

##### *Simplified approach*

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

#### Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade payables, other payables and accruals, redemption liabilities on equity share, interest-bearing bank loans and lease liabilities.

##### *Subsequent measurement*

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

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

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

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

##### *Financial liabilities measured at fair value through profit or loss*

Financial liabilities measured at fair value through profit or loss include redemption liabilities on equity shares.

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Financial liabilities (continued)

##### *Derecognition of financial liabilities*

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

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

#### Inventories

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

#### Cash and cash equivalents

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

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

#### Provisions

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

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

The Group provides for warranties in relation to the sale of HUD solutions and test solutions during the warranty period. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The warranty-related cost is revised annually.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Income tax

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

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

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

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Government grants

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

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

#### Revenue recognition

##### *Revenue from contracts with customers*

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

##### *(a) Sale of HUD solutions*

The Group collaborates with leading automotive OEMs (original equipment manufacturer) for the development and deployment of powerful and advanced HUD solutions that can be customised at both software and hardware levels to meet the specific needs of their vehicle models. The solution is typically integrated into automotive components such as HUD products for delivery, and revenue is recognized when the Group transfers the control over automotive components to customer (i.e. goods accepted by customer) or satisfies the performance obligation in the contract.

##### *(b) Sale of test solutions*

The Group's testing solutions, focused on HUDs and whole vehicle and automotive-grade optoelectronic device testing, create synergies with HUD solutions. The Group typically delivers corresponding solutions through the handover of testing equipment and tooling, and revenue is recognized when the Group transfers the control over test solutions to customer (i.e. goods accepted by customer) or satisfies the performance obligation in the contract.

##### *(c) Others*

The Group provide research and development services and tooling development activities for customer as well as provide components. Revenue from tooling is recognized when the Group transfers the control over products to customer, obtains the verification report and the consent of mass production of relevant products from customer or satisfies the performance obligation in the contract.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### *Other income*

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

#### Contract assets

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

#### Contract liabilities

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

#### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify; and
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

#### Share-based payments

The Group operates several share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 33 to the Historical Financial Information.

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 2.3. MATERIAL ACCOUNTING POLICIES (continued)

#### Share-based payments (continued)

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

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

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

#### Other employee benefits

##### *Pension schemes*

The employees of the Group which operates in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

##### Borrowing costs

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

#### Judgements

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

#### *Classification of financial assets*

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within) and, in particular, the way those risks are managed. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, it is necessary for the Group to consider the reason, timing, frequency, and value of sales prior to the maturity date.

#### Estimation uncertainty

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

#### *Provision for expected credit losses on trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letter of credit and other form of credit insurance).

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the Historical Financial Information.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

##### *Recognition of income taxes and deferred tax assets*

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

##### *Impairment of non-financial assets (other than goodwill)*

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### *Share-based payments*

Several employee incentive schemes are operated for the purpose of providing incentives to the Company's directors and the Group's employees. The grant date fair values of the shares of the employee incentive schemes are determined based on independent valuation. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. However, this estimate may be revised if the number of equity instruments that will ultimately vest changes in the future. Further details are contained in note 33 to the Historical Financial Information.

##### *Fair value of redemption liabilities on equity shares*

The instruments issued to investors are not traded in an active market and the respective fair value is determined by using valuation techniques, including the back-solve method, discounted cash flow method, option pricing method and Black-Scholes model. Such valuation is based on key parameters about discount rate, risk-free interest rate, discounts for lack of marketability and volatility, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 27 to the Historical Financial Information.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**4. OPERATING SEGMENT INFORMATION AND REVENUE**

For management purposes, the Group is not organised into business units based on their services and products and only has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

*Geographical information*

Almost all the non-current assets of the Group are physically located in Chinese Mainland. The geographical location of customers is based on the location at which the customers operate, and almost all of the revenue of the Group was derived from operations in Chinese Mainland during the Relevant Periods.

*Information about major customers*

Information about external customers from which the revenue amounted to over 10% of the total revenue of the Group during the Relevant Periods is set out below:

	Year ended 31 December			Nine months ended 30	
	2022	2023	2024	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Customer A	*	143,482	134,004	99,887	77,148
Customer B	101,896	93,777	126,758	91,101	87,456
Customer C	*	106,480	80,487	64,931	82,399
Customer D	*	*	75,188	47,521	87,623
Customer E	46,936	121,918	*	*	*
Customer F	23,387	*	*	*	*
Customer G	*	*	*	*	64,060
Customer H	*	*	*	*	50,546

\* Less than 10% of the Group's revenue

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**5. REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	Year ended 31 December			Nine months ended 30	
	2022	2023	2024	September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	<u>214,092</u>	<u>549,362</u>	<u>577,620</u>	<u>429,716</u>	<u>479,921</u>

**Revenue from contracts with customers**

(a) Disaggregated revenue information

	Year ended 31 December			Nine months ended 30	
	2022	2023	2024	September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Types of goods</b>					
Sales of HUD solutions	171,186	494,541	540,574	400,635	448,355
Sales of testing solutions	8,347	15,223	32,407	24,647	15,936
Others	34,559	39,598	4,639	4,434	15,630
Total	<u>214,092</u>	<u>549,362</u>	<u>577,620</u>	<u>429,716</u>	<u>479,921</u>

**Timing of revenue recognition**

Goods transferred at a point in time	<u>214,092</u>	<u>549,362</u>	<u>577,620</u>	<u>429,716</u>	<u>479,921</u>
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Since almost all of the revenue of the Group was derived from operations in Chinese Mainland during the Relevant Periods, revenue from the overseas markets of the Group was assessed as not material.

The following table shows the amounts of revenue recognized in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognized from performance obligations satisfied in previous periods:

	Year ended 31 December			Nine months ended 30	
	2022	2023	2024	September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in contract liabilities at beginning of the reporting period:					
Sale of products	<u>6,885</u>	<u>15,493</u>	<u>10,505</u>	<u>6,821</u>	<u>2,457</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**5. REVENUE, OTHER INCOME AND GAINS (continued)**

Revenue from contracts with customers (continued)

(b) Performance obligations

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

*Sale of HUD solutions*

The performance obligation is satisfied after the customer completes the inspection and confirms the receipt and payment generally varies from 60 days to 120 days after issuing the invoice.

*Sale of testing solutions*

The performance obligation is satisfied upon acknowledgement of completion of testing solutions from the customer and payment generally varies from 60 days to 90 days after issuing the invoice. Partial upfront payment is made in advance.

*Others*

Others mainly represent provision of research and development services and tooling development services for the customer as well as sale of certain components. The performance obligation is satisfied upon acknowledgement of receipt from the customer and payment generally varies from 30 days to 120 days after issuing the invoice.

As the original expected duration of the contracts from customers of the Group are within one year or less, the Group applies the practical expedient of not disclosing the transaction prices allocated to the remaining performance obligation.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
<u>Other income</u>					
Government grants	34,958	5,234	7,601	915	2,012
Bank interest income	795	637	364	295	346
Investment income from structured deposits	394	681	649	346	983
Value-added tax ("VAT") additional deduction	348	3,245	2,617	1,763	2,160
Others	42	322	187	130	578
Total other income	<u>36,537</u>	<u>10,119</u>	<u>11,418</u>	<u>3,449</u>	<u>6,079</u>
<u>Gains</u>					
Gain on sales of items of property, plant and equipment	40	55	-	-	-
Gain/(loss) on sales of scrap materials, net	807	36	(348)	123	(246)
Foreign exchange differences, net	(190)	152	3	3	(49)
Total gains	<u>657</u>	<u>243</u>	<u>(345)</u>	<u>126</u>	<u>(295)</u>
Total other income and gains, net	<u>37,194</u>	<u>10,362</u>	<u>11,073</u>	<u>3,575</u>	<u>5,784</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. LOSS BEFORE TAX

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

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost of inventories and services sold		165,709	408,932	419,749	312,441	365,027
Depreciation of property, plant and equipment *	13	8,925	14,906	23,474	16,493	14,407
Depreciation of right-of-use assets *	14	2,613	3,525	3,866	2,867	4,887
Amortisation of intangible assets *	15	2,627	1,144	4,146	2,753	3,878
Lease payments not included in the measurement of lease liabilities		1,312	597	-	-	724
Research and development expenses		83,425	54,523	62,085	43,554	48,880
Fair value losses on redemption liabilities on equity shares		172,312	166,656	127,992	121,371	306,975
Foreign exchange differences, net	5	190	(152)	(3)	(3)	49
Bank interest income	5	(795)	(637)	(364)	(295)	(346)
Investment income from structured deposits	5	(394)	(681)	(649)	(346)	(983)
Impairment loss on financial assets and contract assets		1,987	8,542	147	(2,306)	(137)
Losses on disposal of items of property, plant and equipment		34	4,475	5,053	1,834	25
Gain on sales of items of property, plant and equipment	5	(40)	(55)	-	-	-
Listing expenses		-	-	-	-	16,247
Employee benefit expenses (including directors' and chief executive's remuneration (note 8))*						
Wages and salaries		91,014	96,925	102,846	78,151	87,339
Pension scheme contributions and social welfare		20,193	16,241	13,694	10,579	11,223
Share-based payments		4,700	21,275	2,728	2,046	3,011

\* The depreciation of property, plant and equipment, amortisation of intangible assets, and depreciation of right-of-use assets and employee benefit expenses are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses", and "Research and development expenses" in profit or loss.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**7. FINANCE COSTS**

An analysis of finance costs is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank and other borrowings	1,232	1,633	2,724	1,487	1,539
Interest on lease liabilities	656	614	510	386	611
Total	<u>1,888</u>	<u>2,247</u>	<u>3,234</u>	<u>1,873</u>	<u>2,150</u>

**8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION**

Directors', supervisors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fees	-	708	500	375	375
Other emoluments:					
Salaries, allowances and benefits in kind	3,201	2,740	3,380	2,533	2,776
Performance related bonuses	666	25	1,670	1,252	1,359
Pension scheme contributions	208	242	184	140	128
Share-based payments	659	19,207	41	32	32
Total	<u>4,734</u>	<u>22,922</u>	<u>5,775</u>	<u>4,332</u>	<u>4,670</u>

During the Relevant Periods, certain directors were granted restricted shares, in respect of their services to the Group, under the Share Incentive Schemes of the Company, further details of which are set out in note 33 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss over the vesting period. The amounts of the share-based payment expenses during the Relevant Periods are included in the above directors' and chief executive's remuneration disclosures.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Directors, chief executive and supervisors

