

EPIWORLD INTERNATIONAL CO., LTD.
(Incorporated in the People's Republic of China with limited liability)

Accountant's Report

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



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The following is the text of a report set out on pages I-1 to I-73, received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the Prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EPIWORLD INTERNATIONAL CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

INTRODUCTION

We report on the historical financial information of Epiworld International Co., Ltd. (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages I-4 to I-73, which comprises the consolidated statements of financial position as at December 31, 2022, 2023, 2024 and September 30, 2025 and the statements of financial position of the Company as at December 31, 2022, 2023, 2024 and September 30, 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-73 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated March 20, 2026 (the "**Prospectus**") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.



REPORTING ACCOUNTANTS' RESPONSIBILITY

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at December 31, 2022, 2023, 2024 and September 30, 2025, the Company's financial position as at December 31, 2022, 2023, 2024 and September 30, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative historical financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended September 30, 2024 and other explanatory information (together the "**Stub Period Comparative Historical Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation set



out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

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

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about dividends declared and paid by the Company in respect of the Track Record Period.



BDO Limited
Certified Public Accountants
Lee, Alfred
Practising Certificate No. P04960
Hong Kong

March 20, 2026

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and Interpretations (collectively “IFRS Accounting Standards”) and were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	Notes	Year ended December 31,			Nine months ended September 30,	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
						<i>(Unaudited)</i>
REVENUE	7	440,691	1,142,502	974,316	808,250	535,063
Cost of sales.....		(243,754)	(697,103)	(642,007)	(522,542)	(397,982)
Gross profit		196,937	445,399	332,309	285,708	137,081
Other income and other gains and losses, net ...	8	21,534	63,451	168,402	107,583	132,621
Selling and distribution expenses		(1,866)	(48,776)	(5,513)	(6,770)	(8,224)
Administrative and other expenses		(48,136)	(162,749)	(175,575)	(147,142)	(155,126)
Research and development costs		(43,829)	(101,786)	(79,992)	(62,096)	(50,374)
(Impairment loss)/reversal of impairment loss on financial assets, net....	10	(901)	149	(1,253)	(200)	(2,116)
Finance costs	9	(20,281)	(32,535)	(30,197)	(21,595)	(9,636)
PROFIT BEFORE TAX .	10	103,458	163,153	208,181	155,488	44,226
Income tax credit/ (expense)	11	24,085	(55,648)	(43,114)	(37,075)	(23,081)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>127,543</u>	<u>107,505</u>	<u>165,067</u>	<u>118,413</u>	<u>21,145</u>
Earnings per share (RMB) attributable to owners of the Company						
Basic and diluted	13	<u>0.40</u>	<u>0.32</u>	<u>0.43</u>	<u>0.31</u>	<u>0.05</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Notes	As at December 31,			As at September 30,	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment ...	15	873,818	2,037,231	2,047,566	1,943,010
Right-of-use assets	16	343	371	77	110
Intangible assets	18	76	918	2,075	1,818
Prepayments for acquisition of property, plant and equipment .		35,982	1,936	1,582	8,745
Term deposits	23	20,122	-	-	-
Deferred tax assets	19	24,085	-	49	2,206
Other non-current assets		1,964	2,767	2,930	2,279
Total non-current assets		956,390	2,043,223	2,054,279	1,958,168
Current assets					
Inventories	20	91,404	351,086	247,640	270,945
Trade and bills receivables	21	106,796	78,666	129,645	268,964
Prepayments, deposits and other receivables	22	15,527	7,992	7,468	21,169
Value-added tax ("VAT") recoverable		8,564	22,488	33,259	14,591
Term deposits	23	500	20,622	-	-
Cash and cash equivalents	23	274,417	549,521	2,030,653	1,832,787
Total current assets		497,208	1,030,375	2,448,665	2,408,456
Current liabilities					
Trade and bills payables	24	54,863	32,912	71,883	154,964
Other payables and accruals	25	182,077	191,731	145,089	109,489
Contract liabilities	26	5,757	3,730	6,795	736
Lease liabilities	27	344	261	67	66
Borrowings	28	142,405	315,181	303,536	65,025
Derivative financial instruments .	30	-	-	-	2,140
Redemption liabilities	31	213,637	16,673	18,007	-
Income tax payable		-	-	59,765	36,541
Total current liabilities		599,083	560,488	605,142	368,961
Net current (liabilities)/assets ..		(101,875)	469,887	1,843,523	2,039,495
TOTAL ASSETS LESS					
CURRENT LIABILITIES ...		854,515	2,513,110	3,897,802	3,997,663
Non-current liabilities					
Borrowings	28	170,783	811,811	808,594	704,513
Deferred revenue	29	100,230	205,569	260,764	312,029
Deferred tax liabilities	19	-	31,563	14,960	3,657
Total non-current liabilities ...		271,013	1,048,943	1,084,318	1,020,199
Net assets		583,502	1,464,167	2,813,484	2,977,464
EQUITY					
Equity attributable to owners of the Company					
Share capital	32	214,845	388,192	404,093	404,093
Reserves	33	368,657	1,075,975	2,409,391	2,573,371
TOTAL EQUITY		583,502	1,464,167	2,813,484	2,977,464

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31,			As at
		2022	2023	2024	September 30,
		RMB'000	RMB'000	RMB'000	2025
				RMB'000	
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment ...	15	873,818	2,037,231	1,837,431	1,750,561
Right-of-use assets	16	343	371	—	—
Investments in subsidiaries	17	—	—	50,000	50,000
Intangible assets	18	76	918	2,075	1,818
Prepayments for acquisition of property, plant and equipment ..		35,982	1,936	1,582	8,745
Term deposits	23	20,122	—	—	—
Deferred tax assets	19	24,085	—	—	—
Other non-current assets		1,964	2,767	2,930	2,279
Total non-current assets		956,390	2,043,223	1,894,018	1,813,403
Current assets					
Inventories	20	91,404	351,086	229,534	203,628
Trade and bills receivables	21	106,796	78,666	64,568	67,418
Prepayments, deposits and other receivables	22	15,527	7,992	7,354	21,059
VAT recoverable		8,564	22,488	2,031	—
Amount due from a subsidiary ..	34	—	—	210,709	421,229
Term deposits	23	500	20,622	—	—
Cash and cash equivalents	23	274,417	549,521	2,022,075	1,705,055
Total current assets		497,208	1,030,375	2,536,271	2,418,389
Current liabilities					
Trade and bills payables	24	54,863	32,912	36,870	30,688
Other payables and accruals	25	182,077	191,731	142,919	107,621
Contract liabilities	26	5,757	3,730	6,371	23
Lease liabilities	27	344	261	—	—
Borrowings	28	142,405	315,181	267,548	65,025
Derivative financial instruments ..		—	—	—	470
Redemption liabilities	31	213,637	16,673	18,007	—
Income tax payable		—	—	59,765	33,455
Total current liabilities		599,083	560,488	531,480	237,282
Net current (liabilities)/assets ..		(101,875)	469,887	2,004,791	2,181,107
TOTAL ASSETS LESS CURRENT LIABILITIES ...					
Non-current liabilities		854,515	2,513,110	3,898,809	3,994,510
Borrowings	28	170,783	811,811	808,594	704,513
Deferred revenue	29	100,230	205,569	260,764	312,029
Deferred tax liabilities	19	—	31,563	14,960	3,673
Total non-current liabilities ...		271,013	1,048,943	1,084,318	1,020,215
Net assets		583,502	1,464,167	2,814,491	2,974,295
EQUITY					
Share capital	32	214,845	388,192	404,093	404,093
Reserves	33	368,657	1,075,975	2,410,398	2,570,202
TOTAL EQUITY		583,502	1,464,167	2,814,491	2,974,295

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total equity <i>RMB'000</i>
	Share capital	Capital reserve*	Other reserve*	Statutory reserve*	Share-based payment reserve*	(Accumulated losses)/ retained earnings*	
	<i>RMB'000</i> <i>(Note 32)</i>	<i>RMB'000</i> <i>(Note 33(a))</i>	<i>RMB'000</i> <i>(Note 33(e))</i>	<i>RMB'000</i> <i>(Note 33(b))</i>	<i>RMB'000</i> <i>(Note 33(d))</i>	<i>RMB'000</i> <i>(Note 33(c))</i>	
Balance at January 1, 2022	210,727	291,368	(121,133)	-	-	(205,880)	175,082
Profit and total comprehensive income for the year	-	-	-	-	-	127,543	127,543
Shares issued <i>(Note 32(a))</i>	4,118	248,184	-	-	-	-	252,302
Transfer to statutory reserve	-	-	-	1,417	-	(1,417)	-
Recognition of equity-settled share-based payments <i>(Note 38)</i>	-	28,575	-	-	-	-	28,575
Balance at December 31, 2022 and January 1, 2023	214,845	568,127	(121,133)	1,417	-	(79,754)	583,502
Profit and total comprehensive income for the year	-	-	-	-	-	107,505	107,505
Shares issued <i>(Note 32(b))</i>	3,672	276,328	-	-	-	-	280,000
Issue of restricted share units ("RSUs") <i>(Note 38)</i>	25,599	-	-	-	-	-	25,599
Capitalization issue <i>(Note 32(c))</i>	144,076	(144,076)	-	-	-	-	-
Conversion into a joint stock limited liability company <i>(Note 32(c))</i>	-	90,060	-	(1,417)	-	(88,643)	-
Transfer of statutory reserve	-	-	-	5,168	-	(5,168)	-
Derecognition due to termination of redemption rights <i>(Note 31)</i>	-	-	211,351	-	-	-	211,351
Recognition of equity-settled share-based payments <i>(Note 38)</i>	-	156,974	-	-	99,236	-	256,210
Balance at December 31, 2023	388,192	947,413	90,218	5,168	99,236	(66,060)	1,464,167

* These reserve accounts comprise the consolidated reserves as at December 31, 2022, 2023, 2024 and as at September 30, 2025 in the consolidated statements of financial position.

Attributable to owners of the Company

	Share capital	Capital reserve*	Other reserve*	Statutory reserve*	Share-based payment reserve*	(Accumulated losses)/ retained earnings*	Total equity
	<i>RMB'000</i> <i>(Note 32)</i>	<i>RMB'000</i> <i>(Note 33(a))</i>	<i>RMB'000</i> <i>(Note 33(e))</i>	<i>RMB'000</i> <i>(Note 33(b))</i>	<i>RMB'000</i> <i>(Note 33(d))</i>	<i>RMB'000</i> <i>(Note 33(c))</i>	<i>RMB'000</i>
Balance at January 1, 2024	388,192	947,413	90,218	5,168	99,236	(66,060)	1,464,167
Profit and total comprehensive income for the year	-	-	-	-	-	165,067	165,067
Shares issued <i>(Note 32(d))</i>	15,901	1,014,100	-	-	-	-	1,030,001
Transfer to statutory reserve	-	-	-	16,173	-	(16,173)	-
Recognition of equity-settled share-based payments <i>(Note 38)</i>	-	-	-	-	154,245	-	154,249
Balance at December 31, 2024 and January 1, 2025	404,093	1,961,513	90,218	21,341	253,485	82,834	2,813,484
Profit and total comprehensive income for the period	-	-	-	-	-	21,145	21,145
Transfer to statutory reserve	-	-	-	2,158	-	(2,158)	-
Derecognition due to termination of redemption rights <i>(Note 31)</i>	-	-	18,351	-	-	-	18,351
Recognition of equity-settled share-based payments <i>(Note 38)</i>	-	-	-	-	124,484	-	124,484
Balance at September 30, 2025	404,093	1,961,513	108,565	23,499	377,965	101,821	2,977,464
Balance at January 1, 2024	388,192	947,413	90,218	5,168	99,236	(66,060)	1,464,167
Profit and total comprehensive income for the period	-	-	-	-	-	118,413	118,413
Transfer to statutory reserve	-	-	-	11,943	-	(11,943)	-
Recognition of equity-settled share-based payments <i>(Note 38)</i>	-	-	-	-	141,163	-	141,163
Balance at September 30, 2024 (unaudited)	388,192	947,413	90,218	17,111	240,395	40,410	1,723,743

* These reserve accounts comprise the consolidated reserves as at December 31, 2022, 2023, 2024 and as at September 30, 2025 in the consolidated statements of financial position.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Cash flows from operating activities					
Profit before tax.....	103,458	163,153	208,181	155,488	44,226
Adjustments for:					
Depreciation of property, plant and equipment	30,592	95,923	144,715	103,186	128,933
Depreciation of right-of-use assets	486	719	276	243	99
Amortization of intangible assets	56	350	743	492	837
Finance costs	20,281	32,535	30,197	21,595	9,636
Interest income.....	(3,480)	(12,103)	(39,950)	(26,363)	(48,889)
(Reversal of)/write-down of inventories to net realizable value	(111)	4,552	1,070	(1,518)	2,360
(Gain)/loss on disposal of property, plant and equipment.....	(26)	(3,487)	(20)	(20)	5
Fair value loss on derivative financial instruments.....	—	—	—	—	2,140
Loss on lease termination.....	—	—	1	1	—
Impairment loss/(reversal of impairment loss) on financial assets, net	901	(149)	1,253	200	2,116
Equity-settled share-based payments	<u>28,575</u>	<u>256,210</u>	<u>154,249</u>	<u>141,163</u>	<u>124,484</u>
Operating profit before working capital changes	180,732	537,703	500,715	394,467	265,947
(Increase)/decrease in inventories	(40,184)	(264,234)	102,376	86,153	(25,665)
(Increase)/decrease in trade and bills receivables	(66,749)	28,280	(52,232)	(87,637)	(141,423)
(Increase)/decrease in prepayments, deposits and other receivables.....	(43,094)	(63,702)	49,962	70,645	(13,062)
Decrease/(increase) in VAT recoverable	4,250	(13,924)	(10,771)	(11,810)	18,668
Increase/(decrease) in trade and bills payables	46,076	(21,951)	38,971	91,778	83,081

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Increase/(decrease) in other payables and accruals	44,629	109,691	(46,643)	(56,974)	3,254
Increase/(decrease) in contract liabilities	4,911	(2,027)	3,065	6,338	(6,059)
Increase/(decrease) in deferred revenue	39,414	105,339	55,195	(22,029)	51,265
<i>Cash from operation</i>	169,985	415,175	640,638	470,931	236,006
Income tax paid	—	—	—	—	(59,765)
<i>Net cash from operating activities</i>	169,985	415,175	640,638	470,931	176,241
Cash flows from investing activities					
Purchase of property, plant and equipment	(533,701)	(1,157,361)	(204,695)	(191,151)	(69,806)
Proceeds from disposal of property, plant and equipment	400	5,992	1,691	—	35
Purchase of intangible assets ..	—	(1,192)	(1,900)	(373)	(580)
Interest received	3,480	12,103	39,950	26,363	48,889
Withdrawal of term deposits ...	24,551	—	20,622	20,622	—
<i>Net cash used in investing activities</i>	(505,270)	(1,140,458)	(144,332)	(144,539)	(21,462)
Cash flows from financing activities					
Proceeds from bank borrowings	295,151	1,021,745	744,826	595,350	60,730
Proceed from a shareholder ...	100,000	—	—	—	—
Repayments of bank borrowings	(83,286)	(207,941)	(759,688)	(284,198)	(403,322)
Interest paid	(4,600)	(18,168)	(30,135)	(21,410)	(9,919)
Repayments of principal portion of lease liabilities ...	(486)	(830)	(176)	(176)	(133)
Repayments of interest portion of lease liabilities	(9)	(18)	(2)	(2)	(1)
Proceeds from shares issued ...	152,302	205,599	1,030,001	—	—
<i>Net cash generated from/(used in) financing activities</i>	459,072	1,000,387	984,826	289,564	(352,645)

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Net increase/(decrease) in cash and cash equivalents..	123,787	275,104	1,481,132	615,956	(197,866)
Cash and cash equivalents at the beginning of the year/period	<u>150,630</u>	<u>274,417</u>	<u>549,521</u>	<u>549,521</u>	<u>2,030,653</u>
Cash and cash equivalents at the end of the year/period, representing cash and bank balances	<u>274,417</u>	<u>549,521</u>	<u>2,030,653</u>	<u>1,165,477</u>	<u>1,832,787</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Epiworld International Co., Ltd. (the “Company”) is a limited liability company incorporated in the People’s Republic of China (the “PRC”) on March 31, 2011. The registered office address and principal place of business of the Company is located at No. 198-1 Shitou Dong’er Road., Tongxiang High-tech Park, Xiamen Torch Development Zone for High Technology Industries, Xiamen 361101, Fujian, the PRC.