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payments RMB'000	Total remuneration RMB'000
Year ended 31 December 2022						
Executive directors:						
Mr. Zhang Tao (i)	-	666	31	63	-	760
Mr. Zhang Bo (ii)	-	564	45	38	-	647
Mr. Fan Xin (iii)	-	1,278	295	66	-	1,639
Non-executive directors:						
Mr. Ma Jun (i)	-	-	-	-	616	616
Mr. Hu Bin (iv)	-	-	-	-	-	-
Mr. Hu Zhejun (ii)	-	-	-	-	-	-
Mr. Koh Tuck Lye (v)	-	-	-	-	-	-
Mr. Shen Wenchun (vi)	-	-	-	-	-	-
Supervisors:						
Mr. Zhang Ningbo (viii)	-	693	295	41	43	1,072
Ms. Guo Hui (ii)	-	-	-	-	-	-
Ms. Guo Huijun (ii)	-	-	-	-	-	-
Ms. Xiao Jiangyu (x)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,201</b>	<b>666</b>	<b>208</b>	<b>659</b>	<b>4,734</b>
Year ended 31 December 2023						
Executive directors:						
Mr. Zhang Tao (i)	-	518	-	68	18,889	19,475
Mr. Zhang Bo (ii)	-	442	-	40	262	744
Mr. Fan Xin (iii)	-	1,062	-	74	-	1,136
Non-executive directors:						
Mr. Ma Jun (i)	708	-	-	-	-	708
Mr. Hu Bin (iv)	-	-	-	-	-	-
Mr. Hu Zhejun (ii)	-	-	-	-	-	-
Mr. Koh Tuck Lye(v)	-	-	-	-	-	-
Mr. Shen Wenchun (vi)	-	-	-	-	-	-
Mr. You Tianyu (xi)	-	-	-	-	-	-
Supervisors:						
Mr. Zhang Ningbo (viii)	-	718	25	60	56	859
Ms. Guo Hui (ii)	-	-	-	-	-	-
Ms. Xiao Jiangyu (x)	-	-	-	-	-	-
<b>Total</b>	<b>708</b>	<b>2,740</b>	<b>25</b>	<b>242</b>	<b>19,207</b>	<b>22,922</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Directors, chief executive and supervisors (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payments RMB'000	Total remuneration RMB'000
Year ended 31 December 2024						
Executive directors:						
Mr. Zhang Tao (i)	-	676	144	71	-	891
Mr. Zhang Bo (ii)	-	572	660	17	-	1,249
Mr. Fan Xin (iii)	-	1,288	660	71	-	2,019
Non-executive directors:						
Mr. Ma Jun (i)	500	-	-	-	-	500
Mr. Hu Bin (iv)	-	-	-	-	-	-
Mr. Hu Zhejun (ii)	-	-	-	-	-	-
Mr. Chen Gushen (vi)	-	-	-	-	-	-
Mr. You Tianyu (xi)	-	-	-	-	-	-
Ms. Zheng Shiyong (vii)	-	-	-	-	-	-
Supervisors:						
Mr. Zhang Ningbo (viii)	-	844	206	25	41	1,116
Ms. Guo Hui (ii)	-	-	-	-	-	-
Mr. Shan Chao (ix)	-	-	-	-	-	-
Ms. Xiao Jiangyu (x)	-	-	-	-	-	-
<b>Total</b>	<b>500</b>	<b>3,380</b>	<b>1,670</b>	<b>184</b>	<b>41</b>	<b>5,775</b>
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payments RMB'000	Total remuneration RMB'000
Nine months ended 30 September 2024 (Unaudited)						
Executive directors:						
Mr. Zhang Tao (i)	-	507	108	53	-	668
Mr. Zhang Bo (ii)	-	430	495	13	-	938
Mr. Fan Xin (iii)	-	959	495	53	-	1,507
Non-executive directors:						
Mr. Ma Jun (i)	375	-	-	-	-	375
Mr. Hu Bin (iv)	-	-	-	-	-	-
Mr. Hu Zhejun (ii)	-	-	-	-	-	-
Mr. Chen Gushen (vi)	-	-	-	-	-	-
Mr. You Tianyu (xi)	-	-	-	-	-	-
Ms. Zheng Shiyong (vii)	-	-	-	-	-	-
Supervisors:						
Mr. Zhang Ningbo (viii)	-	637	154	21	32	844
Ms. Guo Hui (ii)	-	-	-	-	-	-
Mr. Shan Chao (ix)	-	-	-	-	-	-
Ms. Xiao Jiangyu (x)	-	-	-	-	-	-
<b>Total</b>	<b>375</b>	<b>2,533</b>	<b>1,252</b>	<b>140</b>	<b>32</b>	<b>4,332</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Directors, chief executive and supervisors (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payments RMB'000	Total remuneration RMB'000
Nine months ended 30 September 2025						
Executive directors:						
Mr. Zhang Tao (i)	-	591	119	53	-	763
Mr. Zhang Bo (ii)	-	514	520	11	-	1,045
Mr. Fan Xin (iii)	-	1,048	535	53	-	1,636
Non-executive directors:						
Mr. Ma Jun (i)	375	-	-	-	-	375
Mr. Hu Bin (iv)	-	-	-	-	-	-
Mr. Hu Zhejun (ii)	-	-	-	-	-	-
Mr. Chen Gushen (vi)	-	-	-	-	-	-
Mr. You Tianyu (xi)	-	-	-	-	-	-
Ms. Zheng Shiyong (vii)	-	-	-	-	-	-
Ms. Young Meng Ying(xii)	-	-	-	-	-	-
Ms. Sun Hui(xii)	-	-	-	-	-	-
Prof. Bai Jian(xii)	-	-	-	-	-	-
Supervisors:						
Mr. Zhang Ningbo (viii)	-	623	185	11	32	851
Ms. Guo Hui (ii)	-	-	-	-	-	-
Mr. Shan Chao (ix)	-	-	-	-	-	-
Ms. Xiao Jiangyu (x)	-	-	-	-	-	-
Total	<u>375</u>	<u>2,776</u>	<u>1,359</u>	<u>128</u>	<u>32</u>	<u>4,670</u>

- (i) On 17 April 2020, Mr. Zhang Tao was appointed as the chairman of the board. Mr. Ma Jun was appointed as a non-executive director of the Group, and he resigned on 25 March 2025.
- (ii) On 20 November 2017, Mr. Zhang Bo was appointed as an executive director of the Group. Mr. Hu Zhejun was appointed as a non-executive director of the Group. Ms. Guo Huijun and Ms. Guo Hui were appointed as supervisors of the Group. Mr. Hu Zhejun resigned on 12 July 2024, Ms. Guo Huijun resigned on 8 September 2022 and Ms. Guo Hui resigned on 22 November 2024.
- (iii) On 10 October 2021, Mr. Fan Xin was appointed as an executive director of the Group.
- (iv) On 13 January 2019, Mr. Hu Bin was appointed as a non-executive director of the Group.
- (v) On 30 June 2021, Mr. Koh Tuck Lye was appointed as a non-executive director of the Group, and he resigned on 14 December 2023.
- (vi) On 1 February 2021, Mr. Shen Wenchun and Mr. Chen Gushen were appointed as non-executive directors of the Group. Mr. Shen Wenchun resigned on 8 December 2023.
- (vii) On 12 July 2024, Ms. Zheng Shiyong was appointed as a non-executive director of the Group.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)**

(a) Directors, chief executive and supervisors (continued)

- (viii) On 4 May 2015, Mr. Zhang Ningbo was appointed as a supervisor of the Group.
- (ix) On 22 November 2024, Mr. Shan Chao was appointed as a supervisor of the Group.
- (x) On 8 September 2022, Ms. Xiao Jiangyu was appointed as a supervisor of the Group.
- (xi) On 28 December 2023, Mr. You Tianyu was as a non-executive director of the Group.
- (xii) On 18 April 2025, Ms. Young Meng Ying, Ms. Sun Hui and Prof. Bai Jian were appointed as independent non-executive directors of the Group.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**9. FIVE HIGHEST PAID EMPLOYEES**

The five highest paid employees during the Relevant Periods, respectively year ended 2022, 2023, 2024 and nine months ended 2024, 2025, included 1, 1, 2, 2 and 2 directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining 4, 4, 3, 3 and 3 highest paid employees, respectively, who are neither a director nor chief executive of the Company during the Relevant Periods are as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Salaries, allowances and benefits in kind	3,625	4,285	3,138	2,440	2,136
Performance related bonuses	5,313	667	1,045	738	992
Pension scheme contributions	206	233	213	159	117
Share-based payments	<u>3,116</u>	<u>152</u>	<u>150</u>	<u>119</u>	<u>173</u>
Total	<u>12,260</u>	<u>5,337</u>	<u>4,546</u>	<u>3,456</u>	<u>3,418</u>

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

	Number of employees			Number of employees	
	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024 (Unaudited)	2025
Below RMB1,000,000	-	-	-	-	1
RMB1,000,000 to RMB2,000,000	2	4	3	3	2
RMB2,000,000 to RMB3,000,000	-	-	-	-	-
RMB3,000,000 to RMB4,000,000	-	-	-	-	-
RMB4,000,000 to RMB5,000,000	1	-	-	-	-
Over RMB5,000,000	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>

During the Relevant Periods, restricted shares were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 8 to the Historical Financial Information. The fair value of such shares, which has been recognized in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10. INCOME TAX**

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

*Chinese Mainland*

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

The Company obtained its "High and New Technology Enterprises" ("HNTE") qualification in 2021 and renewed the qualification in 2024, so it was entitled to the preferential tax rate of 15% during the Relevant Periods.

In addition, New Vision (Xi'an) Automotive Electronics Co., Ltd. obtained its HNTE qualification in 2023, and Jilin New Vision Automotive Electronics Co., Ltd., Shanghai Sirius Testing Technology Co., Ltd. were granted with the qualification of HNTE in 2024. Accordingly, the subsidiaries were entitled to a preferential corporate income tax rate of 15% during corresponding periods.

Certain subsidiaries of the Group have applied the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the PRC's Ministry of Finance and the State Administration of Taxation. Pursuant to the Announcement [2021] No. 8 of the State Taxation Administration, the portion of annual taxable income of small and micro enterprises not exceeding RMB1,000,000 shall be deducted to 12.5% of the taxable income and subject to income tax at a rate of 20% for the period from 1 January 2021 to 31 December 2022. Pursuant to the Cai Shui [2023] No. 6, the portion of annual taxable income of small and micro enterprises not exceeding RMB1,000,000 shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from 1 January 2023 to 31 December 2024. Pursuant to the Cai Shui [2022] No. 13, the portion of annual taxable income of small and micro enterprises exceeding RMB1,000,000 but not exceeding RMB3,000,000 shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from 1 January 2022 to 31 December 2024. Pursuant to Cai Shui [2023] No. 12, the policy of reducing the taxable income of small and micro enterprises to 25% and entitling them to a corporate income tax rate of 20% will be extended until 31 December 2027.

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

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Current income tax	-	55	1,295	979	2,739
Deferred income tax	-	-	-	-	-
Total tax charge for the year	<u>-</u>	<u>55</u>	<u>1,295</u>	<u>979</u>	<u>2,739</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. INCOME TAX (continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Loss before tax	(256,144)	(174,563)	(136,556)	(126,825)	(340,946)
Tax at the statutory tax rate (15%)	(38,422)	(26,184)	(20,483)	(19,024)	(51,142)
Effect of preferential tax rates	(6,235)	(1,946)	75	(634)	341
Expenses not deductible for tax	26,774	25,588	21,100	18,874	47,222
Additional deductible allowance for qualified research and development costs (a)	(8,673)	(6,022)	(8,716)	(6,085)	(6,777)
Tax losses utilised from previous periods	-	(4,182)	(173)	-	(455)
Temporary differences and tax losses not recognized (b)	<u>26,556</u>	<u>12,801</u>	<u>9,492</u>	<u>7,848</u>	<u>13,550</u>
Tax charge at the Group's effective tax rate	<u>-</u>	<u>55</u>	<u>1,295</u>	<u>979</u>	<u>2,739</u>

(a) Based on Public Notice 2022 No. 28 issued by the State Tax Bureau of the PRC on 22 September 2022, the enterprises originally eligible for an additional 75% deduction of eligible research and development expenses can further enjoy an increased super deduction ratio of 100% from 1 October 2022 to 31 December 2022. Furthermore, based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises were eligible for a 100% deduction of eligible research and development expenses from 1 January 2023. The Group has claimed such additional super deduction during the Relevant Periods.

(b) Deferred tax assets have not been recognized in respect of these losses and deductible temporary differences as the Company and its subsidiaries have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**11. DIVIDENDS**

No dividend was paid or declared by the Company during the Relevant Periods.

**12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares of 40,929,047, 45,611,756, 51,180,440, 51,042,749 and 53,584,383 during the Relevant Periods, respectively year ended 2022, 2023, 2024 and nine months ended 2024, 2025.