The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in the manufacturing and sale of silicon carbide (“SiC”) epitaxial wafers under Turnkey service and provision of processing services for SiC epitaxial wafers under Consign service in the PRC.

Dr. Zhao Jianhui (趙建輝) is the largest shareholder of the Company.

Particulars of the Company’s subsidiaries at the date of this report are as follows:

Name of subsidiaries	Note	Date and place of incorporation/ establishment	Place of operation	Issued and fully paid capital/registered capital	Percentage of equity attributable to the Company		Principal activities
					Direct	Indirect	
Epiworld International Material Co., Ltd. (“Epiworld Material”)* 瀚天天成半導體材料(廈門)有限公司	1	May 31, 2024, the PRC	The PRC	Registered capital of RMB50,000,000	100.00%		– Engaged in production process and sales of silicon carbide (4H-SiC) epitaxial wafers
Apexiv International Pte. Ltd.	2	June 10, 2025, Singapore	Singapore	Registered capital of Singapore dollar (“S\$”) 10,000	100.00%		– Inactive
Epicenter Sdn. Bhd.	2	June 23, 2025, Malaysia	Malaysia	Registered capital of S\$10,000,000	–	100.00%	Inactive

(1) The statutory financial statements for the year ended December 31, 2024 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP in the PRC. No statutory financial statements have been prepared for this entity for the nine months ended September 30, 2025.

(2) No audited statutory financial statements were prepared for these entities during the Track Record Period.

(3) The subsidiaries had not issued any debt securities for the year ended December 31, 2024 and for the nine months ended September 30, 2025.

* The English translation of terms or names in Chinese which are marked with “*” is for identification purposes only. In the event of any inconsistency, the Chinese terms or names shall prevail.

For the purpose of the Historical Financial Information of this report, the directors of the Company have prepared the Underlying Financial Statements in accordance with the basis of preparation set out in Note 2 below and accounting policies set out in Note 4 below which conform with IFRS Accounting Standards.

The Historical Financial Information has been prepared from the Underlying Financial Statements, with no adjustments made thereon.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Historical Financial Information has been prepared based on accounting policies set out in Note 4 which confirm with IFRS Accounting Standards. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “**Stock Exchange**”) and by the Hong Kong Companies Ordinance.

For the purpose of preparing and presenting the Historical Financial Information, all relevant standards, amendments and interpretations that are effective during the years ended December 31, 2022, 2023, 2024 and nine months ended September 30, 2025 (the “**Track Record Period**”) have been adopted by the Group consistently throughout the Track Record Period.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 5 below.

2.2 Basis of measurement

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

2.3 Functional and presentation currency

The Historical Financial Information is presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

3. NEW OR AMENDMENTS TO STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new or amendments to standards, have been issued, but are not yet effective and have not been early adopted by the Group.

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

1 Effective for annual periods beginning on or after January 1, 2026

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

3 Effective date to be determined by the IASB

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the Historical Financial Information, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the consolidated statements of profit or loss and other comprehensive income, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Group is currently evaluating the full impact of IFRS 18 on its financial statement presentation and disclosures. The application of the new standard is not expected to have material impact on the financial performance and financial position of the Group but is expected to affect the disclosures in the future financial statements.

The directors of the Company do not anticipate that the adoption of other new or amendments to standards will have any material impact on the Group's financial performance, financial position and cash flows in future periods.

4. ACCOUNTING POLICIES

4.1 Basis of consolidation

All intra-group transactions, balances and unrealized gains on transactions have been eliminated in full on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Adjustments are made to the financial statements of subsidiary where necessary to ensure consistency with the policies adopted by the Group.

4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statements of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4.3 Revenue and other income

(a) 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, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or service.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When the contract contains a financing component which provides the customer 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 amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment 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.

Revenue is recognized at a point in time when the goods are delivered to the customers.

Contract liabilities represent advanced consideration received from customers.

The determination of whether revenue shall be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. If the Group is responsible for the overall management of the contract, the Group is the principal in the transaction and recognizes revenue in the gross amount of consideration to which it is entitled from the customer. The Group reports the amount received from the customers and the amounts paid to the suppliers related to these transactions on a net basis if the Group is not primarily obligated in a transaction, does not generally bear the inventory risk and does not have the ability to establish the price.

(b) Other income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVOCI (see Note 4.10 for definition), and is calculated by applying the effective interest rate to the gross carrying amount of the debt instruments when the asset is not credit-impaired. For debt instruments that have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

4.4 Property, plant and equipment

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

Leasehold land.....	Over the lease term
Buildings.....	40 years
Machinery.	5-10 years
Computer equipment	3-5 years
Furniture, fixtures and office equipment	3-5 years
Motor vehicles.....	5 years

Construction-in-progress is stated at cost less any impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalization of these costs ceases and the construction in progress is transferred to the appropriate classes of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognized in profit or loss on disposal.

4.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

4.6 Leases

All leases are required to be capitalized in the consolidated statements of financial position/statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalize (i) leases for which the underlying asset is of low-value; and/or (ii) leases which are short-term leases. The Group has elected not to recognize right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Accounting as a lessee

Right-of-use asset

The right-of-use asset is recognized at cost and comprises: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term on a straight-line basis.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses incremental borrowing rate as the discount rate. The Group determines incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the leased asset. After initial recognition, lease liability is measured at amortized cost under the effective interest method and interest expense is recognized as described in Note 4.15. Lease liabilities are presented as a separate line item in the consolidated statements of financial position and statements of financial position.

4.7 Intangible assets and research and development costs

Intangible assets

Intangible assets acquired separately are initially recognized at cost. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

The amortization expense is recognized in profit or loss. The useful lives and amortization method are reviewed, and adjusted if appropriate, at the end of each reporting period. Amortization is provided on a straight-line basis over their useful lives as follows:

Computer software 3 years

Intangible assets are tested for impairment as described in Note 4.8.

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that directly attributable to the development activities are recognized as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibilities of the prospective product internal use or sale;
- (ii) sufficient technical, financial and other resources are available for completion;
- (iii) there is intention to complete the intangible asset and use or sell it;
- (iv) the Group's ability to use or sell the intangible asset is demonstrated;
- (v) the intangible asset will generate probable economic benefits through internal use or sale; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Capitalized development costs are amortized over the periods the Group expects to benefit from using or selling the products developed.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are expensed as incurred.

4.8 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognized no longer exists or may have decreased:

- Property, plant and equipment, including right-of-use assets;
- Investments in subsidiaries; and
- Intangible assets.

Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. cash generating units ("CGUs")). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in profit or loss immediately.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or CGU, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

4.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits as well as short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.10 Financial instruments

(a) Financial assets

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(b) Impairment loss on financial assets

The Group recognizes loss allowances for expected credit losses ("ECLs") on trade and bills receivables and financial assets measured at amortized cost. The ECLs are measured on either of the following bases: (1) 12-months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade and bills receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs individually or collectively using a provision matrix with appropriate groupings. Provision matrix are based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realizing security (if any is held); or the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

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

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

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account except for debt instrument measured at FVOCI, which shall be recognized in other comprehensive income.

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(c) Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

The Group classifies its financial liabilities at amortized cost or at fair value through profit or loss (“FVPL”).

Financial liabilities at amortized cost

Financial liabilities at amortized cost including trade and bills payables and other payables and accruals are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost, using the effective interest method. The related interest expense is recognized as described in Note 4.15.

Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Financial liabilities at FVPL

Financial liabilities are classified as at FVPL when the financial liability is held for trading. A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

(d) Derivative financial instruments

All derivative financial instruments are initially recognised at fair value on the date on which the contract is entered into and are subsequently re-measured at fair value. Derivatives are classified as current assets when the fair value is positive and as current liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recorded in the consolidated statements of profit or loss and other comprehensive income.

4.11 Foreign currency translation

Transactions entered into by the group entities in currencies other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized in other comprehensive income, in which case, the exchange differences are also recognized in other comprehensive income.

4.12 Income tax

Income taxes for the period comprise current tax and deferred tax. Income taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity in which case the taxes are also recognized in other comprehensive income or when they relate to items recognized directly in equity in which case the taxes are also recognized directly in equity.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realized or settled and that have been enacted or substantively enacted at the end of each reporting period, and reflects any uncertainty related to income taxes.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

4.13 Employee benefits

(a) Defined contribution retirement plan

Pursuant to the relevant regulations of the PRC government, the Group participates in a central pension scheme operated by the local municipal government, whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the scheme is to pay the ongoing required contributions under the scheme. Contributions under the scheme are charged to profit or loss as incurred. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions.

(b) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognized in the period when the employees render the related service.

(c) Termination benefits

Termination benefits are recognized on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

4.14 Provisions and contingent liabilities

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

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

4.15 Borrowings costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalized as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Income earned on temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.16 Government grants

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

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

Other government grants related to assets are initially recognized as deferred revenue if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

4.17 Share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration 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 on which they are granted. Further details are included in Note 38.

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

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

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

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 canceled, 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. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the canceled award and is designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

4.18 Redemption liabilities

A contract that contains an obligation to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Group's obligations to purchase are conditional on the counterparty exercising a right to redeem. The redemption liability is initially measured at the present value of the redemption amount and subsequently measured at amortised cost, with interest expense being included in the finance costs. As the Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period, the amounts are classified as current liabilities.

The carrying amount of the redemption liability will be reclassified to equity upon a termination of the counterparty's redemption right.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Impairment of financial assets

The measurement of the ECLs allowance for financial assets measured at amortized cost is an area that requires the use of significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of debtors defaulting and the resulting losses). A number of significant judgments, including determining the criteria for significant increase in credit risk, are also required in applying the accounting requirements for measuring ECLs. Details about the judgments and assumptions used in measuring ECLs is set out in Note 4.10(b) and Note 42(b). Changes to these estimates and assumptions can result in significant changes to the amount of ECLs to be recognized.

Current taxes and deferred taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates temporary difference and tax that is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the group entities which have deductible temporary difference and tax losses.

Recognition of equity-settled share-based payments

The Group recognizes share-based payment expense for equity-settled employee awards based on the fair value of the Company's shares at the grant date, adjusted for estimated forfeitures. Most awards are subject to service conditions (e.g., continued employment over a specified period) and performance conditions (e.g., achievement of Group's profit targets and individual performance metrics). Significant judgment is required to estimate the number of awards expected to vest particularly due to subjective factors such as:

- likelihood of meeting profit targets;
- individual performance evaluations; and
- expected staff turnover rates.

At each reporting date, the Group assesses the probability of meeting performance conditions by reviewing internal forecasts, macroeconomic factors, and grantees' performance. Forfeiture assumptions are also updated using historical staff turnover data, though these trends may change over time.

These estimates are inherently uncertain, particularly for awards with longer vesting periods, and changes in assumptions could materially affect the expense to be recognized. Specifically, higher probability of meeting performance conditions and lower staff turnover would result in additional expenses being recognized as more awards are expected to vest and lower probability of meeting performance conditions and higher staff turnover would result in less expenses being recognized as fewer awards are expected to vest.

Impairment assessment of property, plant and equipment

Property, plant and equipment are stated at costs less accumulated depreciation and accumulated impairment losses, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belong. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Allowance for obsolete and slow-moving inventories

At the end of the reporting period, management assessed the provision of estimation for obsolete and slow-moving inventories due to a change in products sold and market trends in recent years and the latest experience of selling merchandise of a similar nature. The Group makes provision of allowances for inventories based on an assessment of the net realizable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realizable value is lower than the cost of inventories. The identification of the net realizable value and the slow-moving and obsolete inventories requires the use of judgement and estimates on the conditions and usefulness of the inventories.

Fair value measurement of financial liability

At the end of the reporting period, the Group's financial liability is measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgements and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in adjustments to the fair value of the liability. Note 30 and 41 provide detailed information about the valuation technique, inputs and key assumptions used in the determination of the fair value of the liability.

6. SEGMENT INFORMATION

(a) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the directors of the Company, being chief operating decision maker, for their decisions about resources allocation to the Group's business components and for their review of these components' performance.

During the Track Record Period, the Group is principally engaged in the manufacturing and sale of SiC epitaxial wafers under Turnkey service and provision of processing services for SiC epitaxial wafers under Consign service in the PRC. Information reported to the directors of the Company for the purpose of resources allocation and performance assessment focuses on the operating results of the business. Therefore, the chief operating decision maker of the Company regards that there is only one operating segment which is used to make strategic decisions. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographical information are presented.

(b) **Geographical information**

The Group is domiciled in the PRC, which is the location of the Group's principal office. All of the Group's revenue from external customers are originated from PRC. These revenues from external customers are further divided into the following geographical areas:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Revenue by region					
Asia – Greater China	167,703	307,249	207,656	161,343	340,026
Asia – Other than Greater					
China	107,767	437,972	464,773	382,628	115,935
Europe	149,339	323,343	268,943	235,014	64,160
North America	14,083	73,938	32,944	29,265	14,942
Others	1,799	–	–	–	–
Total	<u>440,691</u>	<u>1,142,502</u>	<u>974,316</u>	<u>808,250</u>	<u>535,063</u>

The Group's revenue information above is based on the delivery destinations of the Group's products and services requested by the customers. The geographical location of non-current assets is based on the physical location of the assets. As at December 31, 2022, 2023 and 2024 and September 30, 2025 all of the Group's non-current assets were located in the PRC.

(c) **Information about major customers**

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for each of the years/periods during the Track Record Period, is set out below:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Customer I	*	*	393,592	317,437	162,966
Customer F	*	*	201,486	168,937	62,749
Customer A	246,589	614,623	104,411	104,411	*
Customer B	<u>94,249</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

* The corresponding revenue is not disclosed as it did not contribute over 10% of the total revenue of the Group during that year/period.

7. REVENUE

Revenue primarily represents the revenue from Turnkey service and Consign service.

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Revenue					
Turnkey service	277,763	847,679	839,577	679,143	482,338
Consign service	156,569	292,750	121,103	118,100	24,791
Others	6,359	2,073	13,636	11,007	27,934
	<u>440,691</u>	<u>1,142,502</u>	<u>974,316</u>	<u>808,250</u>	<u>535,063</u>

All revenue is recognized at a point in time when the goods are delivered to the customers. All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied (or partially unsatisfied) performance obligations is not disclosed.

The following table provides information about trade and bills receivable and contract liabilities from contracts with customers.

	As at	As at December 31,			As at
	January 1,	2022	2023	2024	September 30,
	2022	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Trade and bills receivables (Note 21)	40,948	106,796	78,666	129,645	268,964
Contract liabilities (Note 26)	<u>846</u>	<u>5,757</u>	<u>3,730</u>	<u>6,795</u>	<u>736</u>

8. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Bank interest income	3,480	12,103	39,950	26,363	48,889
Government grants (Note) .	13,508	47,350	111,894	95,719	103,035
Fair value loss on derivatives financial instruments	-	-	-	-	(2,140)
Gain/(loss) on disposal of property, plant and equipment	26	3,487	20	20	(5)
Exchange gain/(loss), net .	4,433	463	16,482	(14,570)	(17,203)
Others	87	48	56	51	45
	<u>21,534</u>	<u>63,451</u>	<u>168,402</u>	<u>107,583</u>	<u>132,621</u>

Note: These government grants mainly comprised of subsidies received/receivable for subsidizing the Group's business. There was no unfulfilled condition to receive government grants at the end of each reporting period.

9. FINANCE COSTS

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Interest on bank borrowings	4,600	18,168	30,135	21,410	9,919
Interest on lease liabilities	9	18	2	2	1
Interests associated with redemption liabilities	15,825	14,387	1,334	1,000	344
	<u>20,434</u>	<u>32,573</u>	<u>31,471</u>	<u>22,412</u>	<u>10,264</u>
Less: Finance costs capitalized	(153)	(38)	(1,274)	(817)	(628)
	<u>20,281</u>	<u>32,535</u>	<u>30,197</u>	<u>21,595</u>	<u>9,636</u>

10. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the following:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Cost of inventories recognized as expenses	243,865	692,551	640,937	524,060	395,622
Auditors' remuneration	189	2,500	943	—	—
Depreciation of property, plant and equipment	30,592	95,923	144,715	103,186	128,933
Depreciation of right-of-use assets	486	719	276	243	99
Amortization of intangible assets	56	350	743	492	837
Employee costs (including directors' emoluments (Note 14)):					
– Salaries and wages	41,631	83,376	71,734	51,472	49,145
– Retirement scheme contributions	3,346	5,684	5,537	3,898	4,058
– Equity-settled share-based payments (Note (a))	28,575	256,210	154,249	141,163	124,484
	<u>73,552</u>	<u>345,270</u>	<u>231,520</u>	<u>196,533</u>	<u>177,687</u>
(Reversal of)/write-down of inventories to net realizable value	(111)	4,552	1,070	(1,518)	2,360
Listing expenses					
– Hong Kong	—	—	—	—	17,368
– PRC (Note)	—	5,678	2,853	2,853	—
Impairment loss/(reversal of impairment loss) on financial assets, net (Note 42(b)):					
– Trade and bills receivables	934	(145)	1,193	179	2,104
– Deposits and other receivables	(33)	(4)	60	21	12
	<u>901</u>	<u>(149)</u>	<u>1,253</u>	<u>200</u>	<u>2,116</u>

Note: Listing expenses in PRC include expenses related to previous listing exercise attempt.

Note (a): Equity-settled share-based payments are included in the following items:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Cost of sales	–	57,813	3,522	6,845	4,088
Selling and distribution expenses	–	46,219	1,642	4,174	2,248
Administrative and other expenses	28,575	124,253	141,400	121,651	111,437
Research and development costs	–	27,925	7,685	8,493	6,711

11. INCOME TAX CREDIT/(EXPENSE)

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Current year/period – PRC corporate income tax . . .	–	–	(59,766)	(39,399)	(36,541)
Deferred tax (Note 19) . . .	24,085	(55,648)	16,652	2,324	13,460
	<u>24,085</u>	<u>(55,648)</u>	<u>(43,114)</u>	<u>(37,075)</u>	<u>(23,081)</u>

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

Pursuant to the income tax rules and regulations of the PRC, the provision for PRC corporate income tax of the group entities is calculated based on the statutory tax rate of 25% during the Track Record Period, except for the Company which is registered as a High and New-Tech Enterprise pursuant to the PRC tax regulations and entitled to a preferential tax rate of 15% for the Track Record Period.

The income tax (credit)/expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Profit before tax	<u>103,458</u>	<u>163,153</u>	<u>208,181</u>	<u>155,488</u>	<u>44,226</u>
Tax calculated at applicable tax rates	15,519	24,473	30,995	23,279	7,483
Tax effect of expenses not deductible for tax purpose . . .	6,665	41,609	22,436	21,503	18,683
Tax incentives for research and development costs	(5,638)	(10,434)	(10,317)	(7,707)	(3,085)
Tax effect of previously unrecognized tax losses now recognized as deferred tax assets	(40,631)	–	–	–	–
Income tax (credit)/expense . . .	<u>(24,085)</u>	<u>55,648</u>	<u>43,114</u>	<u>37,075</u>	<u>23,081</u>

12. DIVIDENDS

No dividend were declared and paid during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025.

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
				(Unaudited)	
Earnings for the year attributable to ordinary equity shareholders of the Company					
Profit for the year attributable to all equity shareholders of the Company	<u>127,543</u>	<u>107,505</u>	<u>165,067</u>	<u>118,413</u>	<u>21,145</u>
	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	'000	'000	'000	'000	'000
				(Unaudited)	
Weighted average number of shares					
Weighted average number of ordinary shares in issue	357,522	374,444	388,236	388,192	404,093
Effect of ordinary shares with redemption rights	<u>(40,860)</u>	<u>(34,828)</u>	<u>(4,768)</u>	<u>(4,768)</u>	<u>(1,554)</u>
Weighted average number of ordinary shares in issue, for the purposes of basic and diluted earnings per share	<u>316,662</u>	<u>339,616</u>	<u>383,468</u>	<u>383,424</u>	<u>402,539</u>

During the Track Record Period, ordinary shares with redemption rights (Note 31) were not included in the calculation of diluted earnings per share, as their inclusion would have been anti-dilutive. Accordingly, diluted earnings per share are the same as the basic earnings per share as the Company had no dilutive potential ordinary shares in existence for the Track Record Period.

The Company converted into a joint stock company with limited liability and issued 360,000,000 shares with the par value of RMB1 each in May 2023. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred on 1 January 2022. Please refer to Note 32(c) for details.

14. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' and supervisors' emoluments

Details of directors' and supervisors' remuneration during the Track Record Period are as follows:

	Fees	Salaries, allowances and bonus	Retirement scheme contributions	Equity-settled share-based payments	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Year ended December 31, 2022					
<i>Executive directors</i>					
Dr. Zhao Jianhui (趙建輝)	-	1,314	-	-	1,314
Ms. Pan Menghan (潘夢菡)	-	420	-	-	420
Ms. Bai Liting (白麗婷) (a)	-	221	-	28,575	28,796
Mr. Guo Zhiyan (郭志彥) (a)	-	-	-	-	-
Mr. Kuang Guangjian (匡光堅) (b)	-	-	-	-	-
Mr. Chen Yinfei (陳音飛) (b)	-	-	-	-	-
Mr. Li Qinghua (李慶華)	-	-	-	-	-
Mr. Xie Xuejun (謝學軍)	-	-	-	-	-
	-	1,955	-	28,575	30,530
	=	=	=	=	=
<i>Non-executive director</i>					
Mr. Su Ping (蘇平)	-	-	-	-	-
	=	=	=	=	=
<i>Supervisors</i>					
Mr. Wu Guoyi (吳國屹) (d)	-	-	-	-	-
Mr. Zhang Jie (張捷)	-	-	-	-	-
Ms Zhang Zhilin (張之琳) (d)	-	70	3	-	73
	-	70	3	-	73
	=	=	=	=	=
	=	=	=	=	=
	Fees	Salaries, allowances and bonus	Retirement scheme contributions	Equity-settled share-based payments	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Year ended December 31, 2023					
<i>Executive directors</i>					
Dr. Zhao Jianhui (趙建輝)	-	1,322	-	11,469	12,791
Ms. Pan Menghan (潘夢菡)	-	426	-	-	426
Ms. Bai liting (白麗婷)	-	120	-	-	120
Mr. Guo Zhiyan (郭志彥)	-	-	-	-	-
Mr. Li Qinghua (李慶華) (c)	-	-	-	-	-
Mr. Xie Xuejun (謝學軍)	-	-	-	-	-
	-	1,868	-	11,469	13,337
	=	=	=	=	=
<i>Independent non-executive directors</i>					
Mr. Li Guoan (李國安) (e)	67	-	-	-	67
Dr. Kang Junyong (康俊勇) (e)	67	-	-	-	67
Dr. Su Xinlong (蘇新龍) (e)	67	-	-	-	67
	201	-	-	-	201
	=	=	=	=	=
<i>Non-executive director</i>					
Mr. Su Ping (蘇平)	-	-	-	-	-
	=	=	=	=	=
<i>Supervisors</i>					
Mr. Wu Guoyi (吳國屹)	-	-	-	-	-
Mr. Zhang Jie (張捷) (f)	-	-	-	-	-
Ms. Zhang Zhilin (張之琳) (d)(f)	-	109	7	-	116
Mr. Qian Weining (錢衛寧) (g)	-	399	20	2,969	3,388
Mr. Li Kaixi (李凱希) (g)	-	317	19	2,227	2,563
	-	825	46	5,196	6,067
	=	=	=	=	=
	=	=	=	=	=

	Fees	Salaries, allowances and bonus	Retirement scheme contributions	Equity-settled share-based payments	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Year ended December 31, 2024					
<i>Executive directors</i>					
Dr. Zhao Jianhui (趙建輝)	-	1,322	-	21,747	23,069
Ms. Pan Menghan (潘夢菡)	-	406	-	-	406
Ms. Bai liting (白麗婷)	-	120	-	-	120
Mr. Guo Zhiyan (郭志彥)	-	-	-	-	-
Mr. Xie Xuejun (謝學軍)	-	-	-	-	-
	<u>-</u>	<u>1,848</u>	<u>-</u>	<u>21,747</u>	<u>23,595</u>
<i>Independent non-executive directors</i>					
Mr. Li Guoan (李國安)	100	-	-	-	100
Dr. Kang Junyong (康俊勇)	100	-	-	-	100
Dr. Su Xinlong (蘇新龍)	100	-	-	-	100
	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
<i>Non-executive director</i>					
Mr. Su Ping (蘇平)	-	-	-	-	-
<i>Supervisors</i>					
Mr. Wu Guoyi (吳國屹)	-	-	-	-	-
Mr. Qian Weining (錢衛寧)	-	381	21	4,663	5,065
Mr. Li Kaixi (李凱希)	-	296	21	3,417	3,734
	<u>-</u>	<u>677</u>	<u>42</u>	<u>8,080</u>	<u>8,799</u>

	Fees	Salaries, allowances and bonus	Retirement scheme contributions	Equity-settled share-based payments	Total
	RMB '000 (Unaudited)	RMB '000 (Unaudited)	RMB '000 (Unaudited)	RMB '000 (Unaudited)	RMB '000 (Unaudited)
Nine months ended September 30, 2024					
<i>Executive directors</i>					
Dr. Zhao Jianhui (趙建輝)	-	985	-	16,310	17,295
Ms. Pan Menghan (潘夢菡)	-	366	-	-	366
Ms. Bai liting (白麗婷)	-	90	-	-	90
Mr. Guo Zhiyan (郭志彥)	-	-	-	-	-
Mr. Xie Xuejun (謝學軍)	-	-	-	-	-
	<u>-</u>	<u>1,441</u>	<u>-</u>	<u>16,310</u>	<u>17,751</u>
<i>Independent non-executive directors</i>					
Mr. Li Guoan (李國安)	75	-	-	-	75
Dr. Kang Junyong (康俊勇)	75	-	-	-	75
Dr. Su Xinlong (蘇新龍)	75	-	-	-	75
	<u>225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225</u>
<i>Non-executive director</i>					
Mr. Su Ping (蘇平)	-	-	-	-	-
<i>Supervisors</i>					
Mr. Wu Guoyi (吳國屹)	-	-	-	-	-
Mr. Qian Weining (錢衛寧)	-	267	14	3,748	4,029
Mr. Li Kaixi (李凱希)	-	212	14	2,771	2,997
	<u>-</u>	<u>479</u>	<u>28</u>	<u>6,519</u>	<u>7,026</u>

	Fees	Salaries, allowances and bonus	Retirement scheme contributions	Equity-settled share-based payments	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Nine months ended September 30, 2025					
<i>Executive directors</i>					
Dr. Zhao Jianhui (趙建輝)	-	900	-	16,310	17,210
Ms. Pan Menghan (潘夢菡)	-	290	-	-	290
Ms. Bai liting (白麗婷)	-	90	-	-	90
Mr. Guo Zhiyan (郭志彥) (h)	-	-	-	-	-
Mr. Xie Xuejun (謝學軍) (h)	-	-	-	-	-
	<u>-</u>	<u>1,280</u>	<u>-</u>	<u>16,310</u>	<u>17,590</u>
<i>Independent non-executive directors</i>					
Mr. Li Guoan (李國安) (i)	20	-	-	-	20
Dr. Kang Junyong (康俊勇)	75	-	-	-	75
Dr. Su Xinlong (蘇新龍)	75	-	-	-	75
Dr. Liao Yi (廖逸) (j)	50	-	-	-	50
	<u>220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220</u>
<i>Non-executive directors</i>					
Mr. Su Ping (蘇平)	-	-	-	-	-
Mr. Fang Wei (方偉) (k)	-	-	-	-	-
Ms. Xie Jieping (謝潔平) (k)	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Supervisors</i>					
Mr. Wu Guoyi (吳國屹)	-	-	-	-	-
Mr. Qian Weining (錢衛寧)	-	270	17	3,748	4,035
Mr. Li Kaixi (李凱希)	-	209	17	2,771	2,997
	<u>-</u>	<u>479</u>	<u>34</u>	<u>6,519</u>	<u>7,032</u>

Notes:

- (a) Ms. Bai and Mr. Guo were appointed as executive directors in July 2022.
- (b) Mr. Kuang and Mr. Chen resigned as executive directors in July 2022.
- (c) Mr. Li resigned as executive director in May 2023.
- (d) Mr. Wu and Ms. Zhang were appointed as supervisors in October 2022.
- (e) Mr. Li, Dr. Kang and Dr. Su were appointed as independent non-executive directors in May 2023.
- (f) Mr. Zhang and Ms. Zhang resigned as supervisors in May 2023.
- (g) Mr. Qian and Mr. Li were appointed as supervisors in May 2023.
- (h) Mr. Guo and Mr. Xie resigned as executive directors in March 2025.
- (i) Mr. Li resigned as independent non-executive director in March 2025.
- (j) Dr. Liao was appointed as independent non-executive director in March 2025.
- (k) Mr. Fang and Ms. Xie were appointed as non-executive directors in March 2025.