The calculation of basic loss per share is based on:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024 (Unaudited)	2025
Loss					
Loss attributable to ordinary equity holders of the parent (RMB'000)	<u>(252,372)</u>	<u>(181,918)</u>	<u>(143,274)</u>	<u>(130,664)</u>	<u>(351,747)</u>
Shares					
Weighted average number ('000) of ordinary shares during the year/period	<u>40,929</u>	<u>45,612</u>	<u>51,180</u>	<u>51,043</u>	<u>53,584</u>

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

No adjustment has been made to the basic loss per share amounts during the Relevant Periods in respect of a dilution as the impact of the redemption liabilities on equity shares had an anti-dilutive effect on the basic loss per share amounts presented.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2022</b>						
At 1 January 2022:						
Cost	11,080	1,050	2,203	14,925	8,129	37,387
Accumulated depreciation	<u>(1,942)</u>	<u>(214)</u>	<u>(916)</u>	<u>(2,523)</u>	<u>-</u>	<u>(5,595)</u>
Net carrying amount	<u>9,138</u>	<u>836</u>	<u>1,287</u>	<u>12,402</u>	<u>8,129</u>	<u>31,792</u>
At 1 January 2022, net of accumulated depreciation	9,138	836	1,287	12,402	8,129	31,792
Additions	7,148	900	5,425	20,279	3,141	36,893
Disposals	-	-	(28)	(46)	-	(74)
Depreciation provided during the year (note 6)	(2,849)	(303)	(2,005)	(3,768)	-	(8,925)
Transfer	<u>-</u>	<u>-</u>	<u>145</u>	<u>408</u>	<u>(553)</u>	<u>-</u>
At 31 December 2022, net of accumulated depreciation	<u>13,437</u>	<u>1,433</u>	<u>4,824</u>	<u>29,275</u>	<u>10,717</u>	<u>59,686</u>
At 31 December 2022:						
Cost	17,733	1,950	7,497	33,395	10,717	71,292
Accumulated depreciation	<u>(4,296)</u>	<u>(517)</u>	<u>(2,673)</u>	<u>(4,120)</u>	<u>-</u>	<u>(11,606)</u>
Net carrying amount	<u>13,437</u>	<u>1,433</u>	<u>4,824</u>	<u>29,275</u>	<u>10,717</u>	<u>59,686</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2023</b>						
At 1 January 2023:						
Cost	17,733	1,950	7,497	33,395	10,717	71,292
Accumulated depreciation	<u>(4,296)</u>	<u>(517)</u>	<u>(2,673)</u>	<u>(4,120)</u>	<u>-</u>	<u>(11,606)</u>
Net carrying amount	<u>13,437</u>	<u>1,433</u>	<u>4,824</u>	<u>29,275</u>	<u>10,717</u>	<u>59,686</u>
At 1 January 2023, net of accumulated depreciation						
	13,437	1,433	4,824	29,275	10,717	59,686
Additions	3,260	65	6,775	11,637	2,892	24,629
Disposals	-	(15)	(1,759)	(2,756)	-	(4,530)
Depreciation provided during the year (note 6)	<u>(2,741)</u>	<u>(508)</u>	<u>(4,679)</u>	<u>(6,978)</u>	<u>-</u>	<u>(14,906)</u>
Transfer	<u>-</u>	<u>109</u>	<u>26</u>	<u>9,724</u>	<u>(9,859)</u>	<u>-</u>
At 31 December 2023, net of accumulated depreciation	<u>13,956</u>	<u>1,084</u>	<u>5,187</u>	<u>40,902</u>	<u>3,750</u>	<u>64,879</u>
At 31 December 2023:						
Cost	20,993	1,833	9,521	50,822	3,750	86,919
Accumulated depreciation	<u>(7,037)</u>	<u>(749)</u>	<u>(4,334)</u>	<u>(9,920)</u>	<u>-</u>	<u>(22,040)</u>
Net carrying amount	<u>13,956</u>	<u>1,084</u>	<u>5,187</u>	<u>40,902</u>	<u>3,750</u>	<u>64,879</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2024</b>						
At 1 January 2024:						
Cost	20,993	1,833	9,521	50,822	3,750	86,919
Accumulated depreciation	<u>(7,037)</u>	<u>(749)</u>	<u>(4,334)</u>	<u>(9,920)</u>	-	<u>(22,040)</u>
Net carrying amount	<u>13,956</u>	<u>1,084</u>	<u>5,187</u>	<u>40,902</u>	<u>3,750</u>	<u>64,879</u>
At 1 January 2024, net of accumulated depreciation	13,956	1,084	5,187	40,902	3,750	64,879
Additions	154	846	2,690	18,844	6,564	29,098
Disposals	-	-	(54)	(4,999)	-	(5,053)
Depreciation provided during the year (note 6)	(3,174)	(435)	(2,901)	(16,964)	-	(23,474)
Transfer	-	-	-	6,743	(6,743)	-
At 31 December 2024, net of accumulated depreciation	<u>10,936</u>	<u>1,495</u>	<u>4,922</u>	<u>44,526</u>	<u>3,571</u>	<u>65,450</u>
At 31 December 2024:						
Cost	18,802	2,679	11,515	67,059	3,571	103,626
Accumulated depreciation	<u>(7,866)</u>	<u>(1,184)</u>	<u>(6,593)</u>	<u>(22,533)</u>	-	<u>(38,176)</u>
Net carrying amount	<u>10,936</u>	<u>1,495</u>	<u>4,922</u>	<u>44,526</u>	<u>3,571</u>	<u>65,450</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>30 September 2025</b>						
At 1 January 2025:						
Cost	18,802	2,679	11,515	67,059	3,571	103,626
Accumulated depreciation	<u>(7,866)</u>	<u>(1,184)</u>	<u>(6,593)</u>	<u>(22,533)</u>	-	<u>(38,176)</u>
Net carrying amount	<u>10,936</u>	<u>1,495</u>	<u>4,922</u>	<u>44,526</u>	<u>3,571</u>	<u>65,450</u>
At 1 January 2025, net of accumulated depreciation						
	10,936	1,495	4,922	44,526	3,571	65,450
Additions	683	926	1,210	1,220	50,272	54,311
Disposals	-	(4)	(13)	(8)	-	(25)
Depreciation provided during the period (note 6)	<u>(1,886)</u>	<u>(395)</u>	<u>(1,752)</u>	<u>(10,374)</u>	-	<u>(14,407)</u>
Transfer	<u>160</u>	-	<u>502</u>	<u>5,168</u>	<u>(5,830)</u>	-
At 30 September 2025, net of accumulated depreciation	<u>9,893</u>	<u>2,022</u>	<u>4,869</u>	<u>40,532</u>	<u>48,013</u>	<u>105,329</u>
At 30 September 2025:						
Cost	19,645	3,595	13,110	71,514	48,013	155,877
Accumulated depreciation	<u>(9,752)</u>	<u>(1,573)</u>	<u>(8,241)</u>	<u>(30,982)</u>	-	<u>(50,548)</u>
Net carrying amount	<u>9,893</u>	<u>2,022</u>	<u>4,869</u>	<u>40,532</u>	<u>48,013</u>	<u>105,329</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2022</b>						
At 1 January 2022:						
Cost	11,080	552	2,055	14,908	8,095	36,690
Accumulated depreciation	(1,942)	(190)	(912)	(2,523)	-	(5,567)
Net carrying amount	<u>9,138</u>	<u>362</u>	<u>1,143</u>	<u>12,385</u>	<u>8,095</u>	<u>31,123</u>
At 1 January 2022, net of accumulated depreciation	9,138	362	1,143	12,385	8,095	31,123
Additions	4,578	900	5,251	19,389	2,622	32,740
Disposals	-	-	(28)	(46)	-	(74)
Depreciation provided during the year	(2,656)	(209)	(1,916)	(3,639)	-	(8,420)
At 31 December 2022, net of accumulated depreciation	<u>11,060</u>	<u>1,053</u>	<u>4,450</u>	<u>28,089</u>	<u>10,717</u>	<u>55,369</u>
At 31 December 2022:						
Cost	15,163	1,452	7,030	32,080	10,717	66,442
Accumulated depreciation	(4,103)	(399)	(2,580)	(3,991)	-	(11,073)
Net carrying amount	<u>11,060</u>	<u>1,053</u>	<u>4,450</u>	<u>28,089</u>	<u>10,717</u>	<u>55,369</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company (continued)

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2023</b>						
At 1 January 2023:						
Cost	15,163	1,452	7,030	32,080	10,717	66,442
Accumulated depreciation	(4,103)	(399)	(2,580)	(3,991)	-	(11,073)
Net carrying amount	<u>11,060</u>	<u>1,053</u>	<u>4,450</u>	<u>28,089</u>	<u>10,717</u>	<u>55,369</u>
At 1 January 2023, net of accumulated depreciation	11,060	1,053	4,450	28,089	10,717	55,369
Additions	1,369	65	2,917	14,845	2,885	22,081
Disposals	-	(15)	(1,759)	(2,756)	-	(4,530)
Depreciation provided during the year	(1,666)	(321)	(2,093)	(5,639)	-	(9,719)
Transfer	-	-	-	4,940	(4,940)	-
At 31 December 2023, net of accumulated depreciation	<u>10,763</u>	<u>782</u>	<u>3,515</u>	<u>39,479</u>	<u>8,662</u>	<u>63,201</u>
At 31 December 2023:						
Cost	16,532	1,226	5,795	48,654	8,662	80,869
Accumulated depreciation	(5,769)	(444)	(2,280)	(9,175)	-	(17,668)
Net carrying amount	<u>10,763</u>	<u>782</u>	<u>3,515</u>	<u>39,479</u>	<u>8,662</u>	<u>63,201</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company (continued)

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2024</b>						
At 1 January 2024:						
Cost	16,532	1,226	5,795	48,654	8,662	80,869
Accumulated depreciation	(5,769)	(444)	(2,280)	(9,175)	-	(17,668)
Net carrying amount	<u>10,763</u>	<u>782</u>	<u>3,515</u>	<u>39,479</u>	<u>8,662</u>	<u>63,201</u>
At 1 January 2024, net of accumulated depreciation	10,763	782	3,515	39,479	8,662	63,201
Additions	154	846	1,169	22,900	2,548	27,617
Disposals	-	-	(54)	(4,999)	-	(5,053)
Depreciation provided during the year	(1,851)	(337)	(1,788)	(16,802)	-	(20,778)
Transfer	-	-	-	6,743	(6,743)	-
At 31 December 2024, net of accumulated depreciation	<u>9,066</u>	<u>1,291</u>	<u>2,842</u>	<u>47,321</u>	<u>4,467</u>	<u>64,987</u>
At 31 December 2024:						
Cost	14,341	2,072	6,792	69,080	4,467	96,752
Accumulated depreciation	(5,275)	(781)	(3,950)	(21,759)	-	(31,765)
Net carrying amount	<u>9,066</u>	<u>1,291</u>	<u>2,842</u>	<u>47,321</u>	<u>4,467</u>	<u>64,987</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company (continued)

	Leasehold improvements RMB'000	Motor vehicles RMB'000	Electronic and office equipment RMB'000	Machinery and others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>30 September 2025</b>						
At 1 January 2025:						
Cost	14,341	2,072	6,792	69,080	4,467	96,752
Accumulated depreciation	<u>(5,275)</u>	<u>(781)</u>	<u>(3,950)</u>	<u>(21,759)</u>	-	<u>(31,765)</u>
Net carrying amount	<u>9,066</u>	<u>1,291</u>	<u>2,842</u>	<u>47,321</u>	<u>4,467</u>	<u>64,987</u>
At 1 January 2025, net of accumulated depreciation	9,066	1,291	2,842	47,321	4,467	64,987
Additions	217	411	444	1,338	55,332	57,742
Disposals	-	-	(3)	(8)	-	(11)
Depreciation provided during the period	(1,367)	(292)	(1,192)	(10,419)	-	(13,270)
Transfer	<u>160</u>	-	<u>334</u>	<u>4,593</u>	<u>(5,087)</u>	-
At 30 September 2025, net of accumulated depreciation	<u>8,076</u>	<u>1,410</u>	<u>2,425</u>	<u>42,825</u>	<u>54,712</u>	<u>109,448</u>
At 30 September 2025:						
Cost	14,718	2,483	7,527	73,077	54,712	152,517
Accumulated depreciation	<u>(6,642)</u>	<u>(1,073)</u>	<u>(5,102)</u>	<u>(30,252)</u>	-	<u>(43,069)</u>
Net carrying amount	<u>8,076</u>	<u>1,410</u>	<u>2,425</u>	<u>42,825</u>	<u>54,712</u>	<u>109,448</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**14. LEASES**

The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 3 and 10 years. Other equipment generally has lease terms of 12 months or less or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

**The Group**

	Buildings RMB'000
At 1 January 2022	13,740
Additions	2,118
Depreciation charge	<u>(2,613)</u>
At 31 December 2022	<u>13,245</u>
At 1 January 2023	13,245
Additions	1,499
Depreciation charge	<u>(3,525)</u>
At 31 December 2023	<u>11,219</u>
At 1 January 2024	11,219
Additions	3,533
Depreciation charge	<u>(3,866)</u>
At 31 December 2024	<u>10,886</u>
At 1 January 2025	10,886
Additions	22,572
Depreciation charge	<u>(4,887)</u>
At 30 September 2025	<u>28,571</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. LEASES (CONTINUED)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

**The Company**

	Buildings RMB'000
At 1 January 2022	13,009
Depreciation charge	<u>(1,872)</u>
At 31 December 2022	<u>11,137</u>
At 1 January 2023	11,137
Depreciation charge	<u>(1,871)</u>
At 31 December 2023	<u>9,266</u>
At 1 January 2024	9,266
Additions	1,250
Depreciation charge	<u>(1,976)</u>
At 31 December 2024	<u>8,540</u>
At 1 January 2025	8,540
Additions	18,720
Depreciation charge	<u>(3,174)</u>
At 30 September 2025	<u>24,086</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

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

**The Group**

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Carrying amount at the beginning	14,334	14,495	12,193	11,914
Additions	2,118	1,499	3,533	22,572
Accretion of interest recognized during the year/period	656	614	510	611
Lease payment	<u>(2,613)</u>	<u>(4,415)</u>	<u>(4,322)</u>	<u>(7,815)</u>
Carrying amount at the end	<u>14,495</u>	<u>12,193</u>	<u>11,914</u>	<u>27,282</u>
Analysed into:				
Current portion	3,124	3,456	3,217	5,523
Non-current portion	<u>11,371</u>	<u>8,737</u>	<u>8,697</u>	<u>21,759</u>

**The Company**

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Carrying amount at the beginning	13,554	12,236	10,503	9,786
Additions	-	-	1,250	18,720
Accretion of interest recognized during the year/period	576	508	462	494
Lease payment	<u>(1,894)</u>	<u>(2,241)</u>	<u>(2,429)</u>	<u>(5,396)</u>
Carrying amount at the end	<u>12,236</u>	<u>10,503</u>	<u>9,786</u>	<u>23,604</u>
Analysed into:				
Current portion	1,734	1,870	2,099	3,388
Non-current portion	<u>10,502</u>	<u>8,633</u>	<u>7,687</u>	<u>20,216</u>

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

**The Group**

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Interest on lease liabilities	656	614	510	611
Depreciation charge of right-of-use assets	2,613	3,525	3,866	4,887
Expense related to short-term leases	<u>1,312</u>	<u>597</u>	<u>-</u>	<u>724</u>
Total amount recognized in profit or loss	<u>4,581</u>	<u>4,736</u>	<u>4,376</u>	<u>6,222</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**14. LEASES (continued)**

The Group as a lessee (continued)

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

**The Company**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Interest on lease liabilities	576	508	462	494
Depreciation charge of right-of-use assets	<u>1,872</u>	<u>1,871</u>	<u>1,976</u>	<u>3,174</u>
Total amount recognized in profit or loss	<u><u>2,448</u></u>	<u><u>2,379</u></u>	<u><u>2,438</u></u>	<u><u>3,668</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. INTANGIBLE ASSETS

The Group

	Software RMB'000
31 December 2022	
Cost at 1 January 2022, net of accumulated amortisation	4,041
Additions	2,217
Amortisation provided during the year	(2,627)
At 31 December 2022	<u>3,631</u>
At 31 December 2022 and at 1 January 2023:	
Cost	8,984
Accumulated amortisation	(5,353)
Net carrying amount	<u>3,631</u>
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation	3,631
Additions	20,722
Disposals	(642)
Amortisation provided during the year	(1,144)
At 31 December 2023	<u>22,567</u>
At 31 December 2023 and at 1 January 2024:	
Cost	28,699
Accumulated amortisation	(6,132)
Net carrying amount	<u>22,567</u>
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	22,567
Additions	1,130
Disposals	(60)
Amortisation provided during the year	(4,146)
At 31 December 2024	<u>19,491</u>
At 31 December 2024 and at 1 January 2025:	
Cost	28,838
Accumulated amortisation	(9,347)
Net carrying amount	<u>19,491</u>
30 September 2025	
Cost at 1 January 2025, net of accumulated amortisation	19,491
Additions	2,062
Amortisation provided during the period	(3,878)
30 September 2025	<u>17,675</u>
At 30 September 2025:	
Cost	30,900
Accumulated amortisation	(13,225)
Net carrying amount	<u>17,675</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. INTANGIBLE ASSETS (continued)

The Company

	Software RMB'000
31 December 2022	
Cost at 1 January 2022, net of accumulated amortisation	4,040
Additions	1,362
Amortisation provided during the year	<u>(2,570)</u>
At 31 December 2022	<u>2,832</u>
At 31 December 2022 and at 1 January 2023:	
Cost	8,128
Accumulated amortisation	<u>(5,296)</u>
Net carrying amount	<u>2,832</u>
31 December 2023	
Cost at 1 January 2023, net of accumulated amortisation	2,832
Additions	20,515
Disposals	(642)
Amortisation provided during the year	<u>(1,043)</u>
At 31 December 2023	<u>21,662</u>
At 31 December 2023 and at 1 January 2024:	
Cost	27,636
Accumulated amortisation	<u>(5,974)</u>
Net carrying amount	<u>21,662</u>
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	21,662
Additions	154
Disposals	(60)
Amortisation provided during the year	<u>(3,844)</u>
At 31 December 2024	<u>17,912</u>
At 31 December 2024 and at 1 January 2025:	
Cost	26,799
Accumulated amortisation	<u>(8,887)</u>
Net carrying amount	<u>17,912</u>
30 September 2025	
Cost at 1 January 2025, net of accumulated amortisation	17,912
Additions	2,062
Amortisation provided during the period	<u>(3,623)</u>
30 September 2025	<u>16,351</u>
At 30 September 2025:	
Cost	28,861
Accumulated amortisation	<u>(12,510)</u>
Net carrying amount	<u>16,351</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**16. OTHER NON-CURRENT ASSETS**

**The Group**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Other non-current assets	701	5,208	20	436

**The Company**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Other non-current assets	201	-	20	176

**17. INVESTMENTS IN SUBSIDIARIES**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Investments in subsidiaries	13,414	13,862	153,136	155,745

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**18. INVENTORIES**

**The Group**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Raw materials	25,408	33,172	21,873	41,303
Work in progress	3,148	1,370	6,624	7,165
Finished goods	17,156	31,610	48,825	40,421
Contract costs	20,552	12,019	11,988	28,079
Total	<u>66,264</u>	<u>78,171</u>	<u>89,310</u>	<u>116,968</u>

**The Company**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Raw materials	25,408	33,172	21,873	41,303
Work in progress	3,148	1,370	6,624	7,165
Finished goods	14,497	20,455	34,226	38,288
Contract costs	16,648	28,732	53,525	60,364
Total	<u>59,701</u>	<u>83,729</u>	<u>116,248</u>	<u>147,120</u>

**19. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS**

**The Group**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Non-current:				
Contract assets	-	1,499	5,829	6,729
Less: Impairment losses	-	(300)	(1,408)	(853)
Subtotal	-	1,199	4,421	5,876
Current:				
Trade receivables	79,633	231,844	212,728	206,283
Bills receivable	48,480	65,930	94,440	82,639
Contract assets	3,245	11,862	2,072	8,088
	<u>131,358</u>	<u>309,636</u>	<u>309,240</u>	<u>297,010</u>
Less: Impairment losses	(4,252)	(12,544)	(11,575)	(11,982)
Subtotal	127,106	297,092	297,665	285,028
Total	<u>127,106</u>	<u>298,291</u>	<u>302,086</u>	<u>290,904</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**19. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)**

**The Group (continued)**

The Group's trading terms with its customers are mainly on credit and the credit period varies generally 60 to 120 days after receipt of VAT invoices. The Group seeks to maintain strict control over its outstanding receivables to control credit risk. Overdue balances are reviewed regularly by management.

The Group had certain concentrations of credit risk as 94.49%, 92.66%, 73.49% and 80.73% of total trade and bills receivable and contract assets were due from the Group's five largest customers as at the end of each of the Relevant Periods, respectively as at 31 December 2022, 2023, 2024 and 30 September 2025.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An aging analysis of the trade and bills receivables and contract assets as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 1 year	126,818	296,409	297,077	287,657
1 to 2 years	288	1,702	4,517	2,802
2 to 3 years	-	180	492	445
Total	<u>127,106</u>	<u>298,291</u>	<u>302,086</u>	<u>290,904</u>

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

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
At the beginning of the year/period	2,106	4,252	12,844	12,983
Impairment losses, net	<u>2,146</u>	<u>8,592</u>	<u>139</u>	<u>(148)</u>
At the end of the year/period	<u>4,252</u>	<u>12,844</u>	<u>12,983</u>	<u>12,835</u>

The Group applies the simplified approach in calculating expected credit losses for trade receivables, bills receivables and contract assets. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on past due information for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**19. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)**

**The Group (continued)**

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

	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2022					
Expected credit loss rate	3.19%	20.00%	50.00%	100.00%	3.24%
Gross carrying amount (RMB'000)	130,998	360	-	-	131,358
Expected credit losses (RMB'000)	4,180	72	-	-	4,252
	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2023					
Expected credit loss rate	3.97%	20.02%	50.00%	100.00%	4.13%
Gross carrying amount (RMB'000)	308,647	2,128	360	-	311,135
Expected credit losses (RMB'000)	12,238	426	180	-	12,844
	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2024					
Expected credit loss rate	3.57%	20.00%	50.00%	100.00%	4.12%
Gross carrying amount (RMB'000)	308,077	5,646	986	360	315,069
Expected credit losses (RMB'000)	11,001	1,129	493	360	12,983
	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 30 September 2025					
Expected credit loss rate	3.73%	19.99%	50.06%	100.00%	4.23%
Gross carrying amount (RMB'000)	298,807	3,502	889	541	303,739
Expected credit losses (RMB'000)	11,149	700	445	541	12,835

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

19. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)

The Company

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Non-current:				
Contract assets	-	1,499	1,758	400
Less: Impairment losses	-	(300)	(593)	(200)
Subtotal	-	1,199	1,165	200
Current:				
Trade receivables	48,366	133,019	144,601	128,752
Bills receivable	26,216	32,945	74,111	60,357
Contract assets	3,245	2,800	-	883
	<u>77,827</u>	<u>168,764</u>	<u>218,712</u>	<u>189,992</u>
Less: Impairment losses	(2,598)	(6,898)	(7,403)	(6,700)
Subtotal	<u>75,229</u>	<u>161,866</u>	<u>211,309</u>	<u>183,292</u>
Total	<u>75,229</u>	<u>163,065</u>	<u>212,474</u>	<u>183,492</u>