- (l) No emoluments were paid by the Group to any directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss or termination of their office during the Track Record Period.
- (m) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company. The non-executive directors' and the independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, included three, zero, two, one and two directors and supervisors of the Company for each of the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (*unaudited*) and 2025 respectively, whose emoluments are disclosed above. The emoluments of the remaining two, five, three, four, three individuals for each of the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (*unaudited*) and 2025 respectively, whose emoluments are analyzed below:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Salaries	2,030	2,748	2,104	1,691	1,442
Allowance and other benefits	—	—	—	—	—
Discretionary bonuses	—	—	—	—	—
Retirement scheme contributions	71	134	97	89	84
Equity-settled share-based payments	—	145,485	109,190	96,773	85,512
	<u>2,101</u>	<u>148,367</u>	<u>111,391</u>	<u>98,553</u>	<u>87,038</u>

The number of the highest paid individuals other than directors and supervisors fell within the following emolument bands:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	No. of individuals	No. of individuals	No. of individuals	No. of individuals (Unaudited)	No. of individuals
Nil to HKD1,000,000	1	—	—	—	—
HKD1,000,001 to HKD1,500,000	1	—	—	—	—
HKD5,000,001 to HKD5,500,000	—	—	—	1	—
HKD6,500,001 to HKD7,000,000	—	—	—	—	1
HKD7,500,001 to HKD8,000,000	—	—	1	—	—
HKD8,000,001 to HKD8,500,000	—	—	—	1	—
HKD11,000,001 to HKD11,500,000	—	—	—	—	1
HKD12,000,001 to HKD12,500,000	—	—	—	1	—
HKD15,000,001 to HKD15,500,000	—	—	1	—	—
HKD25,000,001 to HKD25,500,000	—	1	—	—	—
HKD25,500,001 to HKD26,000,000	—	1	—	—	—
HKD26,000,001 to HKD26,500,000	—	1	—	—	—
HKD27,500,001 to HKD28,000,000	—	1	—	—	—
HKD59,500,001 to HKD60,000,000	—	1	—	—	—
HKD77,000,001 to HKD77,500,000	—	—	—	—	1
HKD82,500,001 to HKD83,000,000	—	—	—	1	—
HKD99,000,001 to HKD99,500,000	—	—	1	—	—
	<u>2</u>	<u>5</u>	<u>3</u>	<u>4</u>	<u>3</u>

During the Track Record Period, no emoluments were paid by the Group to any director or supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. There were no arrangements under which a director or supervisor waived or agreed to waive any emolument during the Track Record Period.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold land	Buildings	Machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction -in-progress	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Cost:								
At January 1, 2022	12,525	68,510	165,236	1,809	3,361	-	149,215	400,656
Additions	26,883	-	-	-	-	-	548,627	575,510
Transferred upon completion	-	81,602	318,168	3,480	4,900	-	(408,150)	-
Disposals/written off	-	-	(1,118)	-	(342)	-	-	(1,460)
At December 31, 2022 and January 1, 2023	39,408	150,112	482,286	5,289	7,919	-	289,692	974,706
Additions	-	-	-	-	-	-	1,261,841	1,261,841
Transferred upon completion	-	179,735	769,233	3,014	7,924	352	(960,258)	-
Disposals/written off	-	-	(38,316)	(5)	(732)	-	-	(39,053)
At December 31, 2023 and January 1, 2024	39,408	329,847	1,213,203	8,298	15,111	352	591,275	2,197,494
Additions	-	-	-	-	17	-	156,704	156,721
Transferred upon completion	-	1,185	182,258	1,121	929	-	(185,493)	-
Disposals/written off	-	(1,669)	-	-	(16)	-	-	(1,685)
At December 31, 2024 and January 1, 2025	39,408	329,363	1,395,461	9,419	16,041	352	562,486	2,352,530
Additions	32	-	-	6	5	-	24,374	24,417
Transferred upon completion	-	153,914	305,385	1,435	298	-	(461,032)	-
Disposals/written off	-	-	-	(200)	-	-	-	(200)
At September 30, 2025	39,440	483,277	1,700,846	10,660	16,344	352	125,828	2,376,747
Accumulated depreciation:								
At January 1, 2022	1,294	5,939	61,968	676	1,505	-	-	71,382
Charge for the year	473	4,906	23,758	573	882	-	-	30,592
Disposals/written off	-	-	(754)	-	(332)	-	-	(1,086)
At December 31, 2022 and January 1, 2023	1,767	10,845	84,972	1,249	2,055	-	-	100,888
Charge for the year	788	10,230	81,835	1,050	1,970	50	-	95,923
Disposals/written off	-	-	(35,869)	(4)	(675)	-	-	(36,548)
At December 31, 2023 and January 1, 2024	2,555	21,075	130,938	2,295	3,350	50	-	160,263
Charge for the year	788	18,062	121,448	1,510	2,840	67	-	144,715
Disposals/written off	-	-	-	-	(14)	-	-	(14)
At December 31, 2024 and January 1, 2025	3,343	39,137	252,386	3,805	6,176	117	-	304,964
Charge for the period	623	16,865	108,038	1,197	2,160	50	-	128,933
Disposals/written off	-	-	-	(160)	-	-	-	(160)
At September 30, 2025	3,966	56,002	360,424	4,842	8,336	167	-	433,737
Net carrying amount:								
At December 31, 2022	37,641	139,267	397,314	4,040	5,864	-	289,692	873,818
At December 31, 2023	36,853	308,772	1,082,265	6,003	11,761	302	591,275	2,037,231
At December 31, 2024	36,065	290,226	1,143,075	5,614	9,865	235	562,486	2,047,566
At September 30, 2025	35,474	427,275	1,340,422	5,818	8,008	185	125,828	1,943,010

The Company

	Leasehold land	Buildings	Machinery	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction -in-progress	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Cost:								
At January 1, 2022	12,525	68,510	165,236	1,809	3,361	-	149,215	400,656
Additions	26,883	-	-	-	-	-	548,627	575,510
Transferred upon completion	-	81,602	318,168	3,480	4,900	-	(408,150)	-
Disposals/written off	-	-	(1,118)	-	(342)	-	-	(1,460)
At December 31, 2022 and January 1, 2023	39,408	150,112	482,286	5,289	7,919	-	289,692	974,706
Additions	-	-	-	-	-	-	1,261,841	1,261,841
Transferred upon completion	-	179,735	769,233	3,014	7,924	352	(960,258)	-
Disposals/written off	-	-	(38,316)	(5)	(732)	-	-	(39,053)
At December 31, 2023 and January 1, 2024	39,408	329,847	1,213,203	8,298	15,111	352	591,275	2,197,494
Additions	-	-	-	-	-	-	156,704	156,704
Transferred upon completion	-	1,185	182,258	1,121	929	-	(185,493)	-
Disposals/written off	-	(1,669)	(245,738)	(594)	(1,454)	-	-	(249,455)
At December 31, 2024 and January 1, 2025	39,408	329,363	1,149,723	8,825	14,586	352	562,486	2,104,743
Additions	32	-	-	-	-	-	24,274	24,306
Transferred upon completion	-	153,914	305,385	1,435	298	-	(461,032)	-
Disposals/written off	-	-	-	(158)	-	-	-	(158)
At September 30, 2025	39,440	483,277	1,455,108	10,102	14,884	352	125,728	2,128,891
Accumulated depreciation:								
At January 1, 2022	1,294	5,939	61,968	676	1,505	-	-	71,382
Charge for the year	473	4,906	23,758	573	882	-	-	30,592
Disposals/written off	-	-	(754)	-	(332)	-	-	(1,086)
At December 31, 2022 and January 1, 2023	1,767	10,845	84,972	1,249	2,055	-	-	100,888
Charge for the year	788	10,230	81,835	1,050	1,970	50	-	95,923
Disposals/written off	-	-	(35,869)	(4)	(675)	-	-	(36,548)
At December 31, 2023 and January 1, 2024	2,555	21,075	130,938	2,295	3,350	50	-	160,263
Charge for the year	788	18,062	111,739	1,465	2,731	67	-	134,852
Disposals/written off	-	-	(27,121)	(212)	(470)	-	-	(27,803)
At December 31, 2024 and January 1, 2025	3,343	39,137	215,556	3,548	5,611	117	-	267,312
Charge for the period	623	16,865	90,541	1,120	1,966	50	-	111,165
Disposals/written off	-	-	-	(147)	-	-	-	(147)
At September 30, 2025	3,966	56,002	306,097	4,521	7,577	167	-	378,330
Net carrying amount:								
At December 31, 2022	37,641	139,267	397,314	4,040	5,864	-	289,692	873,818
At December 31, 2023	36,853	308,772	1,082,265	6,003	11,761	302	591,275	2,037,231
At December 31, 2024	36,065	290,226	934,167	5,277	8,975	235	562,486	1,837,431
At September 30, 2025	35,474	427,275	1,149,011	5,581	7,307	185	125,728	1,750,561

16. RIGHT-OF-USE ASSETS

The Group

The analysis of the net book value of right-of-use assets by class of underlying assets as at the end of each reporting period is as follows:

	As at December 31,			As at September 30,	
	2022	2023	2024	2025	
	RMB '000	RMB '000	RMB '000	RMB '000	
Staff quarters and warehouse	343	371	77	110	
	<u>343</u>	<u>371</u>	<u>77</u>	<u>110</u>	
	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Additions to right-of-use assets	412	795	133	133	132
	<u>412</u>	<u>795</u>	<u>133</u>	<u>133</u>	<u>132</u>
Depreciation charge of right-of-use assets by class of underlying assets:					
– Staff quarters and warehouse	486	719	276	243	99
	<u>486</u>	<u>719</u>	<u>276</u>	<u>243</u>	<u>99</u>

The Company

The analysis of the net book value of right-of-use assets by class of underlying assets as at the end of each reporting period is as follows:

	As at December 31,			As at September 30,	
	2022	2023	2024	2025	
	RMB '000	RMB '000	RMB '000	RMB '000	
Staff quarters	343	371	–	–	
	<u>343</u>	<u>371</u>	<u>–</u>	<u>–</u>	
	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Additions to right-of-use assets	412	795	–	–	–
	<u>412</u>	<u>795</u>	<u>–</u>	<u>–</u>	<u>–</u>
Depreciation charge of right-of-use assets by class of underlying assets:					
– Staff quarters	486	719	221	221	–
	<u>486</u>	<u>719</u>	<u>221</u>	<u>221</u>	<u>–</u>

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	2025
Unlisted investments, at cost	=	=	50,000	50,000

The particulars of the directly and indirectly held subsidiaries of the Company are set out in Note 1.

18. INTANGIBLE ASSETS

The Group and the Company

	Computer software
	<i>RMB '000</i>
Cost:	
At January 1, 2022, December 31, 2022, and January 1, 2023	256
Additions	1,192
At December 31, 2023 and January 1, 2024	1,448
Additions	1,900
At December 31, 2024 and January 1, 2025	3,348
Additions	580
At September 30, 2025	3,928
Accumulated amortization:	
At January 1, 2022	124
Charge for the year	56
At December 31, 2022 and January 1, 2023	180
Charge for the year	350
At December 31, 2023 and January 1, 2024	530
Charge for the year	743
At December 31, 2024 and January 1, 2025	1,273
Charge for the period	837
At September 30, 2025	2,110
Net carrying value:	
At December 31, 2022	76
At December 31, 2023	918
At December 31, 2024	2,075
At September 30, 2025	1,818

19. DEFERRED TAX

Deferred tax recognized and movements during the Track Record Period are as follows:

The Group

	Impairment losses on financial assets	Unused tax losses	Inventories	Fair value on derivative financial instruments	Property, plant and equipment and right-of-use assets	Government grants received not yet recognized as income	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At January 1, 2022	-	-	-	-	-	-	-
Credited/(charged) to profit or loss	211	54,995	87	-	(46,243)	15,035	24,085
At December 31, 2022 and January 1, 2023	211	54,995	87	-	(46,243)	15,035	24,085
Credited/(charged) to profit or loss	(22)	(45,345)	683	-	(26,764)	15,800	(55,648)
At December 31, 2023 and January 1, 2024	189	9,650	770	-	(73,007)	30,835	(31,563)
Credited/(charged) to profit or loss	251	(9,428)	178	-	17,371	8,280	16,652
At December 31, 2024 January 1, 2025	440	222	948	-	(55,636)	39,115	(14,911)
Credited/(charged) to profit or loss	553	(222)	1,299	488	3,652	7,690	13,460
At September 30, 2025	993	-	2,247	488	(51,984)	46,805	(1,451)

The following is the analysis of the deferred tax balances for the financial reporting purposes:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Deferred tax assets	24,085	-	49	2,206
Deferred tax liabilities	-	(31,563)	(14,960)	(3,657)
	<u>24,085</u>	<u>(31,563)</u>	<u>(14,911)</u>	<u>(1,451)</u>

Deferred income tax assets are recognized for deductible temporary differences and unused tax losses to the extent that the realization of the related tax benefits through future taxable profits is probable. The Group has tax losses arising in China that will expire in five or ten years for offsetting against future taxable profits.

The amounts and expiration dates of the tax losses carried forward as at December 31, 2022, 2023, 2024 and September 30, 2025 are listed below:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
2027	13,707	-	-	-
2028	17,278	-	-	-
2029	-	-	889	-
2030	41,392	-	-	-
2031	2,736	-	-	-
2032	291,518	64,331	-	-
	<u>366,631</u>	<u>64,331</u>	<u>889</u>	<u>-</u>

As at December 31, 2022, 2023, 2024 and as at September 30, 2025, the Group had cumulative tax losses amounting RMB366,631,000, RMB64,331,000, RMB889,000 and Nil that can be carried forward against future taxable income.

The Company

	Impairment losses on financial assets	Unused tax losses	Inventories	Fair value on derivative financial instruments	Property, plant and equipment and right-of-use assets	Government grants received not yet recognized as income	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At January 1, 2022	-	-	-	-	-	-	-
Credited/(charged) to profit or loss	211	54,995	87	-	(46,243)	15,035	24,085
At December 31, 2022 and January 1, 2023	211	54,995	87	-	(46,243)	15,035	24,085
Credited/(charged) to profit or loss	(22)	(45,345)	683	-	(26,764)	15,800	(55,648)
At December 31, 2023 and January 1, 2024	189	9,650	770	-	(73,007)	30,835	(31,563)
Credited/(charged) to profit or loss	464	(9,650)	136	-	17,373	8,280	16,603
At December 31, 2024 and January 1, 2025	653	-	906	-	(55,634)	39,115	(14,960)
Credited/(charged) to profit or loss	(119)	-	(15)	70	3,661	7,690	11,287
At September 30, 2025	534	-	891	70	(51,973)	46,805	(3,673)

The following is the analysis of the deferred tax balances for the financial reporting purposes:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
Deferred tax assets	24,085	-	-	-
Deferred tax liabilities	-	(31,563)	(14,960)	(3,673)
	24,085	(31,563)	(14,960)	(3,673)

Deferred income tax assets are recognized for deductible temporary differences and unused tax losses to the extent that the realization of the related tax benefits through future taxable profits is probable. The Company has tax losses arising in China that will expire in ten years for offsetting against future taxable profits.

The amounts and expiration dates of the tax losses carried forward as at December 31, 2022, 2023 and 2024 and as at September 30, 2025 are listed below:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
2027	13,707	-	-	-
2028	17,278	-	-	-
2029	-	-	-	-
2030	41,392	-	-	-
2031	2,736	-	-	-
2032	291,518	64,331	-	-
	366,631	64,331	-	-

As at December 31, 2022 and 2023, the Company had cumulative tax losses amounting RMB366,631,000 and RMB64,331,000 that can be carried forward against future taxable income.