An aging analysis of the trade receivables, bills receivable and contract assets as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 1 year	75,229	161,507	210,811	183,044
1 to 2 years	-	1,558	1,261	4
2 to 3 years	-	-	402	444
Total	<u>75,229</u>	<u>163,065</u>	<u>212,474</u>	<u>183,492</u>

The movements in the impairment losses on trade receivables, bills receivable and contract assets are as follows:

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
At the beginning of the year/period	7,476	2,598	7,198	7,996
Impairment (reversals)/losses, net	<u>(4,878)</u>	<u>4,600</u>	<u>798</u>	<u>(1,096)</u>
At the end of the year/period	<u>2,598</u>	<u>7,198</u>	<u>7,996</u>	<u>6,900</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**19. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (continued)**

**The Company (continued)**

Set out below is the information about the credit risk exposure on the Company's trade receivable, bills receivable and contract assets using a provision matrix:

	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2022					
Expected credit loss rate	3.34%	20.00%	50.00%	100.00%	3.34%
Gross carrying amount (RMB'000)	77,827	-	-	-	77,827
Expected credit losses (RMB'000)	2,598	-	-	-	2,598
	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2023					
Expected credit loss rate	4.04%	20.03%	50.00%	100.00%	4.23%
Gross carrying amount (RMB'000)	168,316	1,947	-	-	170,263
Expected credit losses (RMB'000)	6,808	390	-	-	7,198
	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 31 December 2024					
Expected credit loss rate	3.34%	20.00%	49.94%	100.00%	3.63%
Gross carrying amount (RMB'000)	218,090	1,575	805	-	220,470
Expected credit losses (RMB'000)	7,279	315	402	-	7,996
	Current to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 30 September 2025					
Expected credit loss rate	3.41%	20.00%	50.06%	100.00%	3.62%
Gross carrying amount (RMB'000)	189,498	5	889	-	190,392
Expected credit losses (RMB'000)	6,454	1	445	-	6,900

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Prepayments to suppliers	1,382	1,228	2,325	348
Deposits and other receivables	2,029	2,460	2,836	6,059
Listing expenditures	-	-	-	5,974
VAT recoverable	3,197	7,600	7,291	7,874
	6,608	11,288	12,452	20,255
Impairment allowance	(67)	(17)	(25)	(36)
Total	6,541	11,271	12,427	20,219

The Company

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Prepayments to suppliers	1,191	753	1,854	157
Deposits and other receivables	749	997	1,922	1,581
Listing expenditures	-	-	-	5,974
VAT recoverable	1	18	918	943
	1,941	1,768	4,694	8,655
Impairment allowance	(12)	(17)	(8)	-
Total	1,929	1,751	4,686	8,655

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Current:				
Structured deposits	26,228	10,172	45,086	65,028
Non-current:				
Investments in equity instruments at fair value through profit or loss	-	-	-	12,000
Total	26,228	10,172	45,086	77,028

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)**

**The Company**

	As at 31 December			As at 30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Current:				
Structured deposits	<u>21,220</u>	<u>10,172</u>	<u>45,086</u>	<u>15,013</u>
Non-current:				
Investments in equity instruments at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
Total	<u><u>21,220</u></u>	<u><u>10,172</u></u>	<u><u>45,086</u></u>	<u><u>27,013</u></u>

The structured deposits were issued by banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The interest rates fluctuate within the range of 1.00% to 2.40%, linked to the EUR or USD exchange rate.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Cash and bank balances	29,923	63,971	231,380	106,392
Less: Restricted cash*	-	-	945	1,628
Cash and cash equivalents	<u>29,923</u>	<u>63,971</u>	<u>230,435</u>	<u>104,764</u>
Denominated in				
USD	9,578	137	-	2
EUR	-	-	-	1
JPY	-	-	-	2
RMB	<u>20,345</u>	<u>63,834</u>	<u>230,435</u>	<u>104,759</u>

The Company

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Cash and bank balances	16,294	47,016	88,279	58,774
Less: Restricted cash*	-	-	945	1,628
Cash and cash equivalents	<u>16,294</u>	<u>47,016</u>	<u>87,334</u>	<u>57,146</u>
Denominated in				
USD	9,578	137	-	-
RMB	<u>6,716</u>	<u>46,879</u>	<u>87,334</u>	<u>57,146</u>

\* The restricted cash collateral of RMB 945,000 and RMB 1,628,000 in 31 December 2024 and 30 September 2025 at Bank of Communications (BOCOM) serves as a security deposit for a prepayment from clients.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**23. TRADE PAYABLES**

**The Group**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
Trade payables	49,069	104,970	127,913	125,417

The trade payables are non-interest-bearing and the suppliers normally grant credit terms within 30 to 90 days upon receipt of VAT invoices. The Group continued to recognise the full carrying amounts of trade payables settled by the Endorsed Bills. Refer to Note 38 for further details.

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
Within 1 year	48,698	104,424	127,556	124,423
1 to 2 years	371	191	103	994
2 to 3 years	-	355	189	-
Over 3 years	-	-	65	-
Total	49,069	104,970	127,913	125,417

**The Company**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
Trade payables	48,618	103,265	123,333	118,356

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
Within 1 year	48,247	102,719	122,976	117,697
1 to 2 years	371	191	103	659
2 to 3 years	-	355	189	-
Over 3 years	-	-	65	-
Total	48,618	103,265	123,333	118,356

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**24. OTHER PAYABLES AND ACCRUALS**

**The Group**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Payroll and welfare payable	21,462	17,895	21,527	14,390
Other tax payables	3,617	8,432	8,209	5,347
Listing expenditures payable	-	-	-	4,363
Other payables	17,364	20,007	22,801	33,612
	<u>42,443</u>	<u>46,334</u>	<u>52,537</u>	<u>57,712</u>

**The Company**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Payroll and welfare payable	9,348	9,037	14,891	10,599
Other tax payables	3,408	6,121	5,988	2,056
Listing expenditures payable	-	-	-	4,363
Other payables	11,875	16,002	19,523	20,744
	<u>24,631</u>	<u>31,160</u>	<u>40,402</u>	<u>37,762</u>

**25. CONTRACT LIABILITIES**

**The Group**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Contract liabilities	<u>15,493</u>	<u>10,505</u>	<u>5,681</u>	<u>13,770</u>

**The Company**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Contract liabilities	<u>12,240</u>	<u>9,666</u>	<u>5,620</u>	<u>10,515</u>

Contract liabilities include advances received from customers for sales of testing solutions.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	Effective interest rate (%)	As at 31 December 2022	Maturity	RMB'000
Current				
Bank loans – unsecured	3.20-4.20		2023	46,036
Other borrowings – unsecured	0.95-1.18		2023	<u>631</u>
Total				<u><u>46,667</u></u>
		As at 31 December 2023		
	Effective interest rate (%)		Maturity	RMB'000
Current				
Bank loans – unsecured	3.00-4.20		2024	<u>40,037</u>
Total				<u><u>40,037</u></u>
		As at 31 December 2024		
	Effective interest rate (%)		Maturity	RMB'000
Current				
Bank loans – unsecured	2.60-3.25		2025	70,075
Other borrowings – unsecured	0.80-1.00		2025	<u>19,029</u>
Non-current				
Bank loans – unsecured	2.80		2026	<u>23,000</u>
Total				<u><u>112,104</u></u>
		As at 30 September 2025		
	Effective interest rate (%)		Maturity	RMB'000
Current				
Bank loans – unsecured	2.55-2.80		2025-2026	<u>103,075</u>
Total				<u><u>103,075</u></u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**26. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)**

**The Group (continued)**

An alternative approach of disclosing relevant information is illustrated below:

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Analysed into:				
Bank loans repayable				
Within one year	46,036	40,037	70,075	103,075
In the second year	-	-	23,000	-
Other borrowings repayable				
Within one year	631	-	19,029	-
Total	<u>46,667</u>	<u>40,037</u>	<u>112,104</u>	<u>103,075</u>

The Group's bank and other borrowings are unsecured.

**The Company**

	Effective interest rate (%)	As at 31 December		RMB'000
		2022	Maturity	
Current				
Bank loans – unsecured	3.20-4.20	2023		46,036
Other borrowings – unsecured	0.95-1.18	2023		<u>631</u>
Total				<u>46,667</u>
	Effective interest rate (%)	As at 31 December		RMB'000
		2023	Maturity	
Current				
Bank loans – unsecured	3.00-4.20	2024		<u>38,035</u>
Total				<u>38,035</u>
	Effective interest rate (%)	As at 31 December		RMB'000
		2024	Maturity	
Current				
Bank loans – unsecured	2.60-3.25	2025		70,075
Other borrowings – unsecured	0.80-1.00	2025		<u>19,029</u>
Non-current				
Bank loans – unsecured	2.80	2026		<u>23,000</u>
Total				<u>112,104</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**26. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)**

**The Company (continued)**

	Effective interest rate (%)	As at 30 September 2025 Maturity	RMB'000
Current			
Bank loans – unsecured	2.60-2.80	2025-2026	<u>103,075</u>
Total			<u><u>103,075</u></u>

An alternative approach of disclosing relevant information:

	2022 RMB'000	As at 31 December 2023 RMB'000	2024 RMB'000	As at 30 September 2025 RMB'000
Analysed into:				
Bank loans repayable				
Within one year	46,036	38,035	70,075	103,075
In the second year	-	-	23,000	-
Other borrowings repayable				
Within one year	<u>631</u>	<u>-</u>	<u>19,029</u>	<u>-</u>
Total	<u><u>46,667</u></u>	<u><u>38,035</u></u>	<u><u>112,104</u></u>	<u><u>103,075</u></u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 27. REDEMPTION LIABILITIES ON EQUITY SHARES

#### The Group and the Company

The key terms of all series of the Preferred Shares are summarized as follows:

#### *Redemption features*

Upon occurrence of the following events which cannot be controlled by the Company, the related Shares shall be redeemable by the Company at the option of the shareholders:

- (a) The Listing does not take place prior to 31 December, 2027; or
- (b) Any change in the Company's de facto control occurs, or instability arises in the Company's equity or controlling shareholders' ownership due to marriage, inheritance (or their ultimate beneficial owners, if such shareholders are legal entities), thereby creating material obstacles or risks to the Company's IPO; or
- (c) Any member of the core management team (including Mr. Zhang Tao, Mr. Zhang Bo, Mr. Lyu Tao and Mr. Wang Zhenggang, as of the Preferred Shares contract signing date) voluntarily resigns or terminates employment, unless approved in writing by investors.

#### *Presentation and classification*

The Group and the Company have designated the Preferred Shares issued to investors as financial liabilities carried at fair value through profit or loss and presented as "redemption liabilities on equity shares" in the consolidated statements of financial position. The fair value losses on the redemption liabilities on equity shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the redemption liabilities on equity shares attributable to changes of own credit risk is not significant.

The redemption liabilities on equity shares were presented in current liabilities as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025.