20. INVENTORIES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Raw materials	61,601	258,868	196,416	202,902
Finished goods	23,932	96,517	46,255	61,342
Work in progress	6,449	831	11,169	15,261
	<u>91,982</u>	<u>356,216</u>	<u>253,840</u>	<u>279,505</u>
Write-down of inventories to net realizable value	(578)	(5,130)	(6,200)	(8,560)
	<u>91,404</u>	<u>351,086</u>	<u>247,640</u>	<u>270,945</u>

Movements on the write-down of inventories to net realizable value are as follows:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
At January 1	(689)	(578)	(5,130)	(6,200)
Reversal/(charge) for the year/period	111	(4,552)	(1,070)	(2,360)
At December 31/September 30	<u>(578)</u>	<u>(5,130)</u>	<u>(6,200)</u>	<u>(8,560)</u>

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Raw materials	61,601	258,868	182,413	167,158
Finished goods	23,932	96,517	43,192	35,225
Work in progress	6,449	831	9,964	7,179
	<u>91,982</u>	<u>356,216</u>	<u>235,569</u>	<u>209,562</u>
Write-down of inventories to net realizable value	(578)	(5,130)	(6,035)	(5,934)
	<u>91,404</u>	<u>351,086</u>	<u>229,534</u>	<u>203,628</u>

Movements on the write-down of inventories to net realizable value are as follows:

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
At January 1	(689)	(578)	(5,130)	(6,035)
Reversal/(charge) for the year/period	111	(4,552)	(905)	101
At December 31/September 30	<u>(578)</u>	<u>(5,130)</u>	<u>(6,035)</u>	<u>(5,934)</u>

21. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Trade receivables	106,342	76,868	130,135	273,206
Bills receivable	1,801	3,000	1,905	257
	108,143	79,868	132,040	273,463
Less: impairment loss allowance . . .	(1,347)	(1,202)	(2,395)	(4,499)
	<u>106,796</u>	<u>78,666</u>	<u>129,645</u>	<u>268,964</u>

An aging analysis of trade and bills receivables, net of impairment losses, as at the end of each reporting period, based on the invoice dates, is as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Trade and bills receivables				
Within 3 months	104,654	77,461	123,752	249,558
3 months to 6 months	949	634	1,151	17,327
6 months to 1 year	—	17	4,635	2,079
1 year to 2 years	1,193	148	14	—
2 years to 3 years	—	406	93	—
	<u>106,796</u>	<u>78,666</u>	<u>129,645</u>	<u>268,964</u>

The Group recognized impairment loss based on the accounting policy stated in Note 4.10(b). Trade and bills receivables are generally due within 30 to 90 days from the date of billing.

Further details on the Group's credit policy and credit risk analysis arising from trade and bills receivables are set out in Note 42(b).

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Trade receivables	106,342	76,868	65,413	68,691
Bills receivable	1,801	3,000	902	257
	108,143	79,868	66,315	68,948
Less: impairment loss allowance . . .	(1,347)	(1,202)	(1,747)	(1,530)
	<u>106,796</u>	<u>78,666</u>	<u>64,568</u>	<u>67,418</u>

An aging analysis of trade and bills receivables, net of impairment losses, as at the end of each reporting period, based on the invoice dates, is as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	RMB '000
Trade and bills receivables				
Within 3 months	104,654	77,461	58,675	62,505
3 months to 6 months	949	634	1,151	4,857
6 months to 1 year	—	17	4,635	56
1 year to 2 years	1,193	148	14	—
2 years to 3 years	—	406	93	—
	<u>106,796</u>	<u>78,666</u>	<u>64,568</u>	<u>67,418</u>

The Company recognized impairment loss based on the accounting policy stated in Note 4.10(b). Trade and bills receivables are generally due within 30 to 90 days from the date of billing.

Further details on the Company's credit policy and credit risk analysis arising from trade and bills receivables are set out in Note 42(b).

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	RMB '000
Current portion				
Deposits and other receivables	1,214	1,131	2,347	10,961
Prepayments	14,374	6,287	5,238	4,075
Prepaid listing expenses and deferred issue costs				
– Hong Kong	—	—	—	6,262
– PRC	—	631	—	—
	<u>15,588</u>	<u>8,049</u>	<u>7,585</u>	<u>21,298</u>
Less: Impairment loss allowance	(61)	(57)	(117)	(129)
	<u>15,527</u>	<u>7,992</u>	<u>7,468</u>	<u>21,169</u>

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	RMB '000
Current portion				
Deposits and other receivables	1,214	1,131	2,227	10,838
Prepayments	14,374	6,287	5,238	4,074
Prepaid listing expenses and deferred issue costs				
– Hong Kong	—	—	—	6,262
– PRC	—	631	—	—
	<u>15,588</u>	<u>8,049</u>	<u>7,465</u>	<u>21,174</u>
Less: Impairment loss allowance	(61)	(57)	(111)	(115)
	<u>15,527</u>	<u>7,992</u>	<u>7,354</u>	<u>21,059</u>

The Group and the Company recognized impairment loss based on the accounting policy stated in Note 4.10(b). Further details on the Group and the Company's credit risk analysis arising from deposits and other receivables are set out in Note 42(b).

23. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

The Group

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Cash and cash equivalents	<u>274,417</u>	<u>549,521</u>	<u>2,030,653</u>	<u>1,832,787</u>
<u>Current portion</u>				
Term deposits	<u>500</u>	<u>20,622</u>	<u>-</u>	<u>-</u>
<u>Non-current portion</u>				
Term deposits	<u>20,122</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group's cash and cash equivalents comprise cash on hand, bank deposits carrying interest at floating rates based on daily bank deposit rates and short-term bank deposits carrying interests at prevailing market interest rate. Term deposits with original maturity over three months comprise bank deposits carrying interest at fixed rate or floating rates at prevailing market interest rate. The directors of the Company consider that the carrying value of the deposits at the end of each reporting period approximates to their fair values.

As at the end of each reporting period, all of the Group's cash at banks and on hands and term deposits with original maturity over three months are denominated in RMB and USD and placed in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Cash and cash equivalents	<u>274,417</u>	<u>549,521</u>	<u>2,022,075</u>	<u>1,705,055</u>
<u>Current portion</u>				
Term deposits	<u>500</u>	<u>20,622</u>	<u>-</u>	<u>-</u>
<u>Non-current portion</u>				
Term deposits	<u>20,122</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company's cash and cash equivalents comprise cash on hand, bank deposits carrying interest at floating rates based on daily bank deposit rates and short-term bank deposits carrying interests at prevailing market interest rate. Term deposits with original maturity over three months comprise bank deposits carrying interest at fixed rate or floating rates at prevailing market interest rate. The directors of the Company consider that the carrying value of the deposits at the end of each reporting period approximates to their fair values.

As at the end of each reporting period, all of the Company's cash at banks and on hands and term deposits with original maturity over three months are denominated in RMB and USD and placed in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

24. TRADE AND BILLS PAYABLES

The Group

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Trade payables	47,962	32,912	46,781	147,859
Bills payable	6,901	–	25,102	7,105
	<u>54,863</u>	<u>32,912</u>	<u>71,883</u>	<u>154,964</u>

A credit period is 30 days to 90 days, if applicable, from the date of billing is generally granted by the Group's trade suppliers. Based on the receipt of services and goods, which normally coincided with the invoice dates, the aging analysis of the Group's trade and bills payables as at the end of each reporting period is as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Within one year	54,626	32,670	71,538	154,072
1-2 years	–	5	104	548
Over 2 years	237	237	241	344
	<u>54,863</u>	<u>32,912</u>	<u>71,883</u>	<u>154,964</u>

The Group's trade and bills payables are short-term in nature and hence, the carrying amount of trade and bills payables are considered to approximate to their fair value.

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Trade payables	47,962	32,912	11,768	23,583
Bills payable	6,901	–	25,102	7,105
	<u>54,863</u>	<u>32,912</u>	<u>36,870</u>	<u>30,688</u>

A credit period is 30 days to 90 days, if applicable, from the date of billing is generally granted by the Company's trade suppliers. Based on the receipt of services and goods, which normally coincided with the invoice dates, the aging analysis of the Company's trade and bills payables as at the end of each reporting period is as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Within one year	54,626	32,670	36,525	29,811
1-2 years	–	5	104	533
Over 2 years	237	237	241	344
	<u>54,863</u>	<u>32,912</u>	<u>36,870</u>	<u>30,688</u>

The Company's trade and bills payables are short-term in nature and hence, the carrying amount of trade and bills payables are considered to approximate to their fair value.

25. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Amount due to shareholder (<i>note a</i>)	100,000	—	—	—
Other payables	769	1,135	1,057	3,032
Construction payables	72,676	177,155	130,159	92,137
Other tax payables	1,289	2,177	2,458	7,759
Accruals	7,343	11,264	11,415	6,561
	<u>182,077</u>	<u>191,731</u>	<u>145,089</u>	<u>109,489</u>

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, other payables and accruals were non-interest bearing, unsecured and repayable on demand.

Note:

- (a) It is of a non-trade nature. It represented the cash proceeds received from a new shareholder as at December 31, 2022, due to the incomplete registration of new shares. The balance was recognized as share capital and capital reserve in 2023 upon the completion of the registration of new shares.

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Amount due to shareholder (<i>note a</i>)	100,000	—	—	—
Other payables	769	1,135	1,034	2,795
Construction payables	72,676	177,155	130,143	91,940
Other tax payables	1,289	2,177	2,296	7,604
Accruals	7,343	11,264	9,446	5,282
	<u>182,077</u>	<u>191,731</u>	<u>142,919</u>	<u>107,621</u>

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, other payables and accruals were non-interest bearing, unsecured and repayable on demand.

Note:

- (a) It is of a non-trade nature. It represented the cash proceeds received from a new shareholder as at December 31, 2022, due to the incomplete registration of new shares. The balance was recognized as share capital and capital reserve in 2023 upon the completion of the registration of new shares.

26. CONTRACT LIABILITIES

(a) Contract liabilities

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Contract liabilities arising from				
Turnkey service	<u>5,757</u>	<u>3,730</u>	<u>6,795</u>	<u>736</u>

The contract liabilities represented the advance consideration received from customers. The Group receives payment from customers based on billing schedule as established in contracts.

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period	<u>846</u>	<u>5,757</u>	<u>3,730</u>	<u>3,730</u>	<u>6,795</u>

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Contract liabilities arising from				
Turnkey service	<u>5,757</u>	<u>3,730</u>	<u>6,371</u>	<u>23</u>

The contract liabilities represented the advance consideration received from customers. The Company receives payment from customers based on billing schedule as established in contracts.

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period	<u>846</u>	<u>5,757</u>	<u>3,730</u>	<u>3,730</u>	<u>6,371</u>

27. LEASE LIABILITIES

The Group

The Group lease properties to operate its business. These leases are typically made for fixed terms of 2 years. Lease terms are negotiated on an individual basis and contain different payments and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purpose.

The Group also lease properties with term of less than one year. These leases are short-term and the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

The Group's present value of future lease payments of the leases is analyzed as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Current	344	261	67	66

The Group's movement of the lease liabilities is analyzed as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
At the beginning of the year/period	554	344	261	261	67
Addition of new leases	412	795	133	133	132
Lease payment	(495)	(848)	(178)	(178)	(134)
Interest element of lease payments	9	18	2	2	1
Termination of lease	(136)	(48)	(151)	(151)	—
At the end of the year/period	344	261	67	67	66

The Group had total financing cash outflows for leases of RMB495,000, RMB848,000, RMB178,000, RMB178,000 and RMB134,000 for the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 and 2025, respectively.

The Group's future lease payments of the Group's leases (excluding short-term leases) were scheduled to repay as follows:

	Future lease payments	Future interest expenses	Present value
	RMB '000	RMB '000	RMB '000
As at December 31, 2022			
- within 1 year	350	(6)	344
As at December 31, 2023			
- within 1 year	263	(2)	261
As at December 31, 2024			
- within 1 year	67	—	67
As at September 30, 2025			
- within 1 year	66	—	66

The Company

The Company lease properties to operate its business. These leases are typically made for fixed terms of 2 years. Lease terms are negotiated on an individual basis and contain different payments and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purpose.

The Company also lease properties with term of less than one year. These leases are short-term and the Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

The Company's present value of future lease payments of the leases is analyzed as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Current	344	261	—	—

The Company's movement of the lease liabilities is analyzed as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
At the beginning of the year/period	554	344	261	261	—
Addition of new leases	412	795	—	—	—
Lease payment	(495)	(848)	(112)	(112)	—
Interest element of lease payments	9	18	2	2	—
Termination of lease	(136)	(48)	(151)	(151)	—
At the end of the year/period	344	261	—	—	—

The Company had total financing cash outflows for leases of RMB495,000, RMB848,000, RMB112,000, RMB112,000 and nil for the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 and 2025, respectively.

The Company's future lease payments of the Company's leases (excluding short-term leases) were scheduled to repay as follows:

	Future lease payments	Future interest expenses	Present value
	RMB '000	RMB '000	RMB '000
As at December 31, 2022			
– within 1 year	350	(6)	344
As at December 31, 2023			
– within 1 year	263	(2)	261
As at December 31, 2024			
– within 1 year	—	—	—
As at September 30, 2025			
– within 1 year	—	—	—

28. BORROWINGS

The Group

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
<u>Current portion</u>				
Borrowings – unsecured	118,031	245,376	247,500	34,721
Borrowings – secured.	24,374	69,805	56,036	30,304
	<u>142,405</u>	<u>315,181</u>	<u>303,536</u>	<u>65,025</u>
<u>Non-current portion</u>				
Borrowings – unsecured	142,901	252,955	309,408	230,147
Borrowings – secured.	27,882	558,856	499,186	474,366
	<u>170,783</u>	<u>811,811</u>	<u>808,594</u>	<u>704,513</u>
	<u>313,188</u>	<u>1,126,992</u>	<u>1,112,130</u>	<u>769,538</u>

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, the borrowings bear interest rates ranging from 2.34% to 4%, the effective interest rates ranging from 1.42% to 2.9%. None of the borrowings contains a repayment-on-demand clause. The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank borrowings balances as non-current. The secured borrowings were pledged by property, plant and equipment of RMB91,836,000, RMB675,199,000, RMB579,099,000 and RMB545,908,000 as at 31 December 2022, 2023, 2024 and September 30, 2025, respectively, and by bills receivable of RMBnil, RMB3,000,000, RMBnil and RMB257,000 as at 31 December 2022, 2023 and 2024 and as at September 30, 2025, respectively.

The Company

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
<u>Current portion</u>				
Borrowings – unsecured	118,031	245,376	211,512	34,721
Borrowings – secured.	24,374	69,805	56,036	30,304
	<u>142,405</u>	<u>315,181</u>	<u>267,548</u>	<u>65,025</u>
<u>Non-current portion</u>				
Borrowings – unsecured	142,901	252,955	309,408	230,147
Borrowings – secured.	27,882	558,856	499,186	474,366
	<u>170,783</u>	<u>811,811</u>	<u>808,594</u>	<u>704,513</u>
	<u>313,188</u>	<u>1,126,992</u>	<u>1,076,142</u>	<u>769,538</u>

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, the borrowings bear interest rates ranging from 2.34% to 4%, the effective interest rates ranging from 1.42% to 2.89%. None of the borrowings contains a repayment-on-demand clause. The Company has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank borrowings balances as non-current. The secured borrowings were pledged by property, plant and equipment of RMB91,836,000, RMB675,199,000, RMB548,210,000 and RMB517,620,000 as at 31 December 2022, 2023, 2024 and as at September 30, 2025, respectively, and by bills receivable of RMBnil, RMB3,000,000, RMBnil and RMB257,000 as at 31 December 2022, 2023 and 2024 and as at September 30, 2025, respectively.

29. DEFERRED REVENUE

The Group and the Company

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
At the beginning of the year/period	60,816	100,230	205,569	260,764
Additions	52,922	152,689	167,089	154,300
Credited to profit or loss (note 8)	(13,508)	(47,350)	(111,894)	(103,035)
At the end of the year/period	<u>100,230</u>	<u>205,569</u>	<u>260,764</u>	<u>312,029</u>

Deferred revenue consists of deferred government grants mainly for construction of certain property, plant and equipment. The grants from local government were conditional and the conditions would be fulfilled upon the completion of construction of certain property, plant and equipment of the Group. The grants will be recognized as income in profit or loss on a systematic basis over the estimated useful lives of the property, plant and equipment.

30. DERIVATIVES FINANCIAL INSTRUMENTS

The Group

The Group recognises all derivative financial instruments on the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statements of profit or loss and other comprehensive income in the years/periods of the change. The Group's derivative financial instrument includes forward foreign exchange contracts.