Pursuant to a supplemental agreement entered into by the Company with, among others, the then shareholders of the Company, the redemption feature has ceased to be effective prior to the first submission of the listing application to the Stock Exchange for the purpose of the Global Offering, and will only be exercisable in certain events mentioned in note 2.1.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

27. REDEMPTION LIABILITIES ON EQUITY SHARES (continued)

The Group and the Company (continued)

The movements of the Redemption liabilities on equity shares are set out below:

	Ordinary Shares* RMB'000	Series Pre- A Shares** RMB'000	Series A Shares** RMB'000	Series B Shares RMB'000	Series C Shares RMB'000	Series C+ Shares RMB'000	Series Strategic Round Shares RMB'000	Series D1 Shares RMB'000	Series D2 Shares RMB'000	Series E1 Shares RMB'000	Series E2 Shares RMB'000	Total Shares RMB'000
At 1 January 2022	8,060	-	-	70,075	119,687	101,887	-	-	-	-	-	299,709
Issue*	11,027	98,212	-	-	-	-	70,000	-	-	-	-	179,239
Changes in fair value	7,477	-	-	51,929	74,640	29,117	9,149	-	-	-	-	172,312
At 31 December 2022 and at 1 January 2023	26,564	98,212	-	122,004	194,327	131,004	79,149	-	-	-	-	651,260
Issue*	16,299	-	-	-	-	-	-	87,667	72,400	-	-	176,366
Changes in fair value	15,445	48,827	-	28,153	51,446	19,698	5,267	(1,080)	(1,100)	-	-	166,656
At 31 December 2023 and at 1 January 2024	58,308	147,039	-	150,157	245,773	150,702	84,416	86,587	71,300	-	-	994,282
Issue*	-	-	113,510	-	-	-	-	-	-	15,143	110,000	238,653
Changes in fair value	7,557	24,952	-	18,771	31,251	17,966	9,596	9,405	7,764	147	583	127,992
At 31 December 2024 and at 1 January 2025	65,865	171,991	113,510	168,928	277,024	168,668	94,012	95,992	79,064	15,290	110,583	1,360,927
Changes in fair value	15,452	43,428	29,372	39,274	65,219	37,036	19,368	18,300	15,135	2,944	21,447	306,975
At 30 September 2025	81,317	215,419	142,882	208,202	342,243	205,704	113,380	114,292	94,199	18,234	132,030	1,667,902

\* Including shares transferred from common shares.

\*\*Although the consideration of Series Pre-A and Series A Financing were settled in 2017 and 2018, respectively, the investors did not obtain preferential rights at the time of their initial investments. As a result, the Company classified these investments as ordinary shares at that point. Subsequently, the Series Pre-A and Series A investors were granted preferential rights by the end of 2022 and 2024, respectively, and the Company recognized redemption liabilities on equity shares at fair value as of the end of 2022 and 2024 according to the applicable IFRS.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**27. REDEMPTION LIABILITIES ON EQUITY SHARES (continued)**

**The Group and the Company (continued)**

The Group applied the back-solve method or discounted cash flow method, and option pricing method including Black-Scholes model to determine the fair value of the redemption liabilities on equity shares. Key assumptions are set out below:

	As at 31 December			As at 30
	2022	2023	2024	September
				2025
Discount rate	-	11.10%	-	11.10%
Risk-free interest rate	2.40%	2.21%	1.08%	1.34%
Discount for lack of marketability ("DLOM")	23.91%	19.99%	17.48%	5.46%
Volatility	47.97%	47.54%	53.07%	32.60%
Possibilities under liquidation scenario	25.00%	10.00%	10.00%	10.00%
Possibilities under redemption scenario	25.00%	10.00%	10.00%	10.00%
Possibilities under conversion scenario	50.00%	80.00%	80.00%	80.00%

\* The Group applied the back-solve method for the years ended 31 December 2022 and 2024, and the discounted cash flow method for the year ended 31 December 2023 and the period ended 30 September 2025.

The discount rate was determined based on a consideration of the factors including risk-free rate, comparative industry risk, equity risk premium, company size and non-systemic risk factors. The Group estimated the risk-free interest rate based on the yield of the Chinese Mainland Government Bond with maturity close to the expected exit timing as at the valuation date. The DLOM was quantified by the Black Scholes Model. Under this option pricing method, which assumed that the price of the put option is struck at the average price of the stock before the privately held shares can be sold, the cost of the put option was considered as a basis to determine the DLOM. This option pricing method is one of the methods commonly used in estimating DLOM as it can take into consideration factors such as timing of a liquidity event, including an initial public offering, and estimated volatility of the shares. The farther the valuation date is from an expected liquidity event, the higher the put option value and thus the higher the implied DLOM. The volatility was estimated based on annualised standard deviation of daily share price return of comparable companies for a period from the valuation date and with a similar span as time to expiration. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the Preferred Shares on the valuation date.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

28. DEFERRED TAX

The Group

Deferred tax liabilities

	Right-of-use assets RMB'000	Fair value adjustments RMB'000	Total RMB'000
At 1 January 2022	2,134	-	2,134
Deferred tax credited to profit or loss during the year	<u>(228)</u>	<u>-</u>	<u>(228)</u>
At 31 December 2022 and 1 January 2023	1,906	-	1,906
Deferred tax (credited)/charged to profit or loss during the year	<u>(259)</u>	<u>48</u>	<u>(211)</u>
At 31 December 2023 and 1 January 2024	1,647	48	1,695
Deferred tax credited to profit or loss during the year	<u>(35)</u>	<u>(13)</u>	<u>(48)</u>
At 31 December 2024 and 1 January 2025	1,612	35	1,647
Deferred tax charged/(credited) to profit or loss during the period	<u>2,572</u>	<u>(32)</u>	<u>2,540</u>
At 30 September 2025	<u><u>4,184</u></u>	<u><u>3</u></u>	<u><u>4,187</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

28. DEFERRED TAX (continued)

The Group (continued)

Deferred tax assets

	Lease liabilities RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
At 1 January 2022	2,134	-	2,134
Deferred tax credited/(charged) to profit or loss during the year	<u>(263)</u>	<u>35</u>	<u>(228)</u>
At 31 December 2022 and 1 January 2023	1,871	35	1,906
Deferred tax charged to profit or loss during the year	<u>(202)</u>	<u>(9)</u>	<u>(211)</u>
At 31 December 2023 and 1 January 2024	1,669	26	1,695
Deferred tax charged to profit or loss during the year	<u>(35)</u>	<u>(13)</u>	<u>(48)</u>
At 31 December 2024 and 1 January 2025	1,634	13	1,647
Deferred tax credited to profit or loss during the period	<u>2,472</u>	<u>68</u>	<u>2,540</u>
At 30 September 2025	<u>4,106</u>	<u>81</u>	<u>4,187</u>

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

	As at 31 December			As at 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax liabilities recognized in the consolidated statement of financial position	-	-	-	-
Net deferred tax assets recognized in the consolidated statement of financial position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

29. WARRANTY PROVISION

The Group

	Warranties RMB'000
At 1 January 2022	229
Additional provision	413
Amounts utilised during the year	<u>(214)</u>
At 31 December 2022 and 1 January 2023	<u>428</u>
At 1 January 2023	428
Additional provision	1,327
Amounts utilised during the year	<u>(656)</u>
At 31 December 2023 and 1 January 2024	<u>1,099</u>
At 1 January 2024	1,099
Additional provision	744
Amounts utilised during the year	<u>(688)</u>
At 31 December 2024 and 1 January 2025	<u>1,155</u>
At 1 January 2025	1,155
Additional provision	719
Amounts utilised during the period	<u>(594)</u>
At 30 September 2025	<u>1,280</u>

The Group generally provides to customers warranties of typically 36 to 60 months or 100,000 to 150,000 kilometres on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**29. WARRANTY PROVISION (continued)**

**The Company (continued)**

	Warranties RMB'000
At 1 January 2022	227
Additional provision	285
Amounts utilised during the year	<u>(80)</u>
At 31 December 2022 and 1 January 2023	<u>432</u>
At 1 January 2023	432
Additional provision	1,132
Amounts utilised during the year	<u>(558)</u>
At 31 December 2023 and 1 January 2024	<u>1,006</u>
At 1 January 2024	1,006
Additional provision	467
Amounts utilised during the year	<u>(403)</u>
At 31 December 2024 and 1 January 2025	<u>1,070</u>
At 1 January 2025	1,070
Additional provision	336
Amounts utilised during the period	<u>(285)</u>
At 30 September 2025	<u>1,121</u>

**30. DEFERRED INCOME**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants				
Asset-related grants (a)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,279</u>

(a) Asset-related grants

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**31. SHARE CAPITAL**

**The Group and the Company**

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

	Number of shares	Share capital RMB'000
As at 1 January 2022	40,288,148	40,288
Shareholders' capital injection*	<u>1,993,909</u>	<u>1,994</u>
As at 31 December 2022 and 1 January 2023	<u>42,282,057</u>	<u>42,282</u>
Shareholders' capital injection**	<u>8,708,378</u>	<u>8,708</u>
At 31 December 2023 and 1 January 2024	<u>50,990,435</u>	<u>50,990</u>
Shareholders' capital injection***	<u>2,593,948</u>	<u>2,594</u>
At 31 December 2024 and 30 September 2025	<u>53,584,383</u>	<u>53,584</u>

\* Pursuant to the shareholders' resolution dated 18 September 2022, shareholders of the Company agreed to increase the registered capital from RMB40,288,148 to RMB42,282,057 (42,282,057 shares with a nominal value of RMB1.00 each).

\*\* Pursuant to the shareholders' resolution dated 13 March 2023, shareholders of the Company agreed to increase the registered capital from RMB42,282,057 to RMB45,857,982 (45,857,982 shares with a nominal value of RMB1.00 each). Pursuant to the shareholders' resolution dated 28 December 2023, shareholders of the Company agreed to increase the registered capital from RMB45,857,982 to RMB50,990,435 (50,990,435 shares with a nominal value of RMB1.00 each).

\*\*\* Pursuant to the shareholders' resolution dated 21 June 2024, shareholders of the Company agreed to increase the registered capital from RMB50,990,435 to RMB51,304,321 (51,304,321 shares with a nominal value of RMB1.00 each). Pursuant to the shareholders' resolution dated 29 October 2024, shareholders of the Company agreed to increase the registered capital from RMB51,304,321 to RMB53,584,383 (53,584,383 shares with a nominal value of RMB1.00 each).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**32. RESERVES**

**The Group**

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

*(a) Share premium*

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

*(b) Share-based payment reserve*

The share-based payment reserve represents the equity-settled share awards as set out in Note 33 to the Historical Financial Information.

*(c) Other reserves*

Other reserves of the Group represent the carrying amounts of the equity shares with redeemable features as stipulated in Note 27 to the Historical Financial Information.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

32. RESERVES (continued)

The Company

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

	Share premium RMB'000	Other reserves RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Accumulated deficits RMB'000	Total RMB'000
At 1 January 2022	<u>291,799</u>	<u>(290,526)</u>	<u>28,068</u>	<u>(56)</u>	<u>(177,680)</u>	<u>(148,395)</u>
Total comprehensive loss for the year	-	-	-	(104)	(182,477)	(182,581)
Issue of new shares	65,627	-	-	-	-	65,627
Recognition of redemption liabilities on equity shares	-	(179,239)	-	-	-	(179,239)
Share-based payment	-	-	4,700	-	-	4,700
At 31 December 2022 and 1 January 2023	<u>357,426</u>	<u>(469,765)</u>	<u>32,768</u>	<u>(160)</u>	<u>(360,157)</u>	<u>(439,888)</u>
Total comprehensive loss for the year	-	-	-	25	(161,605)	(161,580)
Issue of new shares	163,943	-	-	-	-	163,943
Recognition of redemption liabilities on equity shares	-	(176,366)	-	-	-	(176,366)
Share-based payment	-	-	21,275	-	-	21,275
At 31 December 2023 and 1 January 2024	<u>521,369</u>	<u>(646,131)</u>	<u>54,043</u>	<u>(135)</u>	<u>(521,762)</u>	<u>(592,616)</u>
Total comprehensive loss for the year	-	-	-	(36)	(122,692)	(122,728)
Issue of new shares	117,349	-	-	-	-	117,349
Recognition of redemption liabilities on equity shares	-	(238,653)	-	-	-	(238,653)
Share-based payment	-	-	2,035	-	-	2,035
At 31 December 2024 and 1 January 2025	<u>638,718</u>	<u>(884,784)</u>	<u>56,078</u>	<u>(171)</u>	<u>(644,454)</u>	<u>(834,613)</u>
Total comprehensive loss for the year/period	-	-	-	(124)	(344,586)	(344,710)
Share-based payment	-	-	2,156	-	-	2,156
At 30 September 2025	<u>638,718</u>	<u>(884,784)</u>	<u>58,234</u>	<u>(295)</u>	<u>(989,040)</u>	<u>(1,177,167)</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**33. SHARE-BASED PAYMENTS**

**(a) Share Incentive Scheme**

The Company adopted a share incentive plan (“Share Incentive Scheme”) in 2020, for the purpose of attracting and retaining the best talents who promote the success of the Group’s operations. Eligible participants of the Share Incentive Scheme include the certain directors of the Company, and employees of the Group. Pursuant to the Share Incentive Scheme, 8,669,922 shares of the Company were allocated to two employee incentive platforms. The restricted shares granted to each grantee shall be subject to both a listing-based condition (the “IPO Condition”) and service conditions. The IPO Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognized stock exchange. Service conditions would be satisfied 3 years after the IPO Condition. The eligible participants would be repaid with original subscription price plus interest at a single digit interest rate if employment were terminated before the vesting date. After taking into consideration of the best estimation of the IPO Condition, the management determined the vesting period of the relevant restricted shares based on the service requirements. As such, the share-based payment expenses are amortised during the vesting period.

Details of the granted shares are as follows:

Date of grant	Number of restricted shares	Subscription price per share RMB	Fair value of the underlying shares RMB
17 April, 2020	2,327,469	1.23	4.82
17 April, 2020	1,735,000	2.62	4.82
30 June, 2021	1,200,000	1.23	8.64
30 June, 2021	2,164,850	2.62	8.64
30 June, 2021	140,000	4.85	8.64
19 July, 2022	620,000	4.85	10.16
19 July, 2022	306,500	5.78	10.16
1 October, 2023	65,000	5.78	36.19
1 October, 2023	660,203	7.85	36.19
1 October, 2023	247,500	8.51	36.19
18 April, 2024	3,500	8.51	36.19
30 April, 2025	<u>338,100</u>	8.51	49.34
Total	<u>9,808,122</u>		

The fair value of services received in return for shares granted to employees and directors was measured by reference to the fair value of the shares granted and the subscription price paid by employees and directors. As of 30 September 2025, the Group accumulated granted 9,808,122 and accumulated forfeited 1,138,200 restricted shares, with fair values ranging from RMB4.82 to RMB49.34 per share.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

33. SHARED-BASED PAYMENTS (continued)

Group Employee Incentive Scheme (continued)

The following numbers of restricted shares were outstanding under the Incentive Scheme during the Relevant Periods:

	As at 31 December			As at 30
	2022	2023	2024	September 2025
At the beginning of the year/period	7,172,319	7,913,819	8,669,922	8,451,842
Granted during the year/period	926,500	972,703	3,500	338,100
Forfeited during the year/period	(185,000)	(216,600)	(221,580)	(120,020)
At the end of the year/period	<u>7,913,819</u>	<u>8,669,922</u>	<u>8,451,842</u>	<u>8,669,922</u>

During the Relevant Periods, respectively as at 31 December 2022, 2023, 2024 and 30 September 2025, share-based payment compensation expenses of RMB4,700,000, RMB21,275,000, RMB2,035,000 and RMB2,156,000, respectively, were charged to profit or loss.

The fair values of the restricted shares as at the grant date were determined with reference to the fair value of ordinary shares on the grant dates, using the back-solve method or discounted cash flow method, and option pricing method including Black-Scholes model. Major inputs used for the determination of the fair values of ordinary shares during the Relevant Period are listed as follows:

	At grant dates
Expected volatility (%)	47.54%-53.07%
Risk-free interest rate (%)	1.08%-2.40%
Discount for lack of marketability (%)	12.09%-23.91%

**(b) Sirius ESOP**

Shanghai Sirius Testing Technology Co., Ltd. (“Shanghai Sirius”), a subsidiary of the Company, adopted a share incentive plan (“Sirius ESOP”) in December 2023, for the purpose of attracting and retaining the best talents who promote the success of Shanghai Sirius’s operations. Eligible participants of the Sirius ESOP include certain directors and employees of Shanghai Sirius. Pursuant to the adopted Sirius ESOP in December 2023 and May 2025, 7% and 8% of the equity shares in Shanghai Sirius were allocated to an employee incentive platforms. The restricted equity shares granted to each grantee shall be subject to service condition. The eligible participants would be repaid with original subscription price plus interest at a single digit interest rate if employment was terminated before the vesting date. The management determined the vesting period of the relevant restricted equity shares based on service requirements. Service conditions would be satisfied 3 years. As such, the share-based payment expenses were amortised during the vesting period. The fair value of the granted equity shares was determined by the management using a discounted cash flow method. During the Relevant Periods, respectively as at 31 December 2022, 2023, 2024 and 30 September 2025 the differences between the consideration and the fair value were amortised to profit or loss of nil, nil, RMB693,000 and RMB855,000, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, respectively as at 31 December 2022, 2023, 2024 and 30 September 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,118,000, RMB1,499,000, RMB3,533,000 and RMB22,572,000, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings and other borrowings RMB'000	Lease liabilities RMB'000	Redemption liabilities on equity shares RMB'000	Total RMB'000
At 1 January 2022	26,790	14,334	299,709	340,833
Changes from financing cash flow	26,934	(2,613)	-	24,321
Maturity of discounted bills receivable	(8,289)	-	-	(8,289)
New leases	-	2,118	-	2,118
Recognition of redemption liabilities on equity shares	-	-	179,239	179,239
Fair value losses on redemption liabilities on equity shares	-	-	172,312	172,312
Accretion of interest recognized during the year	1,232	656	-	1,888
At 31 December 2022 and 1 January 2023	<u>46,667</u>	<u>14,495</u>	<u>651,260</u>	<u>712,422</u>
Changes from financing cash flow	(8,263)	(4,415)	-	(12,678)
New leases	-	1,499	-	1,499
Recognition of redemption liabilities on equity shares	-	-	176,366	176,366
Fair value losses on redemption liabilities on equity shares	-	-	166,656	166,656
Accretion of interest recognized during the year	1,633	614	-	2,247
At 31 December 2023 and 1 January 2024	<u>40,037</u>	<u>12,193</u>	<u>994,282</u>	<u>1,046,512</u>
Changes from financing cash flow	77,613	(4,322)	-	73,291
Maturity of discounted bills receivable	(8,270)	-	-	(8,270)
New leases	-	3,533	-	3,533
Recognition of redemption liabilities on equity shares	-	-	238,653	238,653
Fair value losses on redemption liabilities on equity shares	-	-	127,992	127,992
Accretion of interest recognized during the year	2,724	510	-	3,234
At 31 December 2024 and 1 January 2025	<u>112,104</u>	<u>11,914</u>	<u>1,360,927</u>	<u>1,484,945</u>
Changes from financing cash flow	8,461	(7,815)	-	646
Maturity of discounted bills receivable	(19,029)	-	-	(19,029)
New leases	-	22,572	-	22,572
Fair value losses on redemption liabilities on equity shares	-	-	306,975	306,975
Accretion of interest recognized during the period	1,539	611	-	2,150
At 30 September 2025	<u>103,075</u>	<u>27,282</u>	<u>1,667,902</u>	<u>1,798,259</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Nine months ended 30	
	2022	2023	2024	September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within operating activities	1,312	597	-	-	724
Within financing activities	<u>2,613</u>	<u>4,415</u>	<u>4,322</u>	<u>3,873</u>	<u>7,815</u>
Total	<u>3,925</u>	<u>5,012</u>	<u>4,322</u>	<u>3,873</u>	<u>8,539</u>

**35. COMMITMENTS**

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
Contracted, but not provided for:				
Property, plant and equipment	<u>13,411</u>	<u>4,783</u>	<u>3,981</u>	<u>16,864</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

36. RELATED PARTY TRANSACTIONS

(a) Name and relationship of a related party

Name of related party	Relationship with the Group
Shanghai Huiyoucheng Sports Culture Co., Ltd.	30% equity held by the spouse of Wang Zhenggang, a member of core management of the Shanghai Huiyoucheng

(b) Transaction with a related party

The Group

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Purchase of goods or services Shanghai Huiyoucheng Sports Culture Co., Ltd.	-	-	36	-	-

Transaction with the related party was carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(c) Outstanding balances with related parties

The Company

	As at 31 December			As at 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000	2025 RMB'000
Due from subsidiaries	143,462	275,725	210,617	239,239	239,239
Due to subsidiaries	2,310	43,158	49,772	130,068	130,068

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Fees	-	708	500	375	375
Salaries, allowances and benefits in kind	6,124	5,402	6,300	4,761	4,951
Performance related bonuses	1,537	244	2,595	1,991	2,090
Pension scheme contributions	439	490	378	289	273
Share-based payments	3,653	19,379	60	47	47
Total compensation paid to key management personnel	11,753	26,223	9,833	7,463	7,736

Further details of directors' and supervisors' emoluments are included in Note 8 to the Historical Financial Information.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**37. FINANCIAL INSTRUMENTS BY CATEGORY**

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

**The Group**

Financial assets

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Financial assets at fair value through profit and loss:				
Structured deposits	26,228	10,172	45,086	65,028
Investments in equity instruments at fair value through profit or loss	-	-	-	12,000
	<u>26,228</u>	<u>10,172</u>	<u>45,086</u>	<u>77,028</u>
Financial assets at fair value through other comprehensive income:				
Trade and bills receivables	<u>37,728</u>	<u>57,812</u>	<u>70,226</u>	<u>71,810</u>
Financial assets at amortised cost:				
Trade and bills receivables	86,295	228,011	225,471	205,871
Financial assets included in prepayments, other receivables and other receivables	1,962	2,443	2,811	6,023
Cash and cash equivalents	29,923	63,971	230,435	104,764
Restricted cash	-	-	945	1,628
Total	<u>182,136</u>	<u>362,409</u>	<u>574,974</u>	<u>467,124</u>

Financial liabilities

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Financial liabilities at fair value through profit and loss:				
Redemption liabilities on equity shares	<u>651,260</u>	<u>994,282</u>	<u>1,360,927</u>	<u>1,667,902</u>
Financial liabilities at amortised cost:				
Trade payables	49,069	104,970	127,913	125,417
Financial liabilities included in other payables and accruals	17,364	20,007	22,801	37,975
Lease liabilities	14,495	12,193	11,914	27,282
Interest-bearing bank and other borrowings	<u>46,667</u>	<u>40,037</u>	<u>112,104</u>	<u>103,075</u>
Total	<u>778,855</u>	<u>1,171,489</u>	<u>1,635,659</u>	<u>1,961,651</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**37. FINANCIAL INSTRUMENTS BY CATEGORY (continued)**

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods were as follows: (continued)

**The Company**

Financial assets

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Financial assets at fair value through profit and loss:				
Structured deposits	21,220	10,172	45,086	15,013
Investments in equity instruments at fair value through profit or loss	-	-	-	12,000
	<u>21,220</u>	<u>10,172</u>	<u>45,086</u>	<u>27,013</u>
Financial assets at fair value through other comprehensive income:				
Trade and bills receivables	<u>22,617</u>	<u>26,271</u>	<u>54,669</u>	<u>56,904</u>
Financial assets at amortised cost:				
Trade and bills receivables	49,529	132,935	156,640	125,750
Due from subsidiaries	143,462	275,725	210,617	239,239
Financial assets included in prepayments, other receivables and other receivables	737	980	1,914	1,581
Cash and cash equivalents	16,294	47,016	87,334	57,146
Restricted cash	-	-	945	1,628
	<u>-</u>	<u>-</u>	<u>945</u>	<u>1,628</u>
Total	<u>253,859</u>	<u>493,099</u>	<u>557,205</u>	<u>509,261</u>