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, the Group's derivative financial instruments mature within one year. The fair values of derivative financial instruments included in the consolidated statements of financial position as current liabilities are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Current liabilities				
Forward foreign exchange contracts				
- within 1 year	=	=	=	<u>2,140</u>

31. REDEMPTION LIABILITIES

The Group and the Company

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

	Redemption liabilities
	RMB '000
At January 1, 2022	197,812
Interest expenses associated with redemption liabilities	15,825
At December 31, 2022 and at January 1, 2023	213,637
Derecognition due to termination of redemption rights	(211,351)
Interest expenses associated with redemption liabilities	14,387
At December 31, 2023 and at January 1, 2024	16,673
Interest expenses associated with redemption liabilities	1,334
At December 31, 2024 and at January 1, 2025	18,007
Interest expenses associated with redemption liabilities	344
Derecognition due to termination of redemption rights	(18,351)
At September 30, 2025	<u>=</u>

Prior to the Track Record Period, the Company entered into respective shareholders' and share subscription agreements (collectively, the "Pre-IPO Investors Agreements") with various pre-IPO investors (collectively, the "Pre-IPO Investors") and issued ordinary shares. Pursuant to the Pre-IPO Investors Agreements, the Pre-IPO Investors were granted by the Company with redemption rights.

The redemption rights that existed during the Track Record Period are limited to instances where the Company and its original shareholder maliciously breach the clause in the Pre-IPO Investors Agreements and fail to rectify the breach in a timely manner. If such breaches occurred and remained unrectified, the Pre-IPO Investors were entitled to exercise the right to put back the ordinary shares they had acquired from the Company. The Company has confirmed that there have been no breaches of the Pre-IPO Investors Agreements during the Track Record Period, and all but one redemption rights were formally terminated pursuant to supplemental agreements executed in October 2023 and the remaining one redemption rights was formally terminated pursuant to supplemental agreement executed in April 2025.

The redemption amount is the sum of 100% of the issue price, compound interest of eight percent per annum calculated on a 365-day per year basis from the date of the Pre-IPO Investors Agreements.

32. SHARE CAPITAL

The Company

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

	Number of shares in issue	Share capital RMB '000
<i>Issued</i>		
At January 1, 2022	210,727,295	210,727
Shares issued (a)	4,117,451	4,118
At December 31, 2022 and at January 1, 2023	214,844,746	214,845
Shares issued (b)	3,672,863	3,672
Issue of RSUs (Note 38)	25,598,888	25,599
Capitalization issue (c)	144,075,632	144,076
At December 31, 2023 and at January 1, 2024	388,192,129	388,192
Shares issued (d)	15,900,631	15,901
At December 31, 2024, January 1, 2025 and at September 30, 2025	404,092,760	404,093

Notes:

- (a) During the year ended December 31, 2022, the Company entered into various capital injection agreements with the following investors and pursuant to which a total capital of RMB252,302,000 was injected into the Company with RMB4,118,000 and RMB248,184,000 credited to the Company's share capital and capital reserve, respectively.
- (i) In March 2022, Xiamen Qingda Runyu Venture Capital Partnership (Limited Partnership) (廈門市清大潤玉創業投資合夥企業(有限合夥)), the Company and the largest shareholder of the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB769,000 at a cash consideration of RMB50,001,000, in which the excess amount of RMB49,232,000 was credited to the capital reserve.
- (ii) In December 2021, Liaoning Haitong New Kinetic Energy Equity Investment Fund Partnership (Limited Partnership) (遼寧海通新動能股權投資基金合夥企業(有限合夥)), Shanghai Zhezong Group Co., Ltd. (上海柘中集團股份有限公司), the Company and the largest shareholder of the Company entered into a capital injection agreement pursuant to which the investors subscribed

for the Company's new share capital of RMB1,132,000 and RMB755,000, respectively, at cash consideration of RMB60,000,000 and RMB40,000,000, respectively, in which the excess amounts of RMB58,868,000 and RMB39,245,000, respectively, were credited to the capital reserve. The shares were issued in 2022.

- (iii) In November 2022, Xiamen Qingda Xinsheng Venture Capital Partnership (Limited Partnership) (廈門市清大芯盛創業投資合夥企業(有限合夥)), Huzhou Runxu Equity Investment Partnership (Limited Partnership) (湖州潤煦股權投資合夥企業(有限合夥)), Ningbo Fuwurong Wuxiali Equity Investment Fund Partnership (Limited Partnership) (寧波芙五蓉物廈理股權投資基金合夥企業(有限合夥)), Xiamen Jiadong Property Institute Investment Partnership (Limited Partnership) (廈門嘉棟物院投資合夥企業(有限合夥)), the Company and the largest shareholder of the Company entered into a capital injection agreement pursuant to which the investors subscribed for the Company's new share capital of RMB603,000, RMB287,000, RMB286,000 and RMB286,000, respectively, at cash consideration of RMB42,200,000, RMB20,101,000, RMB20,000,000 and RMB20,000,000, respectively, in which the excess amounts of RMB41,597,000, RMB19,814,000, RMB19,714,000 and RMB19,714,000, respectively, were credited to the capital reserve.
- (b) During the year ended December 31, 2023, the Company entered into various capital injection and share subscription agreements with the following investors and pursuant to which a total capital of RMB280,000,000 was injected into the Company with RMB3,672,000 and RMB276,328,000 credited to the Company's share capital and capital reserve, respectively.
- (i) In December 2022, Hefei Chantou Tiancheng Equity Investment Partnership (Limited Partnership) (合肥產投天成股權投資合夥企業(有限合夥)), the Company and the largest shareholder of the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB1,080,000 at a cash consideration of RMB100,000,000, in which the excess amount of RMB98,920,000 was credited to the capital reserve. The shares were issued in 2023.
- (ii) In June 2023, Ningbo Huajinming Jiade Venture Capital Partnership (Limited Partnership) (寧波華錦銘嘉德創業投資合夥企業(有限合夥)) and the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB154,000 at a cash consideration of RMB10,000,000, in which the excess amount of RMB9,846,000 was credited to the capital reserve.
- (iii) In June 2023, Ningbo Huajin Yuxing Venture Capital Partnership (Limited Partnership) (寧波華錦煜興創業投資合夥企業(有限合夥)) and the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB154,000 at a cash consideration of RMB10,000,000, in which the excess amount of RMB9,846,000 was credited to the capital reserve.
- (iv) In June 2023, Jiangyin Yinrun Equity Investment Partnership (Limited Partnership) (江陰銀潤股權投資合夥企業(有限合夥)) and the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB981,000 at a cash consideration of RMB70,000,000, in which the excess amount of RMB69,019,000 was credited to the capital reserve.
- (v) In June 2023, Shanghai Minshenshi Management Consulting Partnership (Limited Partnership) 上海敏申實管理諮詢合夥企業(有限合夥) and the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB463,000 at a cash consideration of RMB30,000,000, in which the excess amount of RMB29,537,000 was credited to the capital reserve.
- (vi) In June 2023, Zhuji Dongzheng Ruikun Equity Investment Partnership (Limited Partnership) (諸暨東證睿坤股權投資合夥企業(有限合夥)) and the Company entered into a capital injection agreement pursuant to which the investor subscribed for the Company's new share capital of RMB840,000 at a cash consideration of RMB60,000,000, in which the excess amount of RMB59,160,000 was credited to the capital reserve.

- (c) Pursuant to the shareholders' meeting on April 23, 2023 and the promoters' agreement dated April 26, 2023, the then existing shareholders of the Company agreed to convert the Company into a joint stock limited liability company with a share capital of RMB360,000,000. The capitalisation issue of RMB144,076,000 represents the increase in the Company's registered capital from RMB215,925,000, which is the registered capital before the conversion, which included the registered capital of RMB214,845,000 as at January 1, 2023 and an additional RMB1,080,000 from a share issue completed in January 2023 stated in Note 32(b)(i), to the target registered capital of RMB360,000,000 upon conversion. Pursuant to the promoters' agreement, the net asset value of the Company as of February 28, 2023 amounted to approximately RMB941,508,000, of which (i) RMB360,000,000 was converted into 360,000,000 shares of RMB1.0 par value each, which were subscribed by and issued to the then shareholders of the Company in proportion to their respective equity interest in the Company; and (ii) the remaining amount of approximately RMB581,508,000 was converted into capital reserve of the Company. Concurrently, the balances of statutory reserve and retained earnings as of February 28, 2023, amounting to RMB1,417,000 and RMB88,643,000, respectively, were transferred to capital reserve as part of the conversion process to align with the capital structure requirements of a joint stock company. Upon the completion of registration with the relevant government bureau in May 2023, the Company was converted into a joint stock company with limited liability.
- (d) During the year ended December 31, 2024, the Company entered into a capital injection agreement with the following investors and pursuant to which a total capital of RMB1,030,001,000 was injected into the Company with RMB15,901,000 and RMB1,014,100,000 credited to the Company's share capital and capital reserve, respectively.

In December 2024, Xiamen Chantou Juxiang Xinhan Technology Investment Partnership Enterprise (Limited Partnership) (廈門產投炬翔芯瀚科技投資合夥企業(有限合夥)), ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司), Xiamen Gongrong Industry Investment Emerging Industry Equity Investment Fund Partnership (Limited Partnership) (廈門工融產投新興產業股權投資基金合夥企業(有限合夥)), Xiamen Chantou Gongrong Emerging Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (廈門產投工融新興產業股權投資基金合夥企業(有限合夥)) and the Company entered into a capital injection agreement pursuant to which the investors subscribed for the Company's new share capital of RMB2,779,000, RMB6,947,000, RMB3,087,000 and RMB3,088,000, respectively, at cash consideration of RMB180,000,000, RMB450,000,000, RMB200,000,000 and RMB200,001,000, respectively, in which the excess amounts of RMB177,221,000, RMB443,053,000, RMB196,913,000 and RMB196,913,000, respectively, were credited to the capital reserve.

33. RESERVES

The Group and the Company

The Group's reserves and the movements therein for the years ended December 31, 2022, 2023 and 2024, and nine months ended September 30, 2024 (*unaudited*) and 2025 are presented in the consolidated statements of changes in equity and the summary to the Company's reserve as set out below, respectively.

Summary to the Company's reserve is as follows:

	Capital reserve*	Statutory reserve*	Other reserve*	Share-based payment reserve*	(Accumulated losses)/ retained earnings*	Total reserve
	RMB '000 (Note 33(a))	RMB '000 (Note 33(b))	RMB '000 (Note 33(e))	RMB '000 (Note 33(d))	RMB '000 (Note 33(c))	RMB '000
At January 1, 2022	291,368	—	(121,133)	—	(205,880)	(35,645)
Profit and total comprehensive income for the year	—	—	—	—	127,543	127,543
Shares issued (Note 32(a))	248,184	—	—	—	—	248,184
Transfer to statutory reserve	—	1,417	—	—	(1,417)	—
Recognition of equity-settled share-based payments (Note 38)	28,575	—	—	—	—	28,575

	Capital reserve*	Statutory reserve*	Other reserve*	Share-based payment reserve*	(Accumulated losses)/ retained earnings*	Total reserve
	RMB '000 (Note 33(a))	RMB '000 (Note 33(b))	RMB '000 (Note 33(e))	RMB '000 (Note 33(d))	RMB '000 (Note 33(c))	RMB '000
Balance at December 31, 2022 and January 1, 2023	568,127	1,417	(121,133)	–	(79,754)	368,657
Profit and total comprehensive income for the year	–	–	–	–	107,505	107,505
Shares issued (Note 32(b))	276,328	–	–	–	–	276,328
Capitalization issue (Note 32(c))	(144,076)	–	–	–	–	(144,076)
Derecognition due to termination of redemption rights (Note 31)	–	–	211,351	–	–	211,351
Conversion into a joint stock limited liability company (Note 32(c))	90,060	(1,417)	–	–	(88,643)	–
Transfer to statutory reserve	–	5,168	–	–	(5,168)	–
Recognition of equity-settled share-based payments (Note 38)	156,974	–	–	99,236	–	256,210
Balance at December 31, 2023 and January 1, 2024	947,413	5,168	90,218	99,236	(66,060)	1,075,975
Profit and total comprehensive income for the year	–	–	–	–	166,074	166,074
Shares issued (Note 32(b))	1,014,100	–	–	–	–	1,014,100
Transfer to statutory reserve	–	16,173	–	–	(16,173)	–
Recognition of equity-settled share-based payments (Note 38)	–	–	–	154,249	–	154,249
Balance at December 31, 2024 and January 1, 2025	1,961,513	21,341	90,218	253,485	83,841	2,410,398
Profit and total comprehensive income for the period	–	–	–	–	16,969	16,969
Transfer to statutory reserve	–	1,739	–	–	(1,739)	–
Derecognition due to termination of redemption rights (Note 31)	–	–	18,351	–	–	18,351
Recognition of equity-settled share-based payments (Note 38)	–	–	–	124,484	–	124,484
Balance at September 30, 2025	<u>1,961,513</u>	<u>23,080</u>	<u>108,569</u>	<u>377,969</u>	<u>99,071</u>	<u>2,570,202</u>
Balance at January 1, 2024	947,413	5,168	90,218	99,236	(66,060)	1,075,975
Profit and total comprehensive income for the period	–	–	–	–	118,868	118,868
Transfer to statutory reserve	–	11,987	–	–	(11,987)	–
Recognition of equity-settled share-based payments (Note 38)	–	–	–	141,163	–	141,163
Balance at September 30, 2024 (Unaudited)	<u>947,413</u>	<u>17,155</u>	<u>90,218</u>	<u>240,399</u>	<u>40,821</u>	<u>1,336,006</u>

* These reserve accounts comprise the reserves as at December 31, 2022, 2023, 2024 and as at September 30, 2025 in the Company's statements of financial position.

(a) **Capital reserve**

The capital reserve represents the excess of capital contributions from the equity holders of the Company over the share capital.

(b) **Statutory reserve**

In accordance with the PRC Company Law and the articles of association of the entities established in the PRC, PRC group entities are required to appropriate 10% of their net profits after tax, as determined under the generally accepted accounting principles of the PRC, to the statutory reserve until the reserve balance reaches 50% of their respective registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the group entities, the statutory reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the group entities. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(c) **(Accumulated losses)/retained earnings**

Cumulative net profit and loss recognized in profit or loss.

(d) **Share-based payment reserve**

The equity-settled share-based payment reserve comprises the fair value of equity-settled share-based payment granted (Note 38).

(e) **Other reserve**

The other reserve comprises the amounts in relation to the recognition of the redemption liabilities as set out in Note 31.

34. AMOUNT DUE FROM A SUBSIDIARY

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, the balance is unsecured, interest-free and repayable on demand.

35. NOTES SUPPORTING TO CONSOLIDATED STATEMENTS OF CASH FLOWS

The table below shows the details about the changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which each cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows from financing activities.