Financial liabilities

	As at 31 December			As at 30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Financial liabilities at fair value through profit and loss:				
Redemption liabilities on equity shares	<u>651,260</u>	<u>994,282</u>	<u>1,360,927</u>	<u>1,667,902</u>
Financial liabilities at amortised cost:				
Trade payables	48,618	103,265	123,333	118,356
Financial liabilities included in other payables and accruals	11,875	16,002	19,523	25,107
Due to subsidiaries	2,310	43,158	49,772	130,068
Lease liabilities	12,236	10,503	9,786	23,604
Interest-bearing bank and other borrowings	<u>46,667</u>	<u>38,035</u>	<u>112,104</u>	<u>103,075</u>
Total	<u>772,966</u>	<u>1,205,245</u>	<u>1,675,445</u>	<u>2,068,112</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**38. TRANSFERS OF FINANCIAL ASSETS**

**Transferred bills receivable that are derecognized in their entirety**

The Group endorsed certain bills receivable accepted by banks (the “Derecognized Bills”) to certain of their suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB3,767,000, RMB71,495,000, RMB43,101,000 and RMB112,121,000 as at 31 December 2022, 2023, 2024 and 30 September 2025, respectively. Some bills receivable accepted by banks (the “Derecognized Bills”) were discounted with carrying amounts of RMB20,715,000, RMB30,678,000, RMB7,000,000 and Nil as at 31 December 2022, 2023, 2024 and 30 September 2025, respectively. The Derecognized Bills with a maturity of 1 to 6 months are considered as having very low credit risk. In accordance with the Law of Negotiable Instruments of PRC, the holders of the Derecognized Bills may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the Derecognized Bills regardless of the order of precedence (the “Continuing Involvement”). In the opinion of the management, the Group has transferred substantially all the risks and rewards relating to the Derecognized Bills. Accordingly, it has derecognized the full carrying amounts of the Derecognized Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognized Bills and the undiscounted cash flows to repurchase these Derecognized Bills is equal to their carrying amounts. In the opinion of management, the fair values of the Group’s Continuing Involvement in the Derecognized Bills are not significant. No gains or losses were recognized from the Continuing Involvement during Relevant Periods.

**Transferred bills receivable that are not derecognized in their entirety**

The Group endorsed bills receivable with carrying amounts of RMB368,000, RMB3,231,000 and RMB1,915,000 (the “Endorsed Bills”) to some suppliers to settle accounts payable to such suppliers as at 31 December 2022, 2023 and 30 September 2025, respectively, and discounted bills receivable with carrying amounts of RMB631,000, RMB19,029,000 (the “Discounted Bills”) as at 31 December 2022 and 2024, respectively. In the opinion of the management, the Group retains significant risks and rewards, including the risk of default associated with the Endorsed Bills and Discounted Bills, and therefore the Group continues to recognise the full carrying amounts of the Endorsed Bills, Discounted Bills, related trade payables and short-term borrowings.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, financial assets at fair value through profit and loss, trade payables, financial liabilities included in other payables and accruals, lease liabilities and current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments. The non-current portion of interest-bearing bank and other borrowings approximate to their carrying amounts mainly due to the floating interest rate.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**

The Group invests in financial assets at fair value through profit or loss, which represent structured deposits products issued by banks. The fair values are based on cash flows discounted using the expected yield rate.

The Group has bills receivable measured at fair value through other comprehensive income. The Group has estimated the fair value of these bills receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the redemption liabilities on equity shares measured at fair value through profit and loss are determined using the back-solve method or discounted cash flow method, and option pricing method including Black-Scholes model. Further details are set out in note 27 to the Historical Financial Information.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit and loss	-	26,228	-	26,228
Trade and bills receivables	-	37,728	-	37,728
<b>Total</b>	<b>-</b>	<b>63,956</b>	<b>-</b>	<b>63,956</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**

Fair value hierarchy (continued)

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

Assets measured at fair value: (continued)

As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit and loss	-	10,172	-	10,172
Trade and bills receivables	-	57,812	-	57,812
<b>Total</b>	<b>-</b>	<b>67,984</b>	<b>-</b>	<b>67,984</b>

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit and loss	-	45,086	-	45,086
Trade and bills receivables	-	70,226	-	70,226
<b>Total</b>	<b>-</b>	<b>115,312</b>	<b>-</b>	<b>115,312</b>

As at 30 September 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit and loss	-	77,028	-	77,028
Trade and bills receivables	-	71,810	-	71,810
<b>Total</b>	<b>-</b>	<b>148,838</b>	<b>-</b>	<b>148,838</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

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

Liabilities measured at fair value:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2022				
Redemption liabilities on equity shares	-	-	651,260	651,260
As at 31 December 2023				
Redemption liabilities on equity shares	-	-	994,282	994,282
As at 31 December 2024				
Redemption liabilities on equity shares	-	-	1,360,927	1,360,927
As at 30 September 2025				
Redemption liabilities on equity shares	-	-	1,667,902	1,667,902

The movements of redemption liabilities on equity shares are disclosed in note 27 to the Historical Financial Information.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

31 December 2022

	Valuation technique	Significant unobservable inputs	Weighted range	Sensitivity of fair value to the input
Redemption liabilities on equity shares	Back-solve method	Risk-free interest rate	2.40%	1% increase/decrease in risk-free interest rate would result in decrease/increase fair value by RMB2,202,000/RMB2,228,000
		Volatility	47.97%	1% increase/decrease in volatility would result in decrease/increase fair value by RMB2,944,000/RMB2,934,000
		DLOM	23.91%	1% increase/decrease in DLOM would result in decrease/increase in fair value by RMB2,307,000/RMB2,307,000

31 December 2023

	Valuation technique	Significant unobservable inputs	Weighted range	Sensitivity of fair value to the input
Redemption liabilities on equity shares	Discounted cash flow method	Discount rate	11.10%	0.1% increase/decrease in discount rate would result in decrease/increase fair value by RMB13,251,000/RMB13,561,000
		Risk-free interest rate	2.21%	1% increase/decrease in risk-free interest rate would result in decrease/increase fair value by RMB1,241,000/RMB1,269,000
		Volatility	47.54%	1% increase/decrease in volatility would result in decrease/increase fair value by RMB3,071,000/RMB3,073,000
		DLOM	19.99%	1% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,469,000/RMB1,469,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods: (continued)

31 December 2024

	Valuation technique	Significant unobservable inputs	Weighted range	Sensitivity of fair value to the input
Redemption liabilities on equity shares	Back-solve method	Risk-free interest rate	1.08%	1% increase/decrease in risk-free interest rate would result in decrease/increase fair value by RMB733,000/ RMB743,000
		Volatility	53.07%	1% increase/decrease in volatility would result in decrease/increase fair value by RMB2,970,000/ RMB2,970,000
		DLOM	17.48%	1% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,897,000/ RMB1,897,000

30 September 2025

	Valuation technique	Significant unobservable inputs	Weighted range	Sensitivity of fair value to the input
Redemption liabilities on equity shares	Discounted cash flow method	Discount rate	11.10%	0.1% increase/decrease in discount rate would result in decrease/increase fair value by RMB23,748,000/ RMB20,982,000
		Risk-free interest rate	1.34%	1% increase/decrease in risk-free interest rate would result in decrease/increase fair value by RMB105,000/ RMB105,000
		Volatility	32.60%	1% increase/decrease in volatility would result in decrease/increase fair value by RMB193,000/ RMB193,000
		DLOM	5.46%	1% increase/decrease in DLOM would result in decrease/increase in fair value by RMB2,108,000/ RMB2,108,000

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

*Foreign currency risk*

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As the Group's major businesses are in Chinese Mainland, the majority of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. The Group was not exposed to material foreign currency risk during the Relevant Periods.

*Credit risk*

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval.

*Maximum exposure and year-end staging*

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade and bills receivables*	-	-	-	-	128,113	128,113
Financial assets included in prepayments, other receivables and other assets						
- Normal**	2,029	-	-	-	-	2,029
Cash and cash equivalents						
- Not yet past due	29,923	-	-	-	-	29,923
<b>Total</b>	<b>31,952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,113</b>	<b>160,065</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Credit risk (continued)*

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade and bills receivables*	-	-	-		297,774	297,774
Financial assets included in prepayments, other receivables and other assets						
- Normal**	2,460	-	-		-	2,460
Cash and cash equivalents						
- Not yet past due	63,971	-	-		-	63,971
<b>Total</b>	<b>66,431</b>	<b>-</b>	<b>-</b>		<b>297,774</b>	<b>364,205</b>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade and bills receivables*	-	-	-		307,168	307,168
Financial assets included in prepayments, other receivables and other assets						
- Normal**	2,836	-	-		-	2,836
Restricted cash						
- Not yet past due	945	-	-		-	945
Cash and cash equivalents						
- Not yet past due	230,435	-	-		-	230,435
<b>Total</b>	<b>234,216</b>	<b>-</b>	<b>-</b>		<b>307,168</b>	<b>541,384</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Credit risk (continued)*

As at 30 September 2025

	12-month ECLs	Lifetime ECLs			Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade and bills receivables*	-	-	-		288,922	288,922
Financial assets included in prepayments, other receivables and other assets						
- Normal**	6,059	-	-		-	6,059
Restricted cash						
- Not yet past due	1,628	-	-		-	1,628
Cash and cash equivalents						
- Not yet past due	104,764	-	-		-	104,764
<b>Total</b>	<b>112,451</b>	<b>-</b>	<b>-</b>		<b>288,922</b>	<b>401,373</b>

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the Historical Financial Information.

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

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Liquidity risk*

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

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

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

	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Between 3 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2022						
Trade payables	49,069	-	-	-	-	49,069
Interest-bearing bank and other borrowings	47,199	-	-	-	-	47,199
Lease liabilities	3,441	3,181	2,345	2,923	4,448	16,338
Financial liabilities included in other payables	17,364	-	-	-	-	17,364
Redemption liabilities on equity shares	651,260	-	-	-	-	651,260
<b>Total</b>	<b>768,333</b>	<b>3,181</b>	<b>2,345</b>	<b>2,923</b>	<b>4,448</b>	<b>781,230</b>
	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Between 3 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2023						
Trade payables	104,970	-	-	-	-	104,970
Interest-bearing bank and other borrowings	40,549	-	-	-	-	40,549
Lease liabilities	4,020	2,345	1,736	2,428	3,207	13,736
Financial liabilities included in other payables	20,007	-	-	-	-	20,007
Redemption liabilities on equity shares	994,282	-	-	-	-	994,282
<b>Total</b>	<b>1,163,828</b>	<b>2,345</b>	<b>1,736</b>	<b>2,428</b>	<b>3,207</b>	<b>1,173,544</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Liquidity risk (continued)*

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

	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Between 3 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2024						
Trade payables	127,913	-	-	-	-	127,913
Interest-bearing bank and other borrowings	90,502	23,300	-	-	-	113,802
Lease liabilities	3,474	2,707	1,540	2,775	2,626	13,122
Financial liabilities included in other payables	22,801	-	-	-	-	22,801
Redemption liabilities on equity shares	1,360,927	-	-	-	-	1,360,927
<b>Total</b>	<b>1,605,617</b>	<b>26,007</b>	<b>1,540</b>	<b>2,775</b>	<b>2,626</b>	<b>1,638,565</b>
	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Between 3 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 30 September 2025						
Trade payables	125,417	-	-	-	-	125,417
Interest-bearing bank and other borrowings	104,837	-	-	-	-	104,837
Lease liabilities	6,462	4,910	3,412	6,888	9,343	31,015
Financial liabilities included in other payables	37,975	-	-	-	-	37,975
Redemption liabilities on equity shares	1,667,902	-	-	-	-	1,667,902
<b>Total</b>	<b>1,942,593</b>	<b>4,910</b>	<b>3,412</b>	<b>6,888</b>	<b>9,343</b>	<b>1,967,146</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

*Capital management*

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

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

**41. EVENTS AFTER THE RELEVANT PERIODS**

As at the date of this report, the Group has no significant events subsequent to the end of the Relevant Periods.

**42. SUBSEQUENT FINANCIAL STATEMENTS**

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

**43. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on 16 March 2026.