	<u>Redemption liabilities</u>	<u>Borrowings</u>	<u>Lease liabilities</u>	<u>Total</u>
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
At January 1, 2022	197,812	101,323	554	299,689
Changes from financing cash flows:				
Proceeds from bank borrowings	—	295,151	—	295,151
Repayments of bank borrowings	—	(83,286)	—	(83,286)
Repayment of lease liabilities	—	—	(486)	(486)
Interest paid	—	(4,600)	(9)	(4,609)
Total changes from financing cash flows	—	207,265	(495)	206,770
Other changes:				
New leases	—	—	412	412
Lease termination	—	—	(136)	(136)
Interest expenses	15,825	4,600	9	20,434
	<u>15,825</u>	<u>4,600</u>	<u>285</u>	<u>20,710</u>
At December 31, 2022	<u>213,637</u>	<u>313,188</u>	<u>344</u>	<u>527,169</u>

	Redemption liabilities	Borrowings	Lease liabilities	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
At January 1, 2023	213,637	313,188	344	527,169
Changes from financing cash flows:				
Proceeds from bank borrowings	—	1,021,745	—	1,021,745
Repayments of bank borrowings	—	(207,941)	—	(207,941)
Repayment of lease liabilities	—	—	(830)	(830)
Interest paid	—	(18,168)	(18)	(18,186)
Total changes from financing cash flows	—	795,636	(848)	794,788
Other changes:				
New leases	—	—	795	795
Derecognition due to termination of redemption rights	(211,351)	—	—	(211,351)
Lease termination	—	—	(48)	(48)
Interest expenses	14,387	18,168	18	32,573
	(196,964)	18,168	765	(178,031)
At December 31, 2023	16,673	1,126,992	261	1,143,926

	Redemption liabilities	Borrowings	Lease liabilities	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
At January 1, 2024	16,673	1,126,992	261	1,143,926
Changes from financing cash flows:				
Proceeds from bank borrowings	—	744,826	—	744,826
Repayments of bank borrowings	—	(759,688)	—	(759,688)
Repayment of lease liabilities	—	—	(176)	(176)
Interest paid	—	(30,135)	(2)	(30,137)
Total changes from financing cash flows	—	(44,997)	(178)	(45,175)
Other changes:				
New leases	—	—	133	133
Lease termination	—	—	(151)	(151)
Interest expenses	1,334	30,135	2	31,471
	1,334	30,135	(16)	31,453
At December 31, 2024	18,007	1,112,130	67	1,130,204

	Redemption liabilities	Borrowings	Lease liabilities	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
At January 1, 2024	16,673	1,126,992	261	1,143,926
Changes from financing cash flows:				
Proceeds from bank borrowings	—	595,350	—	595,350
Repayments of bank borrowings	—	(284,198)	—	(284,198)
Repayment of lease liabilities	—	—	(176)	(176)
Interest paid	—	(21,410)	(2)	(21,412)
Total changes from financing cash flows	—	289,742	(178)	289,564

	Redemption liabilities	Borrowings	Lease liabilities	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Other changes:				
New lease	–	–	133	133
Lease termination	–	–	(151)	(151)
Interest expenses	1,000	21,410	2	22,412
	<u>1,000</u>	<u>21,410</u>	<u>(16)</u>	<u>22,394</u>
At September 30, 2024 (<i>Unaudited</i>)	<u>17,673</u>	<u>1,438,144</u>	<u>67</u>	<u>1,455,884</u>

	Redemption liabilities	Borrowings	Lease liabilities	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
At January 1, 2025	18,007	1,112,130	67	1,130,204
Changes from financing cash flows:				
Proceeds from bank borrowings	–	60,730	–	60,730
Repayments of bank borrowings	–	(403,322)	–	(403,322)
Repayment of lease liabilities	–	–	(133)	(133)
Interest paid	–	(9,919)	(1)	(9,920)
Total changes from financing cash flows	<u>–</u>	<u>(352,511)</u>	<u>(134)</u>	<u>(352,645)</u>
Other changes:				
New lease	–	–	132	132
Derecognition due to termination of redemption rights	(18,351)	–	–	(18,351)
Interest expenses	344	9,919	1	10,264
	<u>(18,007)</u>	<u>9,919</u>	<u>133</u>	<u>(7,955)</u>
At September 30, 2025	<u>–</u>	<u>769,538</u>	<u>66</u>	<u>769,604</u>

36. CAPITAL COMMITMENTS

The Group

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, the Group had outstanding capital commitments as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Contracted, but not provided for:				
– Construction-in-progress	847,726	88,246	90,277	71,903
– Office equipment	111	324	157	462
	<u>847,837</u>	<u>88,570</u>	<u>90,434</u>	<u>72,365</u>

The Company

As at December 31, 2022, 2023 and 2024 and as at September 30, 2025, the Company had outstanding capital commitments as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Authorised but not contracted for:				
– Unpaid share capital of subsidiary	–	–	–	55
Contracted, but not provided for:				
– Construction-in-progress	847,726	88,246	90,277	71,903
– Office equipment	111	324	157	462
	<u>847,837</u>	<u>88,570</u>	<u>90,434</u>	<u>72,420</u>

37. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group:

Name of related parties	Relationship with the Group
費勉儀器科技(上海)有限公司	Company subject to common significant influence
無錫華潤微電子有限公司	Company subject to common significant influence
無錫華潤華晶微電子有限公司	Company subject to common significant influence

- (b) The Group entered into the following related party transactions with related companies during the Track Record Period:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
Related companies					
Revenue	<u>8,408</u>	<u>20,729</u>	<u>25,841</u>	<u>14,805</u>	<u>22,997</u>

The terms of the related party transactions carried out during the Track Record Period were mutually agreed by the Group and the related companies.

- (c) **Balance with related parties**

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Trade and bills receivables				
無錫華潤微電子有限公司	–	3,186	238	–
無錫華潤華晶微電子有限公司	1,897	541	8,762	451

All of the above related party balances are of trade nature.

(d) **Compensation of key management personnel of the Group**

The compensation of key management personnel of the Group during the Track Record Period represented the directors' emoluments as disclosed in Note 14(a) to the Historical Financial Information.

38. SHARE-BASED PAYMENTS

In December 2022, one of the then shareholders of the Company sold its shares to one of the employees of the Company, who is also the director of the Company, at a price below the fair value of the shares which was primarily established with reference to a recent equity transaction of the Company close to the transaction date. The share-based payment expenses of RMB28,575,000, which was the difference between the transaction price and the fair value, was charged to profit or loss of the Group during the year ended December 31, 2022.

On June 21, 2023, the Group granted 25,598,888 RSUs of the Company to 24 eligible employees at a subscription price of RMB1 per unit. According to the RSU scheme and employees' agreements, the vesting periods for 2,230,000 shares, 1,443,000 shares and 21,925,888 shares granted are nil, 3 years and 6 years, respectively, from the grant date. The shares with vesting period are subject to the Company's financial performance and individual performance assessment. The fair values of the shares of RMB70.38 per share granted were primarily established with reference to recent equity transaction of the Company close to the grant date.

On December 18, 2023, there is a modification of terms of RSUs, in which vesting period of all RSUs is 6 years, out of which 1,443,000 shares are subject to the Company's financial performance and individual performance assessment.

The fair values of the RSUs granted on June 21, 2023 and modified on December 18, 2023 were RMB1,801,650,000 and RMB1,801,650,000, respectively. During the years ended December 31, 2023 and 2024 and nine months ended September 30, 2024 and September 30, 2025, the Group recognized share-based payment expenses of RMB256,210,000, RMB154,249,000, RMB141,163,000 and RMB124,484,000, respectively.

39. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debts which include total liabilities (which includes trade and bills payables, other payables and accruals, income tax payables, borrowings, lease liabilities, derivative financial liabilities, redemption liabilities and deferred tax liabilities) and total equity.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as total liabilities divided by total equity. The gearing ratio were as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
Total liabilities	764,109	1,400,132	1,421,901	1,076,395
Total equity	583,502	1,464,167	2,813,484	2,977,464
Gearing ratio	131%	96%	51%	36%

40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The Group

The following table shows the carrying amounts of financial assets and liabilities of the Group:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Financial assets				
<i>Financial assets at amortized cost:</i>				
Trade receivables	104,995	75,666	127,740	268,707
Deposits and other receivables	1,153	1,074	2,230	10,832
Term deposits	20,622	20,622	–	–
Cash and cash equivalents	274,417	549,521	2,030,653	1,832,787
	<u>401,187</u>	<u>646,883</u>	<u>2,160,623</u>	<u>2,112,326</u>
<i>Financial assets at FVOCI:</i>				
Bills receivable	<u>1,801</u>	<u>3,000</u>	<u>1,905</u>	<u>257</u>
Financial liabilities				
<i>Financial liabilities measured at amortized cost:</i>				
Trade and bills payables	54,863	32,912	71,883	154,964
Other payables and accruals, excluding other tax payables	180,788	189,554	142,631	101,730
Lease liabilities	344	261	67	66
Redemption liabilities	213,637	16,673	18,007	–
Borrowings	313,188	1,126,992	1,112,130	769,538
	<u>762,820</u>	<u>1,366,392</u>	<u>1,344,718</u>	<u>1,026,298</u>
<i>Financial liabilities at FVPL:</i>				
Derivative financial instruments	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,140</u>

The Company

The following table shows the carrying amounts of financial assets and liabilities of the Company:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Financial assets				
<i>Financial assets at amortized cost:</i>				
Trade receivables	104,995	75,666	63,666	67,161
Deposits and other receivables	1,153	1,074	2,116	10,723
Amount due from a subsidiary	–	–	210,709	421,229
Term deposits	20,622	20,622	–	–
Cash and cash equivalents	274,417	549,521	2,022,075	1,705,055
	<u>401,187</u>	<u>646,883</u>	<u>2,298,566</u>	<u>2,204,168</u>
<i>Financial assets at FVOCI:</i>				
Bills receivable	<u>1,801</u>	<u>3,000</u>	<u>902</u>	<u>257</u>

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Financial liabilities				
<i>Financial liabilities measured at amortized cost:</i>				
Trade and bills payables	54,863	32,912	36,870	30,688
Other payables and accruals, excluding other tax payables . . .	180,788	189,554	140,623	100,017
Lease liabilities	344	261	-	-
Redemption liabilities	213,637	16,673	18,007	-
Borrowings	313,188	1,126,992	1,076,142	769,538
	<u>762,820</u>	<u>1,366,392</u>	<u>1,271,642</u>	<u>900,243</u>
Financial liabilities at FVPL:				
Derivative financial instruments . . .	-	-	-	470

41. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The fair value hierarchy of financial instruments measured at fair value is provided below.

The Group

	Level 2			
	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000
Financial liabilities				
Derivative financial instruments (fair value through profit or loss) . . .	=	=	=	<u>2,140</u>

There were no transfers between levels during the period.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

Financial instrument	Valuation techniques used	Significant unobservable inputs (Level 3 only)	Inter-relationship between key unobservable inputs and fair value (Level 3 only)
Derivative financial instruments	Market approach Execution value quoted by banks with reference to the expected return of the underlying assets	Not applicable.	Not applicable.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments in the normal course of the Group's business are interest rate risk, credit risk, liquidity risk, equity price risk and foreign currency risk. These risks are limited by the Group's financial management policies and practices described below. Generally, the Group introduces conservative strategies on its risk management. The Group has not used any derivatives and other instruments for hedging purposes nor does it hold or issue derivative financial instruments for trading purposes.

(a) Interest rate risk

The Group's interest-bearing financial instruments at variable rates as at December 31, 2022, 2023 and 2024 and as at September 30, 2025 are the cash at bank and term deposits except for fixed deposits, and the cash flow interest risk arising from the change of market interest rate on these balances of relatively short maturity is not considered significant. The Group's interest-bearing financial instruments at fixed interest rates as at December 31, 2022, 2023 and 2024 and as at September 30, 2025 are fixed deposits, redemption liabilities and borrowings and the change of market interest rate does not expose the Group to fair value interest risk. The directors of the Company consider that the Group's exposure to interest rate risk is not significant and no sensitivity analysis of interest rate risk is presented.

(b) Credit risk

The Group's credit risk is primarily attributable to its trade and bills receivables, deposits and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and bills receivables, deposits and other receivables, credit evaluations are performed on all debtors. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers and, where appropriate, credit guarantee insurance cover is purchased. Trade and bills receivables are due from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Concentrations of credit risk are managed by customer/counterparty and by geographical region. The Group had certain concentrations of credit risks as 68%, 0%, 26% and 12% of total trade receivables are due from largest customer as at December 31, 2022, 2023, 2024 and September 30, 2025. The directors carry a periodic review of the creditworthiness of these customers and consider that the exposure to such credit risk is minimal. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 42(b)(i). Other than above, the Group does not have any other significant concentration of credit risk.

The Group

(i) Trade and bills receivables

The Group measures loss allowances for trade and bills receivables at an amount equal to lifetime ECLs individually and collectively using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer bases, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The bills receivable as at December 31, 2022, 2023, 2024 and as at September 30, 2025 were not yet past due. No loss allowance under the ECL model was recognized, as the credit risk on the bills receivable was considered insignificant.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at the end of each reporting period:

	Current	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Individually assessed	Total
At December 31, 2022									
Expected loss rate (%)	1%	1%	1%	N/A	20%	N/A	N/A	N/A	
Gross carrying amount (RMB'000).....	95,613	9,051	213	-	1,465	-	-	-	106,342
Loss allowance (RMB'000)	(956)	(96)	(2)	-	(293)	-	-	-	(1,347)
At December 31, 2023									
Expected loss rate (%)	1%	1%	N/A	5%	20%	50%	N/A	N/A	
Gross carrying amount (RMB'000).....	71,587	4,265	-	18	213	785	-	-	76,868
Loss allowance (RMB'000)	(716)	(49)	-	(1)	(43)	(393)	-	-	(1,202)
At December 31, 2024									
Expected loss rate (%)	1%	1%	1%	N/A	20%	50%	100%	N/A	
Gross carrying amount (RMB'000).....	71,878	54,459	2,782	-	18	213	785	-	130,135
Loss allowance (RMB'000)	(719)	(752)	(28)	-	(4)	(107)	(785)	-	(2,395)
At September 30, 2025									
Expected loss rate (%)	1%	1%	1%	34.0%	N/A	100%	100%	N/A	
Gross carrying amount (RMB'000).....	219,538	37,367	14,505	780	-	231	785	-	273,206
Loss allowance (RMB'000)	(2,698)	(374)	(145)	(266)	-	(231)	(785)	-	(4,499)

Expected loss rates are based on actual loss experience over the past 6 years. These rates are adjusted to reflect differences between economic conditions during the Track Record Period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
At the beginning of the year/period		413	1,347	1,202	2,395
Provision/(reversal of provision) for loss allowance		934	(145)	1,193	2,104
At the end of the year/period.		1,347	1,202	2,395	4,499

Changes in loss allowance for impairment of trade receivables during the Track Record Period were mainly contributed by the followings:

- For the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (unaudited) and 2025, increase/(decrease) in the ending balances of trade receivables resulted in an increase/(decrease) in loss allowance of and RMB934,000, RMB(145,000), RMB1,193,000, RMB179,000 and RMB2,104,000, respectively.

(ii) *Deposits and other receivables*

In respect of deposits and other receivables, the Group has applied the general approach prescribed by IFRS 9, by measuring loss allowance at an amount equal to 12-month ECLs or lifetime ECLs for deposits and other receivables. To measure the ECLs, deposits and other receivables have been grouped based on shared credit risk characteristics, ECLs are estimated based on historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

As at the end of each reporting period, all deposits and other receivables are measured at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. The following table provides information about the Group's exposure to credit risk and ECLs for deposits and other receivables:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
Gross carrying amount				
– Deposits and other receivables . . .	<u>1,214</u>	<u>1,131</u>	<u>2,347</u>	<u>10,961</u>
Loss allowance				
– Deposits and other receivables . . .	<u>61</u>	<u>57</u>	<u>117</u>	<u>129</u>

Movements in the loss allowance account for impairment of deposits and other receivables are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
				(Unaudited)	
At the beginning of the year/period	94	61	57	57	117
(Reversal of provision)/ provision for loss allowance	<u>(33)</u>	<u>(4)</u>	<u>60</u>	<u>21</u>	<u>12</u>
At the end of the year/period.	<u>61</u>	<u>57</u>	<u>117</u>	<u>78</u>	<u>129</u>

Changes in loss allowance for impairment of deposits and other receivables during the Track Record Period were mainly contributed by the followings:

- For the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (*unaudited*) and 2025, (decrease)/increase in the ending balances of deposits and other receivables resulted in a (decrease)/increase in loss allowance of RMB(33,000), RMB(4,000), RMB60,000, RMB21,000 and RMB12,000, respectively.

(iii) *Cash and cash equivalents and term deposits*

In respect of the Group's cash and cash equivalents and term deposits, the directors of the Company consider the probability of default is low on these balances since the counterparties are financial institutions with high credit ratings or with good reputation.

The Company

(i) Trade and bills receivables

The Company measures loss allowances for trade and bills receivables at an amount equal to lifetime ECLs individually and collectively using a provision matrix. As the Company's historical credit loss experience does not indicate significantly different loss patterns for different customer bases, the loss allowance based on past due status is not further distinguished between the Company's different customer bases. The bills receivable as at December 31, 2022, 2023, 2024 and as at September 30, 2025 were not yet past due. No loss allowance under the ECL model was recognized, as the credit risk on the bills receivable was considered insignificant.

The following table provides information about the Company's exposure to credit risk and ECLs for trade receivables as at the end of each reporting period:

	Current	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Individually assessed	Total
At December 31, 2022									
Expected loss rate (%)	1%	1%	1%	N/A	20%	N/A	N/A	N/A	
Gross carrying amount (RMB'000)	95,613	9,051	213	-	1,465	-	-	-	106,342
Loss allowance (RMB'000)	(956)	(96)	(2)	-	(293)	-	-	-	(1,347)
At December 31, 2023									
Expected loss rate (%)	1%	1%	N/A	5%	20%	50%	N/A	N/A	
Gross carrying amount (RMB'000)	71,587	4,265	-	18	213	785	-	-	76,868
Loss allowance (RMB'000)	(716)	(49)	-	(1)	(43)	(393)	-	-	(1,202)
At December 31, 2024									
Expected loss rate (%)	1%	1%	1%	N/A	20%	50%	100%	N/A	
Gross carrying amount (RMB'000)	22,307	39,372	2,718	-	18	213	785	-	65,413
Loss allowance (RMB'000)	(323)	(501)	(27)	-	(4)	(107)	(785)	-	(1,747)
At September 30, 2025									
Expected loss rate (%)	1%	1%	1%	N/A	N/A	100%	100%	N/A	
Gross carrying amount (RMB'000)	57,048	9,199	1,428	-	-	231	785	-	68,691
Loss allowance (RMB'000)	(408)	(92)	(14)	-	-	(231)	(785)	-	(1,530)

Expected loss rates are based on actual loss experience over the past 6 years. These rates are adjusted to reflect differences between economic conditions during the Track Record Period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

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

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
At the beginning of the year/period		413	1,347	1,202	1,747
Provision/(reversal of provision) for loss allowance		934	(145)	545	168
At the end of the year/period.		1,347	1,202	1,747	1,530

Changes in loss allowance for impairment of trade receivables during the Track Record Period were mainly contributed by the followings:

- For the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (*unaudited*) and 2025, increase/(decrease) in the ending balances of trade receivables resulted in an increase/(decrease) in loss allowance of and RMB934,000, RMB(145,000), RMB545,000, RMB168,000 and RMB(217,000), respectively.

(ii) Deposits and other receivables

In respect of deposits and other receivables, the Company has applied the general approach prescribed by IFRS 9, by measuring loss allowance at an amount equal to 12-month ECLs or lifetime ECLs for deposits and other receivables. To measure the ECLs, deposits and other receivables have been grouped based on shared credit risk characteristics, ECLs are estimated based on historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

As at the end of each reporting period, all deposits and other receivables are measured at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. The following table provides information about the Company's exposure to credit risk and ECLs for deposits and other receivables:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
Gross carrying amount				
- Deposits and other receivables	<u>1,214</u>	<u>1,131</u>	<u>2,227</u>	<u>10,838</u>
Loss allowance				
- Deposits and other receivables	<u>61</u>	<u>57</u>	<u>111</u>	<u>115</u>

Movements in the loss allowance for impairment of deposits and other receivables are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
				(Unaudited)	
At the beginning of the year/period	94	61	57	57	111
(Reversal of provision)/provision for loss allowance	<u>(33)</u>	<u>(4)</u>	<u>54</u>	<u>21</u>	<u>4</u>
At the end of the year/period.	<u>61</u>	<u>57</u>	<u>111</u>	<u>78</u>	<u>115</u>

Changes in loss allowance for impairment of deposits and other receivables during the Track Record Period were mainly contributed by the followings:

- For the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (*unaudited*) and 2025, (decrease)/increase in the ending balances of deposits and other receivables resulted in a (decrease)/increase in loss allowance of RMB(33,000), RMB(4,000), RMB54,000, RMB21,000 and RMB4,000, respectively.

(iii) Cash and cash equivalents and term deposits

In respect of the Company's cash and cash equivalents and term deposits, the directors of the Company consider the probability of default is low on these balances since the counterparties are financial institutions with high credit ratings or with good reputation.

(iv) *Amount due from subsidiary*

The amount due from subsidiary is mainly trade nature. The Company measures loss allowances for amount due from subsidiary at an amount equal to lifetime ECLs individually and collectively using a provision matrix. As the Company's historical credit loss experience does not indicate significantly different loss patterns for different customer bases, the loss allowance based on past due status is not further distinguished between the Company's different customer bases.

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Current				
Gross carrying amount	—	—	213,201	423,142
Loss allowance	—	—	2,492	1,913

Movements in the loss allowance for impairment of amount due from subsidiary is as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB '000	RMB '000	RMB '000	RMB '000 (Unaudited)	RMB '000
At the beginning of the year/period	—	—	—	—	2,492
Provision/(reversal of provision) for loss allowance	—	—	2,492	445	(579)
At the end of the year/period	—	—	2,492	445	1,913

Changes in loss allowance for impairment of amount due from subsidiary during the Track Record Period were mainly contributed by the followings:

- For the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024 (unaudited) and 2025, (decrease)/increase in the ending balances of amount due from subsidiary resulted in a (decrease)/increase in loss allowance of nil, nil and RMB2,492,000, RMB445,000 and RMB(579,000), respectively.

(c) **Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amounts are derived from current interest rate at the end of each reporting period.

The Group

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at December 31, 2022						
Trade and bills payables	54,863	54,863	54,863	-	-	-
Other payables and accruals	180,788	180,788	180,788	-	-	-
Lease liabilities	344	350	350	-	-	-
Redemption liabilities	213,637	213,637	213,637	-	-	-
Borrowings	313,188	334,822	151,178	76,246	107,398	-
	<u>762,820</u>	<u>784,460</u>	<u>600,816</u>	<u>76,246</u>	<u>107,398</u>	<u>-</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at December 31, 2023						
Trade and bills payables	32,912	32,912	32,912	-	-	-
Other payables and accruals	189,554	189,554	189,554	-	-	-
Lease liabilities	261	263	263	-	-	-
Redemption liabilities	16,673	16,673	16,673	-	-	-
Borrowings	1,126,992	1,240,896	349,062	246,995	385,872	258,967
	<u>1,366,392</u>	<u>1,480,298</u>	<u>588,464</u>	<u>246,995</u>	<u>385,872</u>	<u>258,967</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at December 31, 2024						
Trade and bills payables	71,883	71,883	71,883	-	-	-
Other payables and accruals	142,631	142,631	142,631	-	-	-
Lease liabilities	67	67	67	-	-	-
Redemption liabilities	18,007	18,007	18,007	-	-	-
Borrowings	1,112,130	1,244,892	335,835	163,592	465,163	280,302
	<u>1,344,718</u>	<u>1,477,480</u>	<u>568,423</u>	<u>163,592</u>	<u>465,163</u>	<u>280,302</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at September 30, 2025						
Trade and bills payables	154,964	154,964	154,964	-	-	-
Other payables and accruals	101,730	101,730	101,730	-	-	-
Lease liabilities	66	66	66	-	-	-
Derivative financial instruments	2,140	2,140	2,140	-	-	-
Borrowings	769,538	877,765	91,075	95,710	613,309	77,671
	<u>1,028,438</u>	<u>1,136,665</u>	<u>349,975</u>	<u>95,710</u>	<u>613,309</u>	<u>77,671</u>

The Company

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at December 31, 2022						
Trade and bills payables	54,863	54,863	54,863	—	—	—
Other payables and accruals	180,788	180,788	180,788	—	—	—
Lease liabilities	344	350	350	—	—	—
Redemption liabilities	213,637	213,637	213,637	—	—	—
Borrowings	313,188	334,822	151,178	76,246	107,398	—
	<u>762,820</u>	<u>784,460</u>	<u>600,816</u>	<u>76,246</u>	<u>107,398</u>	<u>—</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at December 31, 2023						
Trade and bills payables	32,912	32,912	32,912	—	—	—
Other payables and accruals	189,554	189,554	189,554	—	—	—
Lease liabilities	261	263	263	—	—	—
Redemption liabilities	16,673	16,673	16,673	—	—	—
Borrowings	1,126,992	1,240,896	349,062	246,995	385,872	258,967
	<u>1,366,392</u>	<u>1,480,298</u>	<u>588,464</u>	<u>246,995</u>	<u>385,872</u>	<u>258,967</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at December 31, 2024						
Trade and bills payables	36,870	36,870	36,870	—	—	—
Other payables and accruals	140,623	140,623	140,623	—	—	—
Redemption liabilities	18,007	18,007	18,007	—	—	—
Borrowings	1,076,142	1,208,904	299,847	163,592	465,163	280,302
	<u>1,271,642</u>	<u>1,404,404</u>	<u>495,347</u>	<u>163,592</u>	<u>465,163</u>	<u>280,302</u>

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
As at September 30, 2025						
Trade and bills payables	30,688	30,688	30,688	—	—	—
Other payables and accruals	100,017	100,017	100,017	—	—	—
Derivative financial instruments	470	470	470	—	—	—
Borrowings	769,538	877,765	91,075	95,710	613,309	77,671
	<u>900,713</u>	<u>1,008,940</u>	<u>222,250</u>	<u>95,710</u>	<u>613,309</u>	<u>77,671</u>

(d) Foreign currency risk

The Group

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has foreign currency exposures. Such exposures arise from the balances of assets and liabilities in currencies other than the group entities' functional currency. The carrying amounts of the foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
Assets				
EURO ("EUR")	8,985	344	–	–
United state dollars ("USD")	8,626	427,236	1,155,815	1,336,922
	<u>17,611</u>	<u>427,580</u>	<u>1,155,815</u>	<u>1,336,922</u>
Liabilities				
EUR	26,322	48,969	41,768	31,505
USD	28,402	7,908	1,748	–
	<u>54,724</u>	<u>56,877</u>	<u>43,516</u>	<u>31,505</u>

Management monitors foreign currency exposure by closely monitoring the movements of foreign currency rates. Management has set up a policy to require the group entities to manage their foreign exchange risk against their respective functional currency.

The following table indicates the approximate change in the Group's profit before tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period. A positive number below indicates an increase in profit before tax where the RMB strengthens against the relevant currency. For a weakening of the RMB against the relevant currency, there would be an equal and opposite impact on the profit before tax, and the balances below would be negative. The 5% change in foreign exchange rate is used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible changes in foreign exchange rates.

The following sensitivity analysis has been determined based on the assumed percentage changes in foreign exchange rates taking place at the beginning of the reporting year/period and held constant throughout the year/period.

	As at December 31,						As at September 30,	
	2022		2023		2024		2025	
	Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax	
EUR	USD	EUR	USD	EUR	USD	EUR	USD	
RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	
Changes in exchange rate:								
RMB appreciates by 5% against the foreign currencies	867	989	2,431	(20,966)	2,088	(57,703)	1,575	(66,846)
RMB depreciates by 5% against the foreign currencies	(867)	(989)	(2,431)	20,966	(2,088)	57,703	(1,575)	66,846

The Company

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign currency exposures. Such exposures arise from the balances of assets and liabilities in currencies other than the Company's functional currency. The carrying amounts of the foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	As at December 31,			As at
	2022	2023	2024	September 30,
	RMB '000	RMB '000	RMB '000	2025
				RMB '000
Assets				
EUR	8,985	344	–	–
USD	8,626	427,236	1,102,345	1,120,533
	<u>17,611</u>	<u>427,580</u>	<u>1,102,345</u>	<u>1,120,533</u>
Liabilities				
EUR	26,322	48,969	41,768	31,505
USD	28,402	7,908	1,748	–
	<u>54,724</u>	<u>56,877</u>	<u>43,516</u>	<u>31,505</u>

Management monitors foreign currency exposure by closely monitoring the movements of foreign currency rates. Management has set up a policy to require the Company to manage their foreign exchange risk against their respective functional currency.

The following table indicates the approximate change in the Company's profit before tax in response to reasonably possible changes in the foreign exchange rates to which the Company has significant exposure at the end of the reporting period. A positive number below indicates an increase in profit before tax where the RMB strengthens against the relevant currency. For a weakening of the RMB against the relevant currency, there would be an equal and opposite impact on the profit before tax, and the balances below would be negative. The 5% change in foreign exchange rate is used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible changes in foreign exchange rates.

The following sensitivity analysis has been determined based on the assumed percentage changes in foreign exchange rates taking place at the beginning of the reporting year/period and held constant throughout the year/period.

	As at December 31,						As at September 30,	
	2022		2023		2024		2025	
	Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax		Increase/(decrease) in profit before tax	
	EUR	USD	EUR	USD	EUR	USD	EUR	USD
	RMB '000	RMB '000						
Changes in exchange rate:								
RMB appreciates by 5% against the foreign currencies	867	989	2,431	(20,966)	2,088	(55,030)	1,575	(56,027)
RMB depreciates by 5% against the foreign currencies	(867)	(989)	(2,431)	20,966	(2,088)	55,030	(1,575)	56,027

43. CONTINGENCIES

During the years ended December 31, 2022, 2023, 2024 and nine months ended September 30, 2025, there were ongoing disputes and legal proceeding between Xiamen Dangfeng Technology Co., Ltd. (“**Dangfeng Technology**”), one of the shareholders of the Company, and Zhu Xiaomin (朱曉閩), an independent third party, as to the shareholding of Dangfeng Technology in the Company. Zhu Xiaomin brought a legal action against Dangfeng Technology and the Company, pursuant to which he alleged that Dangfeng Technology held certain shares in the Company on trust for him, representing approximately 0.12% of the total issued share capital. As of December 31, 2024, such legal action was still ongoing and has not yet been settled. The court dismissed Zhu Xiaomin’s claims in the first instance in April 2025 and Zhu Xiaomin filed an appeal in May 2025. Considering (i) as confirmed by the PRC legal adviser of the Company, the Company will not be subject to cash or share payment obligations as a result of such legal proceeding, and (ii) the shares in dispute only account for 0.12% of the total issued share capital, which have no control or influence in the daily operation of the Company, the directors of the Company are of the view that the dispute will not have a material adverse impact on the financial position and operation of the Group. Subsequent to the filing of the appeal in May 2025, the Xiamen Intermediate People’s Court conducted a hearing in June 2025 and issued a final judgment in July 2025. The Court rejected Zhu Xiaomin’s request to be registered as a formal shareholder of the Company on its official register.

As of September 30, 2025, there were no significant contingency items for the Group and the Company.

44. SUBSEQUENT EVENT

There was no material event subsequent to the Track Record Period to be disclosed.

45. SUBSEQUENT FINANCIAL INFORMATION

